

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



BOARD MEMBERS

DAVID ALVAREZ
LAURIE BERMAN*
C. APRIL BOLING
GREG COX
JIM DESMOND
COL. JOHN FARNAM*
ROBERT H. GLEASON
LLOYD B. HUBBS
JIM JANNEY
ERAINA ORTEGA*
PAUL ROBINSON
MARY SESSOM

* EX OFFICIO BOARD MEMBERS

PRESIDENT/CEO
THELLA F. BOWENS

BOARD

AGENDA

Thursday, May 21, 2015
9:00 A.M.

San Diego International Airport
Commuter Terminal – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

***Live webcasts of Authority Board meetings can be accessed at
<http://www.san.org/Airport-Authority/Meetings-Agendas?EntryId=1954>***

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.

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: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

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.*

The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Corporate & Information Governance/Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENTATIONS:

A. U.S. ENVIRONMENTAL PROTECTION AGENCY AWARD FOR CLIMATE LEADERSHIP:

Presented By Laura Engeman, San Diego Regional Climate Collaborative

B. FINANCIAL UPDATE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2015:

Presented by Kathy Kiefer, Senior Director, Finance & Asset Management

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

STANDING BOARD COMMITTEES

• **AUDIT COMMITTEE:**

Committee Members: Gleason, Hollingworth, Hubbs (Vice Chair), Robinson (Chair), Sessom, Tartre, Van Sambeek

• **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**

Committee Members: Alvarez (Vice Chair), Boling, Gleason, Hubbs (Chair), Robinson

• **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**

Committee Members: Cox, Desmond (Chair), Hubbs, Janney, Sessom (Vice Chair)

• **FINANCE COMMITTEE:**

Committee Members: Alvarez, Boling (Vice Chair), Cox (Chair), Janney, Sessom

ADVISORY COMMITTEES

• **AUTHORITY ADVISORY COMMITTEE:**

Liaison: Robinson (Primary), Boling

• **ART ADVISORY COMMITTEE:**

Committee Member: Gleason

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Liaison: Janney
- **CALTRANS:**
Liaison: Berman
- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cox
- **MILITARY AFFAIRS:**
Liaison: Farnam
- **PORT:**
Liaisons: Cox, Gleason (Primary), Robinson
- **WORLD TRADE CENTER:**
Representatives: Alvarez, Gleason (Primary)

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Alvarez (Primary), Hubbs

CHAIR'S REPORT:

PRESIDENT/CEO'S REPORT:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. 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.

CONSENT AGENDA (Items 1-23):

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 Board meetings.

RECOMMENDATION: Approve the minutes of the April 23, 2015, 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 Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MARCH 30, 2015 THROUGH APRIL 26, 2015, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 30, 2015 THROUGH APRIL 26, 2015:

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

4. MAY 2015 LEGISLATIVE REPORT:

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2015-0036, approving the May 2015 Legislative Report.

(Inter-Governmental Relations: Michael Kulis, Director)

5. AMEND AUTHORITY CODE 7.01 – PERSONAL CONDUCT, TO CLARIFY EXISTING LANGUAGE AND FORMATTING AND ADD SPECIFIC ENFORCEMENT LANGUAGE:

The Board is requested to amend the code.

RECOMMENDATION: Adopt Resolution No. 2015-0037, amending Authority Code 7.01 – Personal Conduct, to clarify existing language and formatting and add specific enforcement language.

(Airside Operations/Public Safety & Security: George Condon, Director)

6. AMEND AUTHORITY CODE 7.12 – RIGHT OF WAY, TO ADDRESS SPECIFIC WHEELED VEHICLES:

The Board is requested to amend the code.

RECOMMENDATION: Adopt Resolution No. 2015-0038, amending Authority Code 7.12 – Right of Way, to address specific wheeled vehicles.

(Airside Operations/Public Safety & Security: George Condon, Director)

7. CLARIFICATION REGARDING THE BUSINESS PERFORMANCE INCENTIVE:

The Board is requested to amend the program.

RECOMMENDATION: Adopt Resolution No. 2015-0039, approving clarifications to the Business Performance Incentive.

(Talent, Culture and Learning: Kurt Gering, Director)

CLAIMS

8. REJECT THE CLAIM OF ANN BRADEN:

The Board is requested to reject a claim.

RECOMMENDATION: Adopt Resolution No. 2015-0040, rejecting the claim of Ann Braden.

(Legal: Breton Lobner, General Counsel)

9. REJECT THE CLAIM OF COLLEEN BRANDT:

The Board is requested to reject a claim.

RECOMMENDATION: Adopt Resolution No. 2015-0041, rejecting the claim of Colleen Brandt.

(Legal: Breton Lobner, General Counsel)

COMMITTEE RECOMMENDATIONS

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

The Board is requested to approve the amendments.

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2015-0042, approving amendments to Authority Policy 4.40 – Debt Issuance and Management Policy.

(Finance & Asset Management: Scott Brickner, Vice President/Treasurer)

11. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/TREASURER:

The Board is requested to approve the amendments and delegate authority to invest and manage funds.

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2015-0043, approving amendments to Authority Policy 4.20 – Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Finance and Asset Management/Treasurer.

(Finance & Asset Management: Scott Brickner, Vice President/Treasurer)

12. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2015:

The Board is requested to accept the report.

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

(Finance & Asset Management: Kathy Kiefer, Senior Director)

13. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2015:

The Board is requested to accept the report.

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

(Financial Management: Michael Sears, Director)

14. FISCAL YEAR 2015 THIRD QUARTER AUDIT ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:

The Board is requested to accept the report.

RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

(Audit: Mark A. Burchyett, Chief Auditor)

15. FISCAL YEAR 2016 PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:

The Board is requested to approve the proposed audit plan.

RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2015-0044, approving the Fiscal Year 2016 Proposed Audit Plan of the Office of the Chief Auditor.

(Audit: Mark A. Burchyett, Chief Auditor)

CONTRACTS AND AGREEMENTS

16. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE LEGAL SERVICES AGREEMENT WITH BEST BEST & KRIEGER, LLP:

The Board is requested to approve an amendment.

RECOMMENDATION: Adopt Resolution 2015-0046, approving and authorizing the President/CEO to execute a First Amendment to the agreement with Best Best & Krieger, LLP, increasing the contract amount by \$300,000 for a total contract amount not-to-exceed \$600,000.

(Legal: Breton Lobner, General Counsel)

17. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A CONSENT TO ASSIGNMENT WITH ADVANTAGE OPCO, LLC:

The Board is requested to approve the Consent to Assignment.

RECOMMENDATION: Adopt Resolution No. 2015-0047, approving and authorizing the President/CEO to execute a Consent to Assignment with Advantage Opco, LLC.

(Finance & Asset Management: Kathy Kiefer, Senior Director)

18. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A PUBLIC IMPROVEMENT MAINTENANCE AGREEMENT WITH THE CITY OF SAN DIEGO:

The Board is requested to approve an agreement.

RECOMMENDATION: Adopt Resolution No. 2015-0048, approving and authorizing the President/CEO to negotiate and execute a Public Improvement Maintenance Agreement with the City of San Diego in support of the Rental Car Center Wayfinding signage project.

(Finance & Asset Management: Kathy Kiefer, Senior Director)

19. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A LETTER OF INTENT WITH THE SAN DIEGO UNIFIED PORT DISTRICT AND THE CITY OF SAN DIEGO REGARDING THE WORLD TRADE CENTER SAN DIEGO:

The Board is requested to execute a letter of intent.

RECOMMENDATION: Adopt Resolution No. 2015-0053, authorizing the President/CEO to execute a Letter of Intent with the San Diego Unified Port District and the City of San Diego regarding World Trade Center San Diego, and authorizing related actions necessary to complete the formation of a legal entity to manage the World Trade Center San Diego consistent with the Letter of Intent.

(Air Service Development: Hampton Brown, Director)

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

20. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH HALEY AND ALDRICH, INCORPORATED FOR ON-CALL ENVIRONMENTAL PROGRAM MANAGEMENT SERVICES:

The Board is requested to approve an agreement.

RECOMMENDATION: Adopt Resolution No. 2015-0045, approving and authorizing the President/CEO to execute an agreement with Haley and Aldrich, Incorporated, for On-Call Environmental Program Management Services for a term of three years, with the option for two, one-year extensions, in an amount not to exceed \$4,750,000.

(Environmental Affairs: Paul Manasjan, Director)

21. AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC., FOR QUIETER HOME PROGRAM PHASE 8, GROUP 6, PROJECT NO. 380806 (43 HISTORIC AND NON-HISTORIC SINGLE AND MULTI-FAMILY UNITS ON 16 RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT):

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2015-0049, awarding a contract to G&G Specialty Contractors, Inc., in the amount of \$1,523,682, for Phase 8, Group 6, Project No. 380806, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

(Airport Planning & Noise Mitigation: Keith Wilschetz, Director)

22. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE FIRST AMENDMENTS TO THE ON-CALL GENERAL CONSTRUCTION SERVICE AGREEMENTS WITH (1) DYNAMIC CONTRACTING SERVICES, INC.; (2) THE VASQUEZ COMPANY; (3) EC CONSTRUCTORS, INC.; (4) GORDON-PRILL SAN DIEGO, INC.; AND, (5) RAL INVESTMENT CORPORATION DBA SILVERSTRAND CONSTRUCTION:

The Board is requested to approve the amendments.

RECOMMENDATION: Adopt Resolution No. 2015-0050, approving and authorizing the President/CEO to execute first amendments to the On-Call General Construction Service Agreements with (1) Dynamic Contracting Services, Inc.; (2) The Vasquez Company; (3) EC Constructors, Inc.; (4) Gordon-Prill San Diego, Inc.; and (5) RAL Investment Corporation dba Silverstrand Construction, increasing the total amount payable by \$2,000,000 for an aggregate total not-to-exceed compensation amount of \$5,000,000 for all five agreements.

(Facilities Management: Murray J. Bauer, Director)

23. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE ON-CALL APRON AND RAMP CLEANING SERVICE AGREEMENT WITH ABHE & SVOBODA, INC.:

The Board is requested to approve an agreement.

RECOMMENDATION: Adopt Resolution No. 2015-0051, approving and authorizing the President/CEO to execute an On-Call Apron And Ramp Cleaning Service Agreement with Abhe & Svoboda, Inc. for a term of three years, with the option for two one-year extensions to be exercised at the discretion of the President/CEO, for a total not-to-exceed compensation amount of \$1,200,000 for 5 years, to provide On-Call Apron & Ramp Cleaning Services at San Diego International Airport.

(Facilities Management: Murray J. Bauer, Director)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

24. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2016, THE CAPITAL PROGRAM FOR FISCAL YEARS 2016-2020, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2017:

The Board is requested to approve the operating budget and capital program.

RECOMMENDATION: Adopt Resolution No. 2015-0052, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2016, the Capital Program for Fiscal Years 2016-2020, and conceptually approving the Operating Budget for Fiscal Year 2017.

(Finance & Asset Management: Scott Brickner, Vice President/Treasurer)

25. 2015 GROUND TRANSPORTATION UPDATE:

The Board is requested to accept the update.

RECOMMENDATION: Accept the update.

(Ground Transportation: David Boenitz, Director)

CLOSED SESSION:

26. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

(Real property negotiations pursuant to Cal. Gov. Code § 54954.5(b) and § 54956.8.)

Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego.

Agency Negotiators: Scott Brickner, Finance & Asset Management, Vice President/Treasurer.

Negotiating Parties: San Diego Gas & Electric, United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties.

Under Negotiation: Sale – terms and conditions.

27. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL

28. 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-EI-NC

29. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Donna Wilson; John Wilson v. San Diego Port Authority; San Diego International Airport; San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2014-00015326-CU-PO-CTL (Meyer)

30. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Cal. Gov. Code §54956.9(a) and (d)(1).)

Jennifer Cain v. San Diego County Regional Airport Authority, et al
San Diego Superior Court Case No. 37-2014-00030402-CU-PO-CTL

31. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Cal. Gov. Code §54956.9(a) and (d)(1).)

Joan M. Ward v. San Diego County Regional Airport Authority, et al
San Diego Superior Court Case No. 37-2014-00022181-CU-WT-CTL

32. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Alice Boehm v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2014-00022124-CU-PO-CTL

33. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(a) and 54956.9(b).)

Jay A. Bass, et al v. San Diego City Employees' Retirement System, et al.,
San Diego Superior Court Case No. 37-2013-00077566-CU-OE-CTL

34. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)

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

35. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)
Number of cases: 2

REPORT ON CLOSED SESSION:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. 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.

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)

- 1) Persons wishing to address the Board, ALUC, and Committees shall **complete a "Request to Speak" form prior to the initiation of the 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 Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees 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 could not be heard during the first Public Comment period.
- 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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You may also reach the Commuter Terminal 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>
June 25	Thursday	9:00 a.m.	Regular	Board Room
July 23	Thursday	9:00 a.m.	Regular	Board Room



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

Financial Update of the Unaudited Financial Statements for the Nine Months Ended March 31, 2015

Presented by:

Kathy Kiefer

Senior Director, Finance & Asset Management

Michael Sears

Director, Financial Management

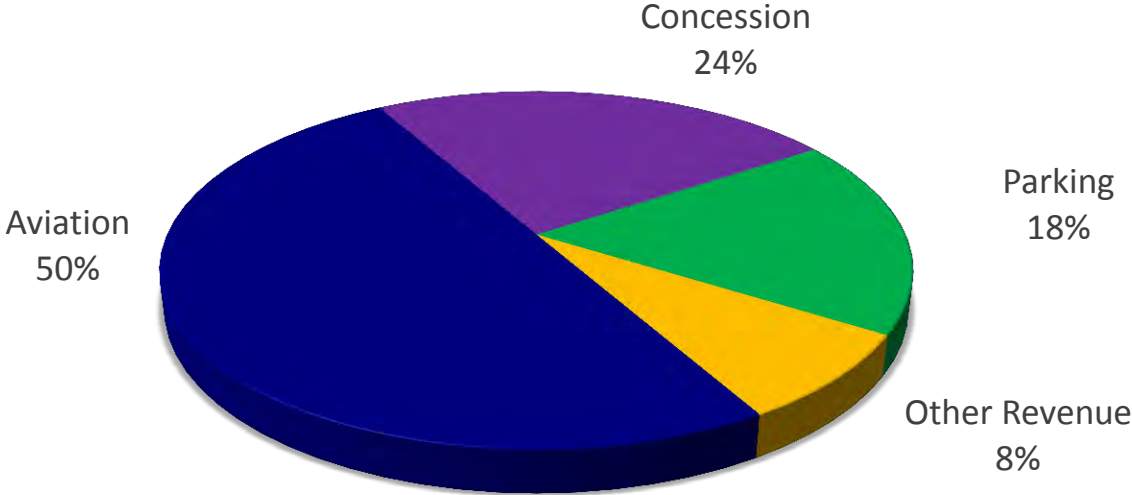
May 21, 2015



**Revenue & Expenses (Unaudited)
For the Nine Months Ended
March 31, 2015**

Operating Revenues by Percentage for the Nine Months Ended March 31, 2015 (Unaudited) (\$ in thousands)

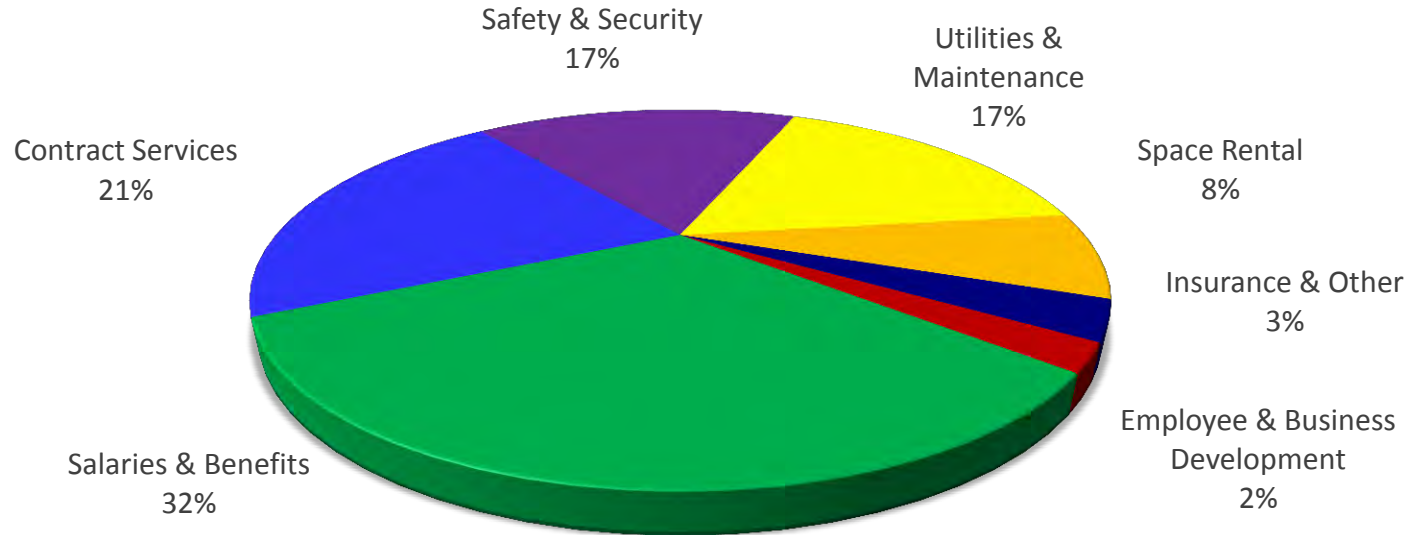
Actual Operating Revenues by Percentage



	Aviation Revenue	Concession Revenue	Parking Revenue	Other Revenue	Total Revenue
Prior Year	\$ 72,910	\$ 35,355	\$ 26,871	\$ 10,378	\$ 145,514
Budget	79,115	36,392	29,077	12,436	157,020
Actual	79,709	38,386	28,780	12,546	159,421
Variance	594	1994	(297)	110	2,401

Operating Expenses by Percentage for the Nine Months Ended March 31, 2015 (Unaudited) (\$ in thousands)

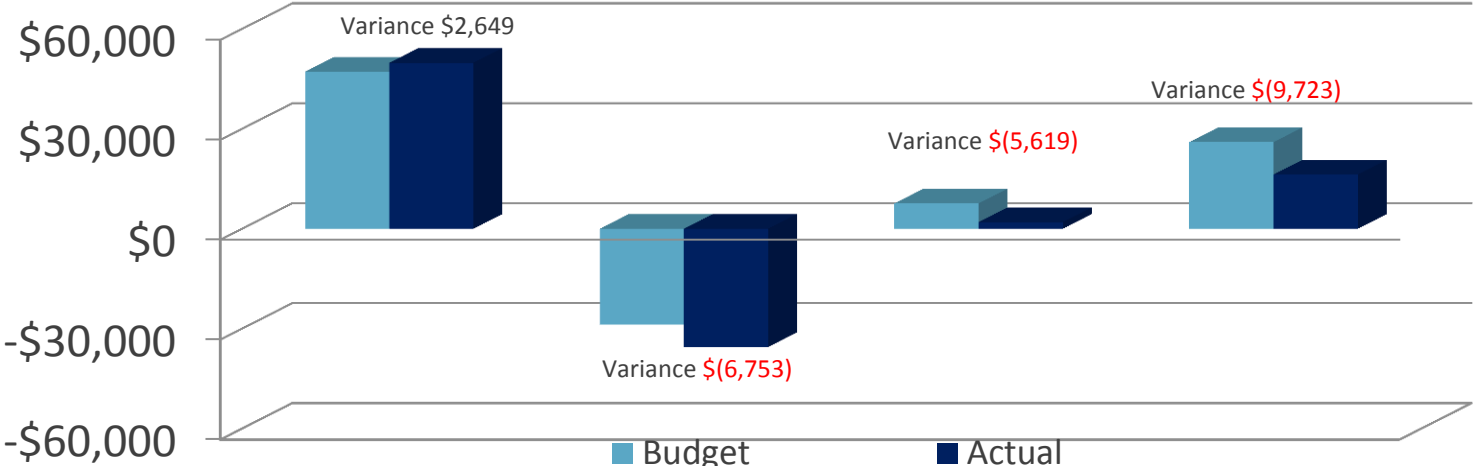
Actual Operating Expenses by Percentage



	Salaries & Benefits	Contract Services	Safety & Security	Utilities & Maintenance	Space Rental	Insurance & Other	Employee & Business Dev.	Total Operating Expenses
Prior Year	\$ 28,892	\$ 22,846	\$ 18,195	\$ 15,126	\$ 7,786	\$ 3,189	\$ 2,524	\$ 98,558
Budget	37,662	25,232	18,335	19,185	7,845	4,298	2,952	115,509
Actual	33,763	22,285	17,733	17,892	7,825	3,514	2,439	105,451
Variance	3,899	2,947	602	1,293	20	784	513	10,058

Non-operating Revenue & Expenses for the Nine Months Ended March 31, 2015 (Unaudited) (\$ in thousands)

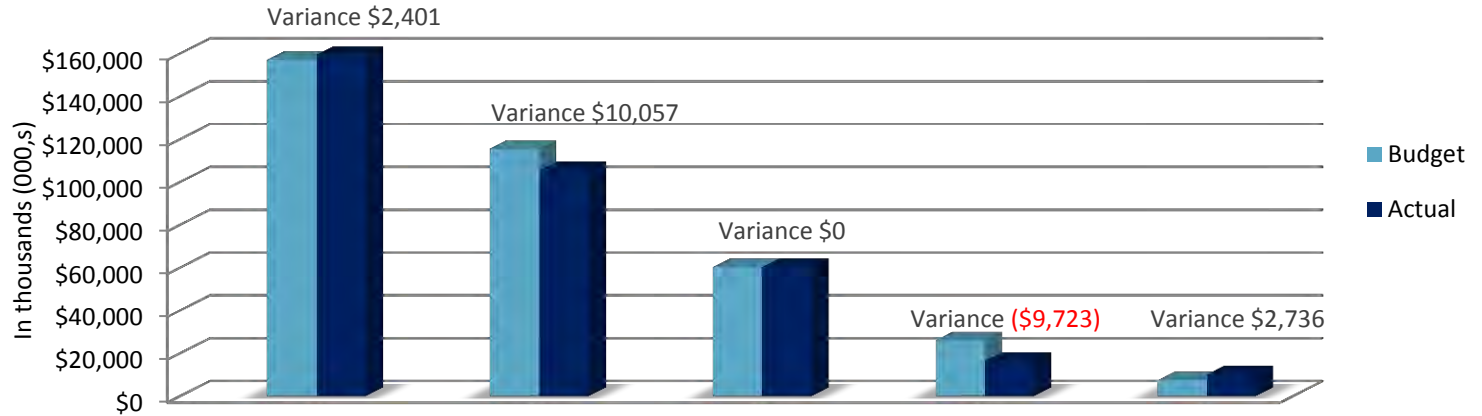
For the Nine Months Ended March 31, 2015



	Passenger Facility Charge, Customer Facility Charge, & Quieter Home Program	Interest expense, interest income, capitalized interest (net)	Capital grant contributions & other	Total non-operating revenue, (net)
Prior Year	\$ 44,011	\$ (28,642)	\$ 4,512	\$ 19,881
Budget	47,173	(28,765)	7,603	26,011
Actual	49,822	(35,518)	1,984	16,288
Variance	2,649	(6,753)	(5,619)	(9,723)

Financial Summary For the Nine Months Ended March 31, 2015 (unaudited) (\$ in thousands)

For the Nine Months Ended March 31, 2015



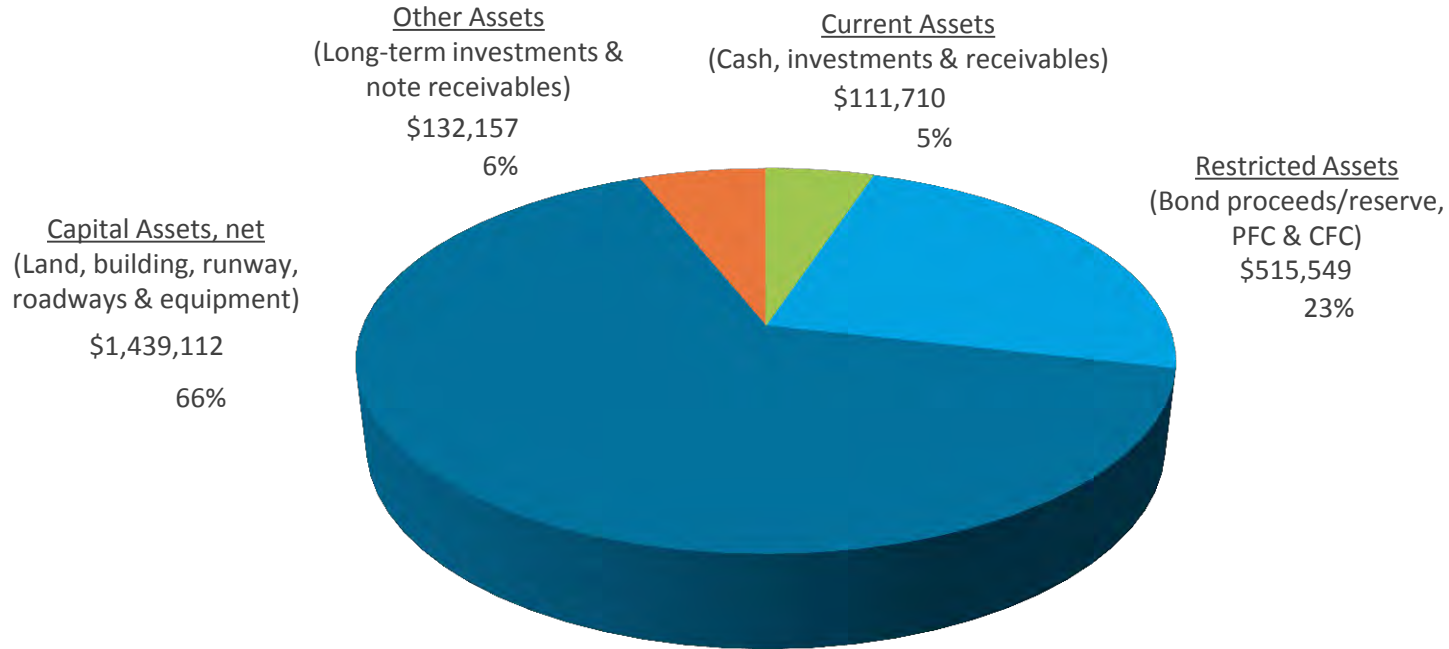
	Total operating revenues	Total operating expenses	Depreciation	Total non-operating revenues, (net)	Net Position
Prior Year	\$ 145,514	\$ 98,558	59,534	\$ 19,881	\$ 7,303
Budget	157,020	115,509	60,213	26,011	7,309
Actual	159,421	105,451	60,213	16,288	10,045
Variance	2,401	10,058	0	(9,723)	2,736

Statement of Net Position, as of March 31, 2015

(Unaudited) (\$ in thousands)

Assets

Total: \$2,198,528

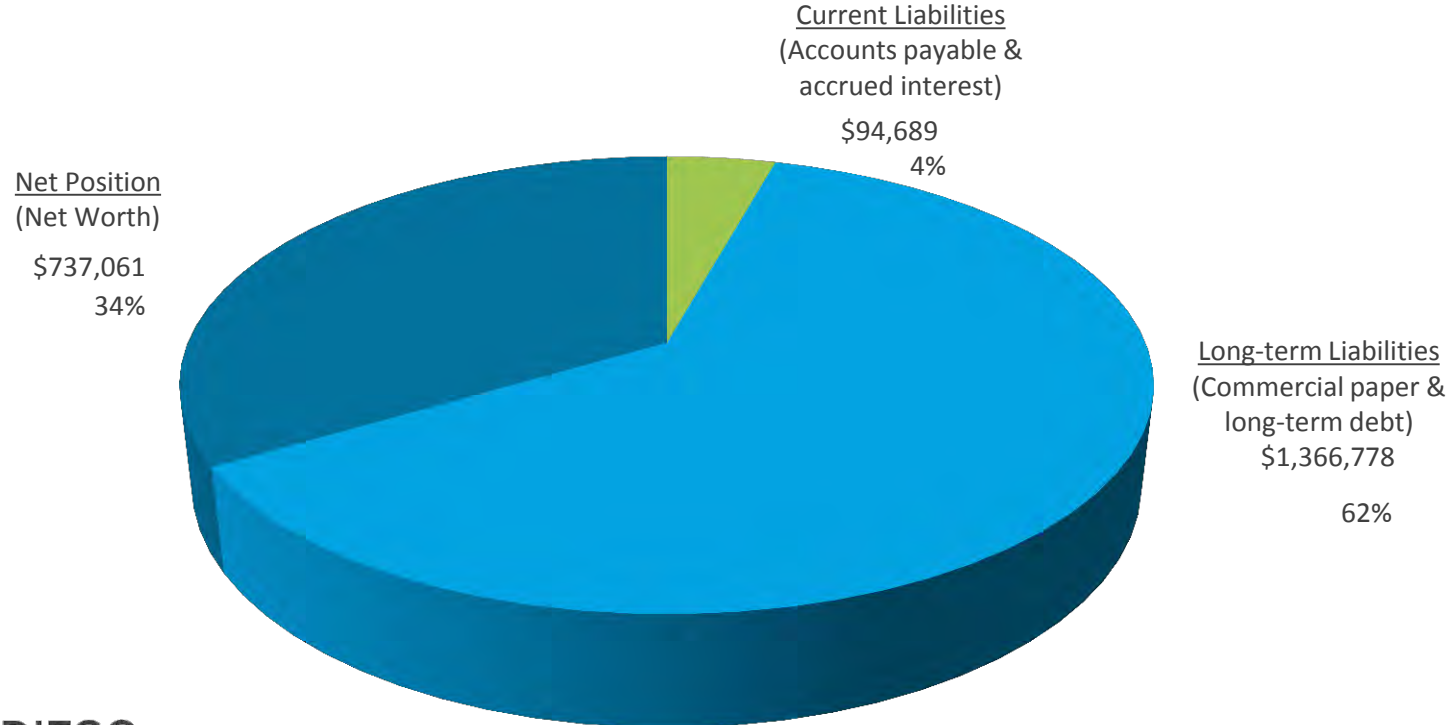


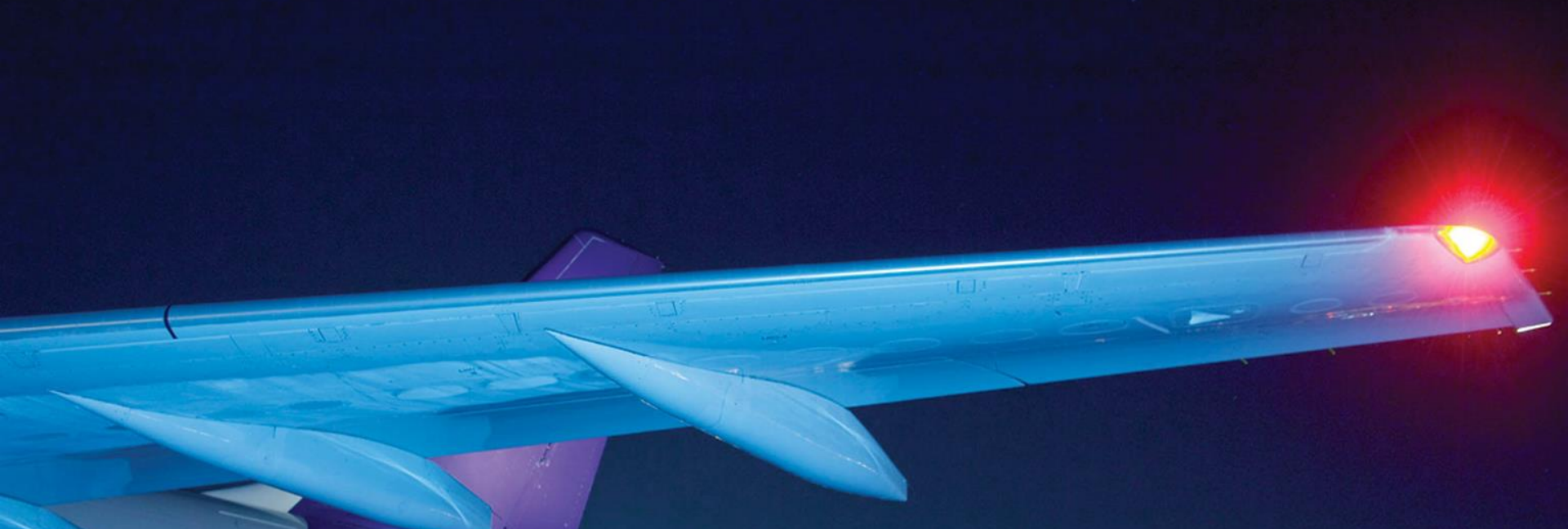
Statement of Net Position, as of March 31, 2015

(Unaudited) (\$ in thousands)

Liabilities & Net Position

Total: \$2,198,528





Authority's Investments

Total Portfolio Summary

	Current Period	Prior Period	Change From
	March 31, 2015	December 31, 2014	Prior
Book Value (1)	\$346,484,000	\$340,123,000	\$6,361,000
Market Value (1)	\$346,325,000	\$339,696,000	\$6,629,000
Market Value%	99.95%	99.87%	0.08%
Unrealized Gain / (Loss)	(\$159,000)	(\$427,000)	\$268,000
Weighted Average Maturity (Days)	310 days	317 days	(7)
Weighted Average Yield as of Period End	0.57%	0.53%	0.04%
Cash Interest Received- Quarter-to-Date	\$675,000	\$341,000	\$334,000
Cash Interest Received- Year-to-Date	\$1,327,000	\$652,000	\$675,000
Accrued Interest	\$342,000	\$445,000	(\$103,000)

Notes:

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



Authority's Bond Proceeds

Bond Proceeds Summary

SUMMARY OF 2010, 2013 & 2014 BOND PROCEEDS *

As of: March 31, 2015

(in thousands)

	Series 2010	Series 2013	Series 2014	Total	Yield	Rating
<u>Project Fund</u>						
LAIF	\$ -	\$ -	\$ 52,992	\$ 52,992	0.28%	N/R
SDCIP	-	56,995	79,121	136,116	0.50%	AAAf
	\$ -	\$ 56,995	\$ 132,113	\$ 189,108		
<u>Capitalized Interest</u>						
SDCIP	\$ -	219	\$ 16,294	\$ 16,513	0.50%	AAAf
	\$ -	\$ 219	\$ 16,294	\$ 16,513		
<u>Debt Service Reserve & Coverage Funds</u>						
SDCIP	\$ 30,165	\$ 32,926	\$ 13,431	\$ 76,522	0.50%	AAAf
East West Bank CD	20,733	-	-	20,733	0.75%	N/R
Torrey Pines DDA	-	-	15,078	15,078	0.40%	N/R
	\$ 50,898	\$ 32,926	\$ 28,509	\$ 112,333		
	\$ 50,898	\$ 90,140	\$ 176,916	\$ 317,954	0.47%	

*Bond proceeds are not included in deposit limits as applied to operating funds



Questions?



DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, APRIL 23, 2015
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM

CALL TO ORDER: Chair Gleason called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:05 a.m. on Thursday, April 23, 2015, in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Boling led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Alvarez, Boling, Desmond, Farnam (Ex Officio), Gleason, Hubbs, Janney, Robinson

ABSENT: Board Members: Berman (Ex Officio), Cox, Ortega (Ex Officio), Sessom

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Sara Real, Assistant Authority Clerk I

Board Member Alvarez arrived at 9:15 a.m.

PRESENTATION:

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Robinson announced that the next Committee Meeting is scheduled on May 4, 2015.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Board Member Hubbs announced that the next Committee Meeting is scheduled on April 30, 2015.

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond announced that the next Committee Meeting is scheduled on June 17, 2015.
- **FINANCE COMMITTEE:** None.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:**
Chair Gleason reported that there were 20 responsive applicants for the Parking Plaza Public Art Opportunity Request for Qualifications. He stated that the artist selection panel will be meeting in May.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Board Member Janney reported that he has been working with the Cities of Coronado and Imperial Beach on the land use plans for Naval Air Station North Island, Coronado.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:** None
- **MILITARY AFFAIRS:** None.
- **PORT:** None.
- **WORLD TRADE CENTER:**
Chair Gleason reported that after discussions with the City of San Diego and the Port of San Diego, consensus has been reached on how to provide services on a regional basis going forward, and that there will be an item on the next Board agenda regarding the license.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Hubbs reported that budget increases were recently approved for Bus Rapid Transit for I-15. He also reported that the midcoast trolley line will be starting soon and will be a major connection between the University of California San Diego, University Town Center and downtown.

CHAIR'S REPORT:

Chair Gleason reported that he and other Board Members attended the Airport Council International Conference. He also reported that the National Geographic Smart Cities documentary on San Diego has premiered, which is an overview of all the innovative things that are happening in San Diego across the region and across industries. He stated that San Diego is the only city in North America being featured.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that air service at the Commuter Terminal will cease on June 3, 2015. She stated that the airlines are being relocated to the main terminals, and the parking lot in front of the Commuter Terminal will be redeployed. She reported that the Authority has scheduled May 6-8 for Customer Appreciation events during National Travel & Tourism Week, which is an opportunity for the Authority to thank the many passengers that use our airport. She reported that the topping out ceremony for the Rental Car Center will be in June, and that there will also be an opportunity to celebrate the naming of the interior roadway as Admiral Boland Way. She also reported that four design-build teams have been short listed for the Parking Plaza RFP. She also reported that the Green Build has received the Engineering News Record "Best of the Best 2014" award.

Board Member Alvarez reported on his Mexico delegation trip, stating that he had meetings with officials on tourism and border infrastructure.

NON-AGENDA PUBLIC COMMENT:

CONSENT AGENDA (Items 1-15):

Chair Gleason requested that Items 4 and 15 be pulled for discussion.

ACTION: Moved by Board Member Robinson and seconded by Board Member Boling to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Alvarez, Boling, Desmond, Gleason, Hubbs, Janney, Robinson; NO – None; ABSENT – Cox, Sessom. (Weighted Vote Points: YES – 84; NO – 0; ABSENT – 16)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the March 19, 2015, 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:**
RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.
3. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM FEBRUARY 23, 2015 THROUGH MARCH 29, 2015 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM FEBRUARY 23, 2015 THROUGH MARCH 29, 2015:**
RECOMMENDATION: Receive the report.
4. **APRIL 2015 LEGISLATIVE REPORT:**
ACTION: This item was pulled from the Consent Agenda for discussion.
5. **AMEND AUTHORITY POLICY 9.20 – SAN DIEGO INTERNATIONAL AIRPORT NOISE ADVISORY COMMITTEE (ANAC):**
RECOMMENDATION: Adopt Resolution No. 2015-0025, amending Authority Policy 9.20 – San Diego International Airport Noise Advisory Committee (ANAC).
6. **AMEND AUTHORITY CODE 7.03 – SMOKING, TO ADDRESS ELECTRONIC DELIVERY DEVICES:**
RECOMMENDATION: Adopt Resolution No. 2015-0026, amending Authority Code 7.03 – Smoking, to Address Electronic Delivery Devices.
7. **GRANT A WATER EASEMENT TO THE CITY OF SAN DIEGO:**
RECOMMENDATION: Adopt Resolution No. 2015-0027, authorizing the President/CEO to negotiate and execute a water easement with the City of San Diego in support of north side development projects.

CLAIMS

8. **REJECT THE CLAIM OF JAMES WALTERS:**
RECOMMENDATION: Adopt Resolution No. 2015-0028, rejecting the claim of James Walters.

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

- 9. APPROVE AND AUTHORIZE AN INCREASE TO THE CONTRACT DURATION FOR CONSTRUCT ELECTRICAL DISTRIBUTION SYSTEM (12KV) PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2015-0029, approving and authorizing an increase to the contract duration from 479 days to 661 days, for Project No. 104136, Construct Electrical Distribution System (12kV) at San Diego International Airport.
- 10. APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY FOR PROJECT 104118 NORTH SIDE INTERIOR ROAD AND UTILITIES, FROM \$372,953 TO \$453,000:**
RECOMMENDATION: Adopt Resolution No. 2015-0030, approving and authorizing an increase in the President/CEO's change order authority from \$372,953 to an amount not to exceed \$452,953, for Project No. 104118, North Side Interior Road and Utilities at San Diego International Airport.
- 11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE TECHNICAL SUPPORT SERVICES AGREEMENT WITH ORACLE AMERICA, INC.:**
RECOMMENDATION: Adopt Resolution No. 2015-0031, approving and authorizing the President/CEO to execute a First Amendment to the Technical Support Services Agreement with Oracle America, Inc., extending the term for 5 years and increasing the compensation amount by \$750,000 for a not-to-exceed amount of \$1,625,000.
- 12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH THE CITY OF SAN DIEGO FOR THE EMT-PARAMEDIC SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2015-0032, approving and authorizing the President/CEO to execute a Second Amendment to the Agreement for Emergency Medical Technician (EMT)-Paramedic services between the San Diego County Regional Airport Authority and the City of San Diego, to increase the compensation amount by \$500,000 for a total not-to-exceed compensation amount of \$5,318,000 and to exercise the two one-year renewal periods.

13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH OCEAN BLUE ENVIRONMENTAL SERVICES, INCORPORATED, FOR PROFESSIONAL ON-CALL HAZARDOUS WASTE DISPOSAL SERVICES:

RECOMMENDATION: Adopt Resolution No. 2015-0033, approving and authorizing the President/CEO to execute a First Amendment to the Agreement with Ocean Blue Environmental Services, Incorporated, for professional on-call hazardous waste disposal services to increase the original overall not-to-exceed Agreement amount of \$3,750,000 by \$2,000,000 for a revised overall not-to-exceed Agreement amount of \$5,750,000.

14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A LICENSE AGREEMENT AND GENERATING FACILITY INTERCONNECTION AGREEMENTS WITH SAN DIEGO GAS & ELECTRIC COMPANY ASSOCIATED WITH THE TERMINAL 2 SOLAR PHOTOVOLTAIC GENERATING SYSTEMS AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2015-0034, approving and authorizing the President/CEO to negotiate and execute: (1) a license agreement with San Diego Gas & Electric Company ("SDG&E"), for the installation, operation, and maintenance of smart meter network communications devices, for a maximum term of 20 years; and (2) two Generating Facility Interconnection Agreements with SDG&E to permit the San Diego County Regional Airport Authority to interconnect and operate electrical generating facilities on the Terminal 2 West roof and in the Terminal 2 parking lot in parallel with SDG&E's distribution system, at San Diego International Airport.

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

15. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY FOR CONSTRUCT RENTAL CAR CENTER (RCC) BUS PARKING FACILITY AT SAN DIEGO INTERNATIONAL AIRPORT:

ACTION: This item was pulled from the Consent Agenda for discussion.

ITEMS PULLED FROM THE CONSENT AGENDA FOR DISCUSSION:

4. APRIL 2015 LEGISLATIVE REPORT:

Mike Kulis, Director, Inter-Governmental Relations, stated that staff is recommending that the position on AB 24 be changed because the bill includes the provision that Transportation Network Companies would be required to participate in the Department of Motor Vehicles Employer Pull Notice Program. He further stated that because the requirement that a Department of Justice criminal background check for TNC drivers was struck from the bill, staff is recommending that the Board adopt a "Support if Amended" position as this would allow the Authority to advocate for restoring the Department of Justice background check language if the bill continues to move forward.

RECOMMENDATION: Adopt Resolution No. 2015-0024, approving the April 2015 Legislative Report.

ACTION: Moved by Board Member Desmond and seconded by Board Member Robinson to approve staff's recommendation, as amended. Motion carried by the following vote: YES – Alvarez, Boling, Desmond, Gleason, Hubbs, Janney, Robinson; NO – None; ABSENT – Cox, Sessom. (Weighted Vote Points: YES – 84; NO – 0; ABSENT – 16)

15. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY FOR CONSTRUCT RENTAL CAR CENTER (RCC) BUS PARKING FACILITY AT SAN DIEGO INTERNATIONAL AIRPORT:

Iraj Ghaemi, Director, Facilities Development, provided an overview of the staff report.

In response to Board Member Alvarez regarding why the bus parking facility is not being built as part of the Rental Car Center, Mr. Ghaemi stated that there was limited space in that area to accommodate the facility.

Thella F. Bowens, President/CEO, noted that staff is working with the bus operators to determine the most cost effective way to transport passengers.

RECOMMENDATION: Adopt Resolution No. 2015-0035, awarding a contract to Granite Construction Company, in the amount of \$5,513,027 for Project No. 104181, Construct RCC Bus Parking Facility at San Diego International Airport.

ACTION: Moved by Board Member Hubbs and seconded by Board Member Boling to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Boling, Desmond, Gleason, Hubbs, Janney, Robinson; NO – None; ABSENT – Cox, Sessom. (Weighted Vote Points: YES – 84; NO – 0; ABSENT – 16)

The Board recessed at 9:42 a.m. and reconvened at 10:00 a.m.

000007

NEW BUSINESS: None

WORKSHOP:

16. DISCUSSION REGARDING THE FISCAL YEAR 2016-2020 CAPITAL PROGRAM:

Jeffrey Woodson, Vice President, Development, and Iraj Ghaemi, Director, Facilities Development, provided a presentation on the Fiscal Year 2016-2020 Capital Program, which included the Capital Improvement Program (CIP) Overview, CIP Project Development Process, Proposed New FY2016-2020 CIP Projects, Proposed FY 2016-2020 Capital Project Adjustments, and Capital Project Summary.

Board Member Hubbs expressed concern that SANDAG should do more to make the trolley stop that will be connected to the observation area more user-friendly. He also requested that staff provide a report on which projects are current and which have been closed.

Board Member Alvarez requested that staff indicate which year each project is scheduled to begin.

In response to Board Member Boling regarding the estimates on what the annual cost savings will be for the HVAC modernization, Thella F. Bowens, President/CEO, stated that staff will provide the Board with information regarding energy usage and costs.

Chair Gleason suggested that the Authority get someone on board early to integrate art into the observation area.

Board Member Janney urged staff to consider incorporating San Diego's climate into future projects by creating outdoor spaces.

Board Member Hubbs questioned if the Authority have discussed mitigating the least terns with SANDAG because they have a very robust plan for mitigation.

Chair Gleason stated that the Board will see all projects, the timelines, and the plan of finance at the budget workshop. He requested that the place holders for projects in this year's program be reviewed next year with an update to the Board.

Board Member Boling requested that staff provide the next two or three projects on staff's priority list that didn't make it into the program.

ACTION: No action taken.

CLOSED SESSION: The Board recessed into Closed Session at 11:07 a.m. to discuss Item 26.

- 17. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
(Real property negotiations pursuant to Cal. Gov. Code § 54954.5(b) and § 54956.8.)
Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego.
Agency Negotiators: Scott Brickner, Finance & Asset Management, Vice President/Treasurer.
Negotiating Parties: San Diego Gas & Electric, United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties.
Under Negotiation: Sale – terms and conditions.
- 18. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL
- 19. 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-EI-NC
- 20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Donna Wilson; John Wilson v. San Diego Port Authority; San Diego International Airport; San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2014-00015326-CU-PO-CTL (Meyer)
- 21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Jennifer Cain v. San Diego County Regional Airport Authority, et al
San Diego Superior Court Case No. 37-2014-00030402-CU-PO-CTL
- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Joan M. Ward v. San Diego County Regional Airport Authority, et al
San Diego Superior Court Case No. 37-2014-00022181-CU-WT-CTL
- 23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Alice Boehm v. San Diego County Regional Airport Authority, et al,
San Diego Superior Court Case No. 37-2014-00022124-CU-PO-CTL

24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(a) and 54956.9(b).)

Jay A. Bass, et al v. San Diego City Employees' Retirement System, et al.,
San Diego Superior Court Case No. 37-2013-00077566-CU-OE-CTL

25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)

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

26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)

Number of cases: 2

REPORT ON CLOSED SESSION: The Board reconvened at 11:41 a.m. There was no reportable action.

NON-AGENDA PUBLIC COMMENT: None.

GENERAL COUNSEL REPORT: None.

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: None.

ADJOURNMENT: The meeting was adjourned at 11:42 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 21st DAY OF MAY, 2015.

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000011



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
2

Meeting Date: **MAY 21, 2015**

Subject:

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

Recommendation:

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

Background/Justification:

Authority Policy 1.10 defines a "day of service" for Board Member compensation and outlines the requirements for Board Member attendance at meetings.

Pursuant to Authority Policy 1.10, Board Members are required to deliver to the Board a written report regarding their participation in meetings for which they are compensated. Their report is to be delivered at the next Board meeting following the specific meeting and/or training attended. The reports (Attachment A) were reviewed pursuant to Authority Policy 1.10 Section 5 (g), which defines a "day of service". The reports were also reviewed pursuant to Board Resolution No. 2009-0149R, which granted approval of Board Member representation for attending events and meetings.

The attached reports are being presented to comply with the requirements of Policy 1.10 and the Authority Act.

The Board is also being requested to pre-approve Board Member attendance at briefings by representatives of a local police department or a state or federal governmental agency regarding safety, security, immigration or customs affecting San Diego International Airport.

Fiscal Impact:

Board and Committee Member Compensation is included in the FY 2015 Budget.

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Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.

- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

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

GREG COX

SDCRAA
 APR 30 2015
 Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Member Event/Meeting/Training Report Summary

Period Covered: APRIL 1 - APRIL 30, 2015

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
GREG COX		APRIL 30, 2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>APRIL 6, 2015</u> Time: <u>9am</u> Location: <u>SDIA</u>	<u>SPECIAL EXECUTIVE/FINANCE COMMITTEE</u> <u>SPECIAL BOARD MEETING</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>APRIL 27, 2015</u> Time: <u>9am</u> Location: <u>SDIA</u>	<u>SDCRAA/SDUPD LIAISON</u> <u>COMMITTEE</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>APRIL 30, 2015</u> Time: <u>9:00am</u> Location: <u>SDAA</u>	<u>CAPITAL IMPROVEMENT PROGRAM</u> <u>OVERSIGHT COMMITTEE</u> <u>SPECIAL BOARD MEETING</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Greg Cox

JIM DESMOND

SDCRAA
MAY 04 2015
 Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
 Period Covered: MARCH/APRIL 2015

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
JIM DESMOND		5/4/15
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
Brown Act Pre-approved Res. 2009-0149R	Date: <u>3/19/15</u> Time: <u>9 AM</u> Location: <u>SDIA</u>	<u>Board Meeting</u>
Brown Act Pre-approved Res. 2009-0149R	Date: <u>4/23/15</u> Time: <u>9 AM</u> Location: <u>SDIA</u>	<u>Board Meeting</u>
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature:

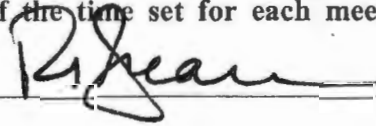
ROBERT GLEASON

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
 Period Covered: MARCH 2015

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
ROBERT H. GLEASON		April 24, 2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: March 2, 2015 Time: 9:00 am Location: Port offices	Port-Airport Leaders meeting with Chairman of the Port Commission
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: March 9, 2015 Time: 9:00 am Location: SDCRAA offices	Executive / Finance Committee meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: March 10, 2015 Time: 8:00 am Location: Balboa Park	Balboa Park Conservancy Board of Directors meeting; spoke on behalf of the Airport Authority
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: March 11, 2015 Time: 11:00 am Location: Hilton La Jolla	San Diego Regional Economic Development Corporation Global Summit
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: March 12, 2015 Time: 10:00 am Location: SDIA, T2	Ribbon cutting for Prado at the Airport; spoke on behalf of the Airport Authority
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: March 19, 2015 Time: 9:00 am Location: SDCRAA offices	ALUC / Board meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: March 24, 2015 Time: 1:30 pm Location: SDIA, T2	Media Tour; spoke on behalf of the Airport Authority
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

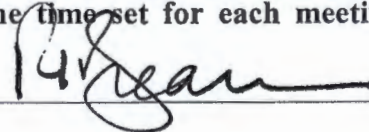
Signature: 

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
Period Covered: APRIL 2015

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
ROBERT H. GLEASON		May 8, 2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: April 6, 2015 Time: 9:00 am Location: SDCRAA offices	Executive / Finance Committee meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: April 20, 2015 Time: 10:00 am Location: City Hall	Quarterly Airport Authority briefings with Mayor Faulconer
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: April 23, 2015 Time: 9:00 am Location: SDCRAA offices	ALUC / Board meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: April 25, 2015 Time: 7:45 am Location: Shipley Center, T2	LEAD San Diego Influence program; spoke on behalf of the Airport Authority
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: April 27, 2015 Time: 9:00 am Location: SDCRAA offices	Port-Airport Leaders meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: April 30, 2015 Time: 12:00 pm & 6:00 pm Location: Washington, DC	Lunch with McBee Strategic; attend National Geographic Channel World's Smart Cities: DC Premiere Event on behalf of Airport Authority
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

ANDY HOLLINGWORTH

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
 Period Covered: 3Q 2015

SDCRAA
 MAY 04 2015
 Corporate & Information Governance

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
Andy Hollingworth		5/4/2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/4/2015 Time: 10:00 - 12:30 Location: BOARD Room	MAY AIRPORT Authority Audit Comte meets
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Andy Hollingworth

LLOYD HUBBS

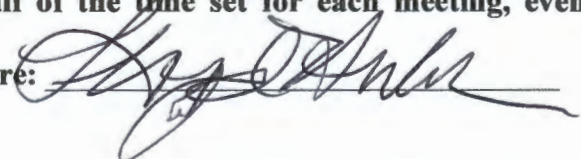
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
 Period Covered: April 2015

SDCRAA
APR 30 2015
 Corporate & Information Governance

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0007. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
LLOYD HUBBS		4/30/15
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/6/15 Time: 9:00 AM Location: AUTH Bd. Rm	Executive Mtg.
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/17/15 Time: 9:00 AM Location: SANDAG.	Transportation Comm
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/23/15 Time: 9:00 AM Location: AUTH. Bd. Rm	Board Mtg.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/30/15 Time: 9:00 AM Location: AUTH Bd. Rm	CIPOC Mtg.
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

PAUL ROBINSON

4/23/15

SDCRAA
MAY 01 2015
Corporate & Information Governance

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary**

Period Covered: 4/30/15

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
Paul E. Robinson		
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/6/15 Time: 9:00 a.m. - 10:30 a.m. Location: SDCRAA Bd Rm	SDCRAA Exec. Financ. Comm. Mtg
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/12/15 Time: 8:00 a.m. - 5:00 p.m. Location: New Orleans	ACTINA CONF
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/13/15 Time: 8:00 a.m. - 5:00 p.m. Location: New Orleans	ACTINA CONF
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/14/15 Time: 8:00 a.m. - 12:00 p.m. Location: New Orleans	ACTINA CONF
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/23/15 Time: 9:00 - 12:00 pm Location: SDCRAA Bd Rm	SDCRAA Bd / ALUC Mtgs.
<input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/27/15 Time: 9:00 - 10:30 a.m. Location: SDCRAA Offices	Mtgs w/ Port Commissioners
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/30/15 Time: 9:00 - 10:30 Location: SDCRAA Bd Rm	CIPOC Mtg
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: PE. Robinson

/

DON TARTRE

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: 5/4-15

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
Don Tartre		5/4-15
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/4-15 Time: 10AM Location: Board Room	AC Mtg
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

JACK VAN SAMBEEK

SDCRAA
MAY 04 2015
Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
Period Covered: 5-4-15

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
JACK VAN SAMBEEK		5-4-15
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-4-15 Time: 10 AM Location: Bd Conf Rm	Audit Committee
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: J P Van Sambek



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
3**

Meeting Date: **MAY 21, 2015**

Subject:

Awarded Contracts, Approved Change Orders from March 30, 2015 through April 26, 2015 and Real Property Agreements Granted and Accepted from March 30, 2015 through April 26, 2015

Recommendation:

Receive the report.

Background/Justification:

Policy Section Nos. 5.01, Procurement of Services, Consulting, Materials, and Equipment, 5.02, Procurement of Contracts for Public Works, and 6.01, Leasing Policy, require staff to provide a list of contracts, change orders, and real property agreements that were awarded and approved by the President/CEO or her designee. Staff has compiled a list of all contracts, change orders (Attachment A) and real property agreements (Attachment B) that were awarded, granted, accepted, or approved by the President/CEO or her designee since the previous Board meeting.

Fiscal Impact:

The fiscal impact of these contracts and change orders are reflected in the individual program budget for the execution year and on the next fiscal year budget submission. Amount to vary depending upon the following factors:

1. Contracts issued on a multi-year basis; and
2. Contracts issued on a Not-to-Exceed basis.
3. General fiscal impact of lease agreements reflects market conditions.

The fiscal impact of each reported real property agreement is identified for consideration on Attachment B.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

000014

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:



Inclusionary Policy requirements were included during the solicitation process prior to the contract award.

Prepared by:

JANA VARGAS
DIRECTOR, PROCUREMENT

Attachment "A"



AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN MARCH 30, 2015 - APRIL 26, 2015

 <p align="center"><u>New Contracts</u></p>							
Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
03/25/15	N/A	San Diego Tourism Authority	The Contractor will provide print advertising that feature San Diego International Airport products and services in annual guides.	Informal RFP	D. Lucero	\$8,500.00	06/30/15
04/09/15	N/A	Exelis, Inc. Information Systems	The Contractor will provide real-time data in support of the Authority's Ramp Control Facility (RCF) and Airside Operations Department. Exelis, Inc. has an exclusive agreement with the FAA, and is the only service provider with a direct connection to the FAA's radar feeds which makes them the only known source to provide services.	Sole Source	D. Robbins	\$320,000.00	04/04/18
04/21/15	N/A	Heidi Halsey	The Contractor will provide professional consulting services to assist the Authority with matters primarily, but not exclusively, pertaining to the business development function at the Authority.	Sole Source	S. Brickner	\$250,000.00	02/28/17
 <p align="center"><u>New Contracts Approved by the Board</u></p>							
Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
2/20/15	N/A	Department of Transportation-Federal Aviation Administration	The Reimbursable Agreement was approved by the Board at the November 6, 2014 Board Meeting. The Reimbursable Agreement will fund an improvement project by the FAA in support of the Runway 09 Displaced Threshold Relocation Project (104087) at San Diego International Airport.	N/A	I. Ghaemi	\$1,285,657.97	02/19/20
4/6/15	104087	Ensley Electric, Inc.	This contract was approved by the Board at the February 19, 2015 Board Meeting. The Contractor will complete project 104087, Runway 09 Displaced Threshold Relocation at San Diego International Airport.	RFB	I. Ghaemi	\$1,427,895.00	11/05/15
4/7/15	380805	G & G Specialty Contractors, Inc.	This contract was approved by the Board at the March 19, 2015 Board Meeting. The Contractor will provide sound attenuation treatment to residences included in Phase 8, Group 5 of the Quieter Home Program.	RFB	S. Knack	\$1,486,584.00	12/29/2015
4/22/15	N/A	AECOM Technical Services	This contract was approved by the Board at the March 19, 2015 Board Meeting for on-call program management, staffing support and consulting services for Capital Improvement Program and Major Maintenance Program	RFQ	I. Ghaemi	\$60,000,000.00	4/22/2018

000016

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN MARCH 30, 2015 - APRIL 26, 2015

 <p align="center">Amendments and Change Orders</p>									
Date Signed	CIP #	Company	Description of Change	Owner	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value (%) (+ / -)	New Contract Value	New End Date
03/27/15	N/A	VA Consulting Inc.	The First Amendment exercises the first one-year option to extend the term of the Agreement, resulting in a termination date of July 31, 2016. There is no increase in compensation.	I. Ghaemi	\$5,000,000.00	\$0.00	0%	\$5,000,000.00	7/31/2016
03/12/15	N/A	City of San Diego	The First Amendment increases the maximum amount of compensation by \$198,000.00 for Emergency Medical Technician (EMT) paramedic services.	S. Preiser	\$3,300,000.00	\$198,000.00	6%	\$3,498,000.00	6/30/2015
04/10/15	N/A	Ricondo & Associates, Inc.	The Third Amendment revises Exhibit B to include titles to the existing subconsultant Connico, Inc. and establish hourly compensation rates for on-call technical airport planning consulting services. There is no increase in compensation.	K. Wilschetz	\$3,000,000.00	\$0.00	0%	\$3,000,000.00	2/6/2017
04/20/15	N/A	The Christmas Light Company	The First Amendment increases the maximum amount of compensation by \$25,000.00 for professional seasonal decoration services at San Diego International Airport.	E. Gonzalez	\$300,000.00	\$25,000.00	8%	\$325,000.00	7/31/2016
04/20/15	N/A	Campbell Hill Aviation	The First Amendment extends the term of the contract by 90 days for continued Air Service Development services while a new contract is executed. There is no increase in compensation.	H. Brown	\$750,000.00	\$0.00	0%	\$750,000.00	6/14/2015
 <p align="center">Amendments and Change Orders - Approved by the Board</p>									
			No New Board Approved Amendments to Report						

000017

Attachment "B"

REAL PROPERTY AGREEMENTS EXECUTED FROM MARCH 30, 2015 TO APRIL 26, 2015



Real Property Agreements

Begin/End Dates	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
4/1/15-3/31/16	LE-0851	Transportation Security Administration	Utility Agreement	SDIA	Recovery of cost of utilities for checkpoint and screening equipment	All Terminals	Annual \$216,417.84	



Real Property Agreement Amendments and Assignments

Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
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No Agreements or Assignments to Report

000018



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
4**

Meeting Date: **MAY 21, 2015**

Subject:

May 2015 Legislative Report

Recommendation:

Adopt Resolution No. 2015-0036, approving the May 2015 Legislative Report

Background/Justification:

The Legislative Advocacy Program Policy adopted by the Board on November 10, 2003, requires that Authority staff present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The May 2015 Legislative Report updates Board members on legislative activities that have taken place during the month of April. The Authority Board provides direction to staff on legislative issues by adoption of a monthly Legislative Report (Attachment A).

State Legislative Action

The Authority's legislative team recommends that the Board adopt a SUPPORT position on AB 1422 (Cooper). This bill would require Transportation Network Companies to participate in the California Department of Motor Vehicles pull-notice system.

Federal Legislative Action

The Authority's legislative team recommends that the Board adopt a SUPPORT position on the Fiscal Year 2016 Transportation Appropriations Bill. This bill contains \$9.87 billion for Federal Aviation Administration operations and \$3.35 billion, the full authorized level, for the Airport Improvement Program.

The Authority's legislative team recommends that the Board adopt a WATCH position on H.R. 1835 (Mica), the Air Traffic Controller Reform and Employee Stock Ownership Act of 2015. This bill would privatize some facets of the nation's air traffic control system and create a new private corporation that would oversee functions currently handled by the Federal Aviation Administration (FAA).

On April 29th, the Transportation Security Administration (TSA) released two updated Security Directives and an Information Circular implementing security enhancements related to airport access control and employee screening. The five directed actions specifically relate to: recurrent employee vetting; screening of aviation employees traveling as passengers; airport access points; random employee screening/inspections; and security awareness to increase the detection and reporting of threat activity.

000019

On April 28th, President Obama nominated Peter Neffeger, the current Vice Commandant of the U.S. Coast Guard, to be the next Administrator of the TSA.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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:

Not applicable

Prepared by:

MICHAEL KULIS
DIRECTOR, INTER-GOVERNMENTAL RELATIONS

RESOLUTION NO. 2015-0036

A RESOLUTION OF THE BOARD OF THE SAN
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
APPROVING THE MAY 2015 LEGISLATIVE
REPORT

WHEREAS, the San Diego County Regional Airport Authority ("Authority") operates San Diego International Airport as well as plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and

WHEREAS, the Authority has a responsibility to promote public policies consistent with the Authority's mandates and objectives; and

WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

WHEREAS, under the Authority's Legislative Advocacy Program Policy, the Authority Board provides direction to Authority staff on pending legislation; and

WHEREAS, the Authority Board, in directing staff, may adopt positions on legislation that has been determined to have a potential impact on the Authority's operations and functions.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the May 2015 Legislative Report (Attachment A); and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code § 21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY RUSSELL
DIRECTOR, CORPORATE
& INFORMATION GOVERNANCE/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000022

May 2015 Legislative Report

State Legislation

Legislation/Topic

AB 1422 (Cooper) – Transportation Network Companies

Background/Summary

This bill would require a transportation network company (TNC) to participate in the California Department of Motor Vehicles pull-notice system. Participation in the pull-notice system would allow TNCs to regularly check the driving records of a participating driver regardless of whether the driver is an employee or an independent contractor of the TNC.

Anticipated Impact/Discussion

This bill could provide an additional level of public safety for customers opting to use TNC vehicles here at San Diego International Airport.

Status: 4/28/15 – Approved by Assembly Committee on Appropriations by a vote of 16-0

Position: Support

Legislation/Topic

AB 1347 (Chiu) – Public contracts: claims

Background/Summary

This bill would establish, for contracts entered into on or after January 1, 2016, a new claim resolution process applicable to all public entity contracts. The bill would define a claim as a contractor's written demand or assertion, including a request for a modification, contract amendment, or change order, seeking an adjustment or interpretation of the terms of the contract documents, payment of money, extension of time, or other relief, including a determination of disputes or matters arising out of, or related to, the contract documents or the performance of work on a public work. Under the bill, public entities would be subject to non-binding mediation for disputed claims by contractors and subcontractors.

Anticipated Impact/Discussion

AB 1347 specified that any waiver of the rights granted by the provisions of this bill is void and contrary to public policy. The enactment of this bill is expected to have a negative impact on the Authority's contracting process and create additional opportunities for delay, conflict, and additional costs.

Status: 4/29/15 – Approved by Assembly Committee on Accountability and Administrative Review by a vote of 9-0 and Referred to Assembly Committee on Appropriations

Position: Oppose (4/23/15)

Legislation/Topic

AB 24 (Nazarian) – Transportation Network Companies: public safety

Background/Summary

This bill would prohibit the commission from issuing or renewing a permit or certificate to a charter-party carrier, unless the applicant participates in the Department of Motor Vehicles pull-notice system. This bill would also require TNCs to provide for a Mandatory Controlled Substance and Alcohol Testing Certification program and require TNCs to display an identifying symbol on their vehicles.

Anticipated Impact/Discussion

Transportation network carriers (TNC) are of significant interest to the Authority as staff continues to work with TNCs to implement a permitting process at SDIA. This bill will be closely monitored by the Authority's legislative team as it moves forward in the legislature.

Status: 4/28/15 – Approved by Assembly Committee on Transportation by a vote of 11-5 and referred to Assembly Committee on Appropriations

Position: Support If Amended (4/23/15)

Legislation/Topic

AB 61 (Allen) – Shuttle Services: loading and unloading of passengers

Background/Summary

This bill would allow local authorities to permit shuttle service vehicles, to stop for the loading or unloading of passengers alongside curb spaces designated for transit system buses upon agreement between the transit system and a shuttle service provider.

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to the shuttle and transit operations at San Diego International Airport.

Status: 1/22/15 – Referred to Assembly Committee on Transportation

Position: Watch (1/15/15)

Legislation/Topic

AB 62 (Allen) – Charter-party carriers of passengers

Background/Summary

The Passenger Charter-Party Carriers Act provides for the regulation by the Public Utilities Commission of motor carriers operating as charter-party carriers of passengers. This spot bill would make non-substantive changes to these provisions.

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to charter-party carrier operations at San Diego International Airport as detailed bill language is developed.

Status: 1/5/15 – Read first time

Position: Watch (1/15/15)

Legislation/Topic

AB 341 (Achadjian) – Financial Affairs: reports

Background/Summary

Existing law requires the officer of each local agency, who has the charge of the financial records of the local agency to furnish to the Controller a report of all the financial transactions of the local agency during the next preceding fiscal year within 90 days of the close of each fiscal year, or within 110 days if the report to the Controller to contain underlying data from audited financial statements, as specified, if this data is unavailable. This bill would also extend the amount of time in which the report is required to be furnished to the Controller from 90 days to 180 days and from 110 days to 210 days if filed electronically.

Anticipated Impact/Discussion

If this legislation is enacted, Authority staff may be required to comply with these additional reporting requirements if applicable.

Status: 2/23/15 – Referred to Assembly Committee on Local Government

Position: Watch (3/19/15)

Legislation/Topic

AB 360 (Melendez) – Airports Evaluation

Background/Summary

The State Aeronautics Act authorizes the Department of Transportation (DOT) to evaluate the need for airports in California, previously owned and operated by the United States in the state's public-use airport system. The act requires DOT before

finalizing the evaluation, to submit a copy of its report to the California Transportation Commission (CTC) for review and comment. As amended, this bill would extend from 45 to 50 days the amount of time the CTC has to review and comment on the report.

Anticipated Impact/Discussion

The amended version of this bill is not expected to have any direct impact to San Diego international Airport. However, staff will monitor it to determine what, if any, impacts this bill could have on the Southern California and national aviation systems.

Status: 3/26/15 – Referred to Assembly Committee on Transportation

Position: Watch

Legislation/Topic

AB 451 (Bonilla) – Private Parking Facilities

Background/Summary

This bill would authorize a city or a county to allow the operators of private off-street parking facilities to regulate unauthorized parking in their facilities. The bill would also require such operators to include in a parking fee invoice instructions describing the process to contest the parking fee invoice.

Anticipated Impact/Discussion

This bill will be monitored by the Authority's legislative team for any potential impact to our current or future parking operations at San Diego International Airport.

Status: 4/16/15 – Approved by Assembly on a vote of 79-0. Referred to Senate Committee on Rules for assignment

Position: Watch (3/19/15)

Legislation/Topic

AB 729 (Atkins) – San Diego Unified Port District: land held in trust

Background/Summary

This bill would make non-substantive changes to the San Diego Unified Port District Act pertaining to the territory held in trust by the Port District.

Anticipated Impact/Discussion

The Authority's legislative team will continue to closely monitor this legislation as detailed text is developed by the author to determine if it will have any impact on San Diego International Airport or the Authority.

Status: 2/25/15 – Introduced in Assembly

Position: Watch (3/19/15)

Legislation/Topic

AB 764 (Quirk) – Commercial parking lots: design insurance discount

Background/Summary

This bill would authorize the California State Building Standards Commission to adopt building standards that require the installation of bollards as a consideration in the design of any new commercial parking facility. The bill would also authorize insurers to consider the installation of bollards on commercial property parking lots as a safety measure.

Anticipated Impact/Discussion

The authorization of insurers to consider the installation of bollards as a safety measure may create an opportunity for reduced insurance rates for property owners. This bill will be monitored by staff for any potential opportunities at San Diego International Airport.

Status: 5/6/15 – Ordered to Assembly Consent Calendar

Position: Watch (3/19/15)

Legislation/Topic

AB 828 (Low) – Vehicles: transportation network companies

Background/Summary

This bill would exclude from the definition of "commercial vehicle" for purposes of the California Vehicle Code, any motor vehicle operated in connection with a transportation network company.

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport as detailed bill language is developed by the author.

Status: 5/4/15 – Approved by the Assembly and Referred to the Senate Committee on Rules

Position: Watch (4/23/15)

Legislation/Topic

AB 863 (Dodd) – Modified limousines: passenger safety

Background/Summary

This bill would prohibit as of January 1, 2017, any person operating a modified limousine that is modified prior to July 1, 2015, unless it is equipped with at least 2 rear side doors and one or 2 rear windows that the rear seat passengers or all passengers of the vehicle may open from the inside in case of fire or other emergency.

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport as detailed bill language is developed by the author.

Status: 4/16/15 – Approved by Assembly on a vote of 77-0 and Referred to Senate. Committee on Rules for assignment

Position: Watch (4/23/15)

Legislation/Topic

AB 1015 (Bloom) – Parking: car share vehicles

Background/Summary

This bill would authorize a local authority to, by ordinance or resolution, designate certain streets or portions of streets for the non-exclusive parking privilege of motor vehicles participating in a car share program or ridesharing program. The bill would authorize the local ordinance or resolution to include a mechanism for the payment of fees to the local authority as specified.

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport as detailed bill language is developed by the author.

Status: 5/4/15 – Approved by the Assembly and Referred to the Senate Committee on Rules

Position: Watch (4/23/15)

Legislation/Topic

AB 1360 (Ting) – Charter-party carriers of passengers: individual fare exemption

Background/Summary

The Passenger Charter Party Carriers' Act generally requires charges for transportation to be offered or afforded by a charter party carrier of passengers to be computed and assessed on a vehicle mileage or time-of-use basis, rather than on an individual fare basis. This bill would exempt from these provisions a rideshare program operated by a transportation network company that arranges a ride among multiple passengers who share the ride in whole or in part, provided that the fare for each passenger is less than the fare that would be charged to a single passenger travelling alone.

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport as detailed bill language is developed by the author.

Status: 4/12/15 – Approved by the Assembly Committee on Utilities and Commerce by a vote of 14-0 and Referred to Assembly Committee on Privacy and Consumer Protection

Position: Watch (4/23/15)

Legislation/Topic

SB 44 (Roth) – State Aeronautics Act

Background/Summary

The State Aeronautics Act governs various matters relative to aviation within the state of California. This spot bill would make a non-substantive change to a provision within the act.

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport as detailed bill language is developed by the author.

Status: 1/15/15 – Referred to Committee on Rules

Position: Watch (1/15/15)

Legislation/Topic

SB 330 (Mendoza) – Public officers: contracts and financial interest

Background/Summary

This bill would expand current prohibitions on elected members of a state or local body, board, or commission from having a financial interest in contract decisions in which they are involved. The expansion proposed in SB 330 would prohibit the spouses, children, parents and siblings of the elected members from having a financial interest in such contract decisions.

Anticipated Impact/Discussion

This bill will be monitored by staff to determine any potential impact to the Airport Authority.

Status: 4/27/15 – Placed on Senate Appropriations Committee suspense file

Position: Watch (4/23/15)

Legislation/Topic

SB 541 (Hill) – Public Utilities Commission: transportation companies

Background/Summary

This bill would require the Public Utilities Commission (PUC) to undertake several actions to enhance enforcement of charter-party carriers of passengers, passenger stage corporations, and household goods carriers operating in California. The bill would also require the PUC to provide the State Legislature with an annual report on their actions beginning January 1, 2017.

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport.

Status: 5/4/15 – Approved by Senate Committee on Utilities and Commerce by a vote of 10-0 and Referred to Senate Committee on Appropriations

Position: Watch (4/23/15)

Legislation/Topic

SB 747 (McGuire) – Airports: financial assistance: grant program

Background/Summary

This bill, beginning December 8, 2017, would require that revenues from state sales and use taxes, at a rate of 4.1875% on the sale, storage, use or other consumption of aviation fuel be transferred to the Aeronautics Account for allocation to airports. The purpose of this transfer is to ensure that Caltrans Division of Aeronautics has adequate resources for grants to general

aviation airports and to provide matching grants for the AIP program. The bill also requires the division to allocate 34% of these revenues for large hub commercial airports.

Anticipated Impact/Discussion

This bill is sponsored by the California Airports Council. If enacted, it could benefit the Authority by making available state grants for airport improvement projects at San Diego International Airport.

Status: 5/5/15 – Approved by Senate Committee on Government and Finance by a vote of 6-0 and Referred to Senate Committee on Appropriations

Position: Support (4/23/15)

Federal Legislation

Legislation/Topic

H.R. 1835 (Mica) – The Air Traffic Controller Reform and Employee Stock Ownership Act of 2015

Background/Summary

This bill would privatize some facets of the nation's air traffic control system and create a new private corporation that would oversee functions currently handled by the Federal Aviation Administration (FAA).

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport.

Status: 4/16/15 – Introduced and referred to the Committee on Transportation and Infrastructure and the Committee on Oversight and Government Reform

Position: Watch

Legislation/Topic

Fiscal Year 2016 Transportation Appropriations Bill

Background/Summary

This bill would provide funding for the Department of Transportation and Federal Aviation Administration for Fiscal Year 2016. The bill contains \$9.87 billion for Federal Aviation Administration operations and \$3.35 billion, the full authorized level for the Airport Improvement Program. This bill will provide funding for 14,500 air traffic controllers, 7,400 safety inspectors and operational support. The bill will also fund FAA's Next Generation Air Transportation System (NextGen) at \$931 million, and fund the Contract Tower Program at \$154 million.

Anticipated Impact/Discussion

Passage of this bill would benefit San Diego International Airport by providing continued funding for the AIP program, which will assist in funding airport projects.

Status: 4/28/15 – Introduced

Position: Support

Legislation/Topic

H.R. 720 (Katko) – The Gerardo Hernandez Airport Security Act

Background/Summary

This bill, named after Gerardo Hernandez, the Transportation Security Administration (TSA) employee killed on duty in 2013, would direct the Department of Homeland Security to undertake a variety of activities to enhance security and communication at U.S. airports. The bill would specifically require the TSA to verify that all airports have appropriate security response plans.

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport.

Status: 2/10/15 – Approved by the House on a vote of 411-1 and referred to the Senate Committee on Commerce, Science and Transportation

Position: Watch (2/19/15)

Legislation/Topic

H.R. 719 (Katko) – The Transportation Security Administration Office of Inspection Accountability Act

Background/Summary

This bill would mandate that TSA's criminal investigators spend at least half of their time investigating, apprehending or detaining individuals suspected of committing a crime. TSA does not currently have any rules in that regard for its criminal investigators.

Anticipated Impact/Discussion

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport.

Status: 2/10/15 – Approved by the House on a vote of 414-0 and referred to the Senate Committee on Commerce, Science and Transportation

Position: Watch (2/19/15)



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
5

Meeting Date: **May 21, 2015**

Subject:

Amend Authority Code 7.01 – Personal Conduct, to Clarify Existing Language and Formatting and Add Specific Enforcement Language

Recommendation:

Adopt Resolution No. 2015-0037, amending Authority Code 7.01 – Personal Conduct, to clarify existing language and formatting and add specific enforcement language.

Background/Justification:

Authority Code 7.01 was adopted during the Authority's inception as part of Resolution No. 2002-02, dated September 20, 2002. At the request of the San Diego City Attorney's office, the attached revisions are intended to better articulate the Authority's regulation of personal conduct and access to federally-regulated and security-controlled areas under the jurisdiction of the Authority. Existing language has been unclear during legal proceedings as there is no differentiation between acts of commission and acts of omission. As currently written, the San Diego City Attorney's office, as the prosecuting agency for criminal violations of Authority Code, has declined to prosecute any further cases charged under Authority Code 7.01.

Over the course of several months, Authority staff met with representatives of the Harbor Police Department and San Diego City Attorney's office to establish clear enforceable language. The revision clarifies the responsibilities of tenants, employees, and other persons attempting to or entering upon security-controlled areas of San Diego International Airport and other areas under the jurisdiction of the Authority. Additionally, the revision clearly articulates those acts of commission in violation of Authority Code 7.01.

Fiscal Impact:

No fiscal impact.

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Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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:

Not applicable

Prepared by:

L. CLINT WELCH
MANAGER, AVIATION SECURITY AND LAW ENFORCEMENT

RESOLUTION NO. 2015-0037

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY, AMENDING AUTHORITY CODE 7.01
– PERSONAL CONDUCT, TO CLARIFY EXISTING
LANGUAGE AND ADD SPECIFIC ENFORCEMENT
LANGUAGE

WHEREAS, Authority Code 7.01 currently regulates the personal conduct of tenants, employees, and other persons attempting to or entering upon the security-controlled areas of San Diego International Airport, however it does not specifically articulate such conduct as acts of commission; and

WHEREAS, the office of the San Diego City Attorney is the prosecuting agency for criminal violations of the Authority's Code; and

WHEREAS, the San Diego City Attorney has requested clarifying and amending language be added to Authority Code 7.01; and

WHEREAS, the Board finds, based on the evidence presented in the staff report, that there appears to be a need for clarifying and amending language as requested by the San Diego City Attorney to aid in prosecutorial proceedings.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby amends Authority Code 7.01 – Personal Conduct, to clarify existing language and add specific enforcement language, as identified in Attachment A; and

BE IT FURTHER RESOLVED the Board finds this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (Cal. Pub. Res. Code § 21065); and is not a "development" as defined by the California Coastal Act (Cal. Pub. Res. Code § 30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 7 - SAFETY AND SECURITY
 PART 7.0 - REGULATION AND CONDUCT
 SECTION 7.01 - PERSONAL CONDUCT

(a) No person shall be or become intoxicated or drunk, commit any disorderly, obscene or indecent act, commit any act of nuisance, commit any act of endangerment of any act that may or is likely to endanger persons or facilities and airports (the "~~Facilities~~") under the jurisdiction of the San Diego County Regional Airport Authority (the "~~Authority~~" "~~Facilities~~"), nor conduct or engage in any form of gambling on such Facilities in violation of this Code or any federal, state or local laws.

(b) No person shall attempt entry to or enter upon the sterile, secured, restricted or limited access areas of at the Facilities, or any Security Identification Display Area ("~~SIDA~~") of at the Facilities, except a person in compliance with one or more of the following provisions:

(1) ~~If the Facility is an airport, then s~~Such person shall complete successfully all portions of the airline passenger pre-boarding inspection process to the satisfaction of the appropriate controlling authority and shall afterwards remain only in authorized locations maintained for passenger embarkation and debarkation, or.

(2) Such person shall be validly badged in accordance with applicable security regulations and shall be an authorized Authority tenant, ~~Authority~~ employee or other authorized person acting in compliance with all applicable policies, codes, rules, regulations, standards and instructions of the Authority, or.

(3) Such person shall be escorted by either an authorized Authority tenant, employee, or other authorized persons who is validly badged in accordance with applicable security regulations ~~or other authorized person who is validly badged in accordance with applicable security regulations~~ and such person and escort shall comply with all applicable policies, codes, rules, regulations, standards and instructions of the Authority.

(4) (c) No person, including those identified in subsection (b) above, Such persons shall not introduce, or attempt to introduce, any object (including tools) that may be used as a weapon to any area under the jurisdiction of the Authority unless acting in compliance with all applicable policies, codes, rules, regulations, standards and instructions of the Authority. Such objects include, but are not limited to, firearms, air rifles and pistols, edged weapons and tools, explosives or incendiaries, clubs or bludgeons, throwing stars, and imitations thereof, unless authorized by an authorized representative of the Authority in writing.

(5) (d) No person shall willfully ~~shall~~ tamper, alter, move or otherwise affect any

security device, CCTV camera, PIN pad coding box, electromagnetic locking device or other such device, or perimeter fence, gate, or gate tracking device.

~~(6)~~ (e) No person shall willfully ~~shall~~ activate any security or emergency notification device or cause a security or emergency alarm, when no threat to security or emergency condition exists.

~~(7)~~ (f) No person shall willfully ~~shall~~ interfere with or obstruct the duties of any duly authorized and appointed security personnel or employee or representative of the Authority actively engaged in performing duties regarding the security or operation of the Facilities.

[Resolution No. 2002-02 dated September 20, 2002.]
[Superseded by Resolution No. _____ dated _____.]



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
6**

Meeting Date: **MAY 21, 2015**

Subject:

Amend Authority Code 7.12 – Right of Way, to Address Specific Wheeled Vehicles

Recommendation:

Adopt Resolution No. 2015-0038, amending Authority Code 7.12 – Right of Way, to address specific wheeled vehicles.

Background/Justification:

Authority Code 7.12 was adopted during the Authority's inception as part of Resolution No. 2002-02, dated September 20, 2002. As presently written, this Code generally addresses access by persons and operation of vehicles in those areas under control of the Authority. Additionally, it generally describes prohibitions on the establishment of obstructions or erection of structures upon the premises that may inhibit or prohibit the movement of persons and vehicles. The attached proposed revisions to Code 7.12 are intended to better articulate the regulations applicable to the use of the Authority's roadways, pathways, and other areas. The revisions address the improper use of vehicles and the unauthorized establishment of obstructions or erection of structures upon the Airport. The revisions provide specific enforcement language regarding certain specific wheeled vehicles to better enable the San Diego Harbor Police to enforce Authority Code 7.12.

Fiscal Impact:

No fiscal impact.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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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:

Not applicable

Prepared by:

L. CLINT WELCH
MANAGER, AVIATION SECURITY AND LAW ENFORCEMENT

RESOLUTION NO. 2015-0038

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY, AMENDING AUTHORITY CODE 7.12
– RIGHT OF WAY, TO ADDRESS SPECIFIC
WHEELED VEHICLES

WHEREAS, Authority Code 7.12 currently regulates the movement of persons on the roadways, sidewalks, and other areas of San Diego International Airport and other Authority facilities, however it does not adequately address and regulate the use of specific wheeled vehicles upon such facilities; and

WHEREAS, such specific wheeled vehicles include, but are not limited to, skateboards, bicycles, tricycles, and motor driven vehicles; and

WHEREAS, many municipalities and other government entities regulate the movement of persons and use of specific wheeled vehicles; and

WHEREAS, the improper use of specific wheeled vehicles on certain roadways, sidewalks, and others areas of San Diego International Airport and other Authority facilities present a safety hazard for the public; and

WHEREAS, Authority Code 7.12 also currently regulates the erection and placement of obstructions on the right of way within and outside the facilities of San Diego International Airport; and

WHEREAS, the impermissible erection and placement of such Obstructions upon such facilities present a safety hazard for the public.

NOW, THEREFORE, BE IT RESOLVED that the Board finds based on apparent safety hazards associated with the unregulated use of specific wheeled vehicles and obstructions of the right of way within and outside Authority facilities that Code 7.12 should be amended; and

BE IT FURTHER RESOLVED that the Board hereby approves the amendments to Code 7.12 – Right of Way (Attachment A); and

BE IT FURTHER RESOLVED the Board finds this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (Cal. Pub. Res. Code § 21065); and is not a “development” as defined by the California Coastal Act (Cal. Pub. Res. Code § 30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

CODES

- ARTICLE 7 - SAFETY AND SECURITY**
PART 7.0 - REGULATION OF CONDUCT
SECTION 7.12 - RIGHT-OF-WAY
-

~~(a)~~ ~~_____~~ ~~(a)~~ No person shall travel on any portion of the facilities and airports under the jurisdiction of the ~~San Diego County Regional Airport Authority~~ (the "~~Authority~~") except upon the designated roads, sidewalks, or other places provided for the particular class of traffic, nor occupy those roads and walks in such a manner that would hinder or obstruct their proper use.

(1) No person shall operate any wheeled vehicle in or on any portion of the facilities principally designed for the movement of pedestrian traffic. Such areas include but are not limited to: sidewalks, walkways, and the interior of any building.

(2) For the purposes of subsection (a) (1) above: a wheeled vehicle includes but is not limited to: unicycles, bicycles, tricycles, skateboards, roller skates, roller blades, wheeled footwear, and wheeled motor vehicles.

(3) Subsection (a) (1) shall not apply to designated Authority representatives, law enforcement officers acting in the performance of their official duties, tenant employees acting in accordance with their respective lease provisions, or any passenger or member of the public needing a wheeled vehicle for mobility or medical reasons (e.g., stroller, wheelchair, or gurney).

(b) No person shall obstruct access to the use of any building, grounds, roads, walkways, sidewalk, or other facilities located upon any ~~the facilities~~ and airports under the jurisdiction of the Authority.

~~_____~~ ~~(c)~~ No person shall erect any table, chair, easel, ~~or other~~ mechanical device or structure, or place any object that would obstruct access or egress within or outside any terminal building, the facilities and airports under the jurisdiction of the Authority, ~~including, without limitation, the terminal buildings of the San Diego International Airport, without the prior written authorization from the Authority's President/CEO~~ Executive Director or his or her designee.

[Resolution No. 2002-02 dated September 20, 2002.]
[Superseded by Resolution No. _____ dated _____.]



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

Item No.

7

Meeting Date: **MAY 21, 2015**

Subject:

Clarification Regarding Business Performance Incentive

Recommendation:

Adopt Resolution No. 2015-0039, approving clarifications to the Business Performance Incentive.

Background/Justification:

The San Diego County Regional Airport Authority ("Authority") wishes to ensure the ongoing high performance of the organization and to recognize the collective contributions of its employees that result in this performance. To this end, the Employee Performance Compensation Program or Gainsharing Program, commonly referred to as the "Business Performance Incentive," was established on July 1, 2014 as a component of the employee compensation program. The Board is requested to approve clarifications to the Business Performance Incentive as a result of the recently adopted Governmental Accounting Standards Board (GASB) Statement 68, which requires the unfunded pension liability of the Authority's retirement plan managed by SDCERS be recorded as an operating expense, which must take effect in this current fiscal year.

The Business Performance Incentive, adopted by Board Resolution No. 2014-0074 on July 7, 2014, recognizes exemplary financial performance which allows the organization to continue to invest in infrastructure and efficiency improvements that result in high customer satisfaction. The incentive provides variable, at-risk compensation for eligible employees when there are significant measurable gains delivered through greater productivity, improvements in efficiency, and development of new revenue sources. The incentive aligns with the Authority's financial and employee strategies by focusing organizational efforts on sustaining annual financial gains through employee efforts with a maximum of 10% of the gain available for incentive payout, as defined in the program guidelines (Attachment A), and 90% of the gain being reinvested to support sustained organizational success.

The guidelines established the parameters of the Business Performance Incentive. These were developed prior to GASB Statement No. 68 being issued. Statement No. 68, *Accounting and Financial Reporting for Pensions*, revises and establishes new financial reporting requirements for most state and local governments that provide their employees with pension benefits. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual

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costs of pension benefits. Statement 68 replaces Statements No. 27 and No. 50, which only required disclosure of the unfunded pension liability amount, but did not require it be recorded as an operating expense. The unfunded liability is a measure of the promised benefits to employees for services performed, compared to the assets set aside and held in the retirement fund to pay for those benefits. GASB Statement 68 requires unfunded liability to be recorded as an operating expense and takes effect for fiscal years beginning after June 15, 2014.

The unfunded liability is budgeted as an operating expense and does not affect cash, but does impact the net position of the organization. The unfunded liability varies annually due to market volatility and SDCERS' investment returns. The amount of the unfunded liability is not a factor of organizational performance that employees' contributions can either positively or negatively impact. This non-cash item does not affect any of the other three financial measures defined in the Business Performance Incentive: debt service coverage, CPE or Days Cash on Hand.

Staff recommends significant non-cash items (e.g., the pension unfunded liability, etc.) be excluded from the calculation of financial performance to ensure that only true economic gains or losses which affect operating cash and cash interest are included when assessing annual performance. This would assure that the Business Performance Incentive is measured on factors that Authority employees have the ability to directly impact. This clarification is reflected in the revised Exhibit A. All other Business Performance Incentive guidelines will remain the same.

Fiscal Impact:

The Business Performance Incentive will have no impact on the Authority's adopted budget because any payout will be funded by the actual gain resulting from exceeding budgeted financial performance. The gain is realized through effective budget management, surpassing revenue targets and achieving established financial parameters. The payout will be recorded in the financial statements as an expense against the excess actual financial gain in the same fiscal year. Thus, it will not be included within the annual budget. In addition, any approved payouts will be distributed under a non-pensionable earnings code. This further demonstrates fiscal prudence by avoiding potential wage inflation while still offering the high potential upside of enhanced employee productivity and engagement resulting from increased employee line of sight to the organizations key performance indicators (financial performance, days cash on hand, debt service coverage, and cost per enplaned passenger).

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
- Customer Strategy
- Employee Strategy
- Financial Strategy
- Operations Strategy

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:

Not applicable.

Prepared by:

KURT GERING
DIRECTOR, TALENT, CULTURE & CAPABILITY

RESOLUTION NO. 2015-0039

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY, APPROVING CLARIFICATIONS TO
THE BUSINESS PERFORMANCE INCENTIVE

WHEREAS, the San Diego County Regional Airport Authority wishes to sustain ongoing strong financial performance; and

WHEREAS, in fiscal year 2015 the Authority will experience gross annual debt service costs of \$68 million; and

WHEREAS, the Authority wishes to increase the likelihood that employees at every level of the organization will contribute to the Authority's operational and fiscal success; and

WHEREAS, the Authority Board adopted Resolution No. 2014-0074 authorizing an employee performance compensation program, commonly referred to as the "Business Performance Incentive," for all full-time employees who do not report directly to the Board, subject to an executive employment contract; and

WHEREAS, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions, in order to revise and establish new financial reporting requirements for most state and local governments that provide their employees with pension benefits; and

WHEREAS, GASB Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability and operating expense for the first time.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the clarification to exclude significant non-cash items from the calculation of financial performance to ensure that only true economic gains or losses which affect operating cash and cash interest are included when assessing annual performance as outlined in the San Diego County Regional Airport Authority Business Performance Incentive Guidelines (Attachment A); and

BE IT FURTHER RESOLVED that all other Business Performance Incentive Guidelines will remain the as outlined in Attachment A; and

BE IT FURTHER RESOLVED that such program will commence in fiscal year 2015, with potential employee incentive compensation to be paid, if earned and as applicable, after the Board approves the audited financials for the corresponding fiscal year; and

BE IT FURTHER RESOLVED that such program will continue each subsequent fiscal year unless or until terminated by the Board; and

BE IT FURTHER RESOLVED that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EMPLOYEE PERFORMANCE COMPENSATION PROGRAM OR GAINSHARING
PROGRAM**

Effective July 1, 2014

PROGRAM OBJECTIVES

The Gainsharing Incentive Program is designed to provide incentive compensation for all eligible employees. Specifically, the Program is designed to:

- Align individual contribution to organizational performance and success
- Encourage attainment of organizational goals
- Encourage revenue enhancement and expense reduction
- Reinforce organizational culture
- Motivate job performance at all levels
- Be clearly communicated and understood
- Be perceived as fair by employees

DEFINITION OF GAINSHARING

A variable, at-risk, component of compensation that provides financial awards to all eligible employees contingent upon achieving quantifiable benchmarks in operating performance directly related to the success of the Authority.

PLAN YEAR

The Program will run for one year, concurrent with our fiscal year. This Program is effective July 1, 2014 through June 30, 2015 and will continue each subsequent fiscal year unless or until terminated by the Board.

ELIGIBILITY AND PARTICIPATION

All full-time non-represented employees of the Authority may participate in the Program. If an employee becomes eligible and approved in accordance with the Program during a Plan Year, then such employee may be eligible for participation in the Program on a pro-rated basis.

To be eligible for the incentive payment, an employee must be employed as of the end of the Plan Year. Furthermore, an employee must be employed as of the payment date and his/her overall performance rating must be equal to or greater than meeting expectations (currently graded as On Target) to receive the incentive payment.

AWARD DETERMINATION

Payouts are based on audited actual financial performance exceeding budgeted financial performance. Financial performance is defined as measured by comparing operating revenue minus operating expenses plus interest income. The defined as of operating expenses for award determination, excluding significant non-cash expenses like, such as changes in the unfunded pension liability.

In addition, certain qualifying financial metrics must be met as well, including:

- Debt Service Coverage at least equal to the minimum specified within the Authority's Debt Issuance and Management Policy 4.40: Debt Service Coverage is generally defined as operating income before depreciation, plus interest income, divided by debt principal & interest (net of pledged Passenger Facility Charges (PFCs) and the Build America Bond (BAB) subsidy), as defined in Authority's Master Trust Indenture
- Airline Cost per Enplanement (CPE) no greater than budgeted CPE: CPE is generally defined as airline revenue divided by annual enplanements
- Days' Cash on Hand at least equal to the minimum specified within the Authority's Debt Issuance and Management Policy 4.40: Days' Cash on Hand is generally defined as unrestricted cash & investments divided by annual operating expenses.

Once audited actual financial performance has been determined to have exceeded budgeted financial performance and the qualifying criteria are met, 10% of the excess "gain" will be recorded in the same fiscal year as determined. The qualifying financial metrics described above must be met after recording the excess gain for payouts to be eligible. If eligible, the amount of gain to be shared with employees, if any, is subject to the approval by the Authority's Board of Directors. Payouts will be made annually, after audited financials are approved by the Board of Directors.

Participants are eligible for up to a maximum of \$2,500 per Plan Year, with a minimum payout determined at the beginning of each fiscal year by Authority management, when funding allows. All eligible employees will share equally in the available pool. Those employees hired after the beginning of the Plan Year will participate on a pro-rated basis.

NON ASSIGNABILITY

No incentive or any benefit under the Plan shall be assignable or transferable by the participant during the participant's lifetime except as otherwise approved by the Board of Directors.

NO RIGHT TO CONTINUED EMPLOYMENT

Nothing in the Plan shall confer upon any employee any right to continue in the employ of the Authority or shall interfere with or restrict in any way the right of the Authority to discharge an employee at any time for any reason whatsoever, with or without good cause.



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
8

Meeting Date: **MAY 21, 2015**

Subject:

Reject the Claim of Ann Braden

Recommendation:

Adopt Resolution No. 2015-0040, Rejecting the Claim of Ann Braden.

Background/Justification:

On April 15, 2015, Ann Braden filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority") alleging that she sustained injuries when she fell while riding an escalator in Terminal Two at San Diego International Airport. Braden claims damages in an unspecified amount for injuries to her hand and medical bills.

On March 26, 2015, Braden arrived at San Diego International Airport to depart on a U.S. Airways flight. In her claim she states she got on an ascending escalator to get to the check in counter and the wheels of her luggage became stuck. She further alleges when she pulled on the luggage to loosen it she fell on top of it and injured her hand while trying to steady herself. She further states her injuries were not attended to within three hours and responding police officers offered condolences but no medical assistance.

Braden's claim should be denied. An investigation into the alleged incident revealed no notice of an unsafe or dangerous condition. A police report taken at the time of the incident showed paramedics were called. Braden was treated and advised to go to a hospital, but she refused and signed a waiver and continued on her travels.

Fiscal Impact:

Not Applicable.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

000054

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:

Not Applicable.

Prepared by:

SUZIE JOHNSON
GENERAL COUNSEL



**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
ACCIDENT OR DAMAGE CLAIM FORM**

Please complete all sections.
Incomplete submittals will be returned, unprocessed.
Use a typewriter or print in ink.

FOR AUTHORITY CLERK USE ONLY

Document No.: 02-245

Filed: 4-16-15

SDCRAA
APR 16 2015
Corporate & Information Governance

1) Claimant Name: <u>Ann W. Braden</u>	
2) Address to which correspondence regarding this claim should be sent: <u>10 Edgebrook Road Binghamton, NY 13903</u>	
Telephone No.: <u>607-724-2985</u>	Date: <u>April 10, 2015</u>
3) Date and time of incident: <u>26 March 2015 ; 10:25 A.M.</u>	
4) Location of incident: <u>Escalator on lower level of airport where U.S. Airways</u>	
5) Description of incident resulting in claim: <u>Shortly after getting on the ^{depart} escalator, the wheels on my luggage became stuck so I pulled with all my strength, but instead of the wheels loosening I was pulled toward the bag which I fell on top of, then lost total balance & had to reach out to the escalator, mutilating my left hand palm with two gashes. (A large marble would have fit into each hole in my palm.) I had long pants on but later found 4 round scrapes on outside of left leg. I also have a right hip pain on my right side.</u>	
6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known: <u>unknown - 0-</u>	
7) Persons having firsthand knowledge of incident: <u>Only people that might come forward</u>	
Witness (es) <u>that work there in airport</u>	Physician(s): <u>Joseph Freeman ER DR</u>
Name:	Name: " " " "
Address:	Address: <u>Binghamton General Hospital (UHS) 10-42 Mitchell Ave, Binghamton, NY 13903</u>
Phone:	Phone: <u>607-762-2200</u>

ATTACHMENT A

8) Describe property damage or personal injury claimed.

9) Owner and location of damaged property or name/address of person injured:

10) Detailed list and amount of damages claimed as of date of presentation of claim, including prospective damages. If amount exceeds \$10,000.00, a specific amount need not be included.

Dated:

Claimant:

(Signature)

Notice to Claimant:

Where space is insufficient, please use additional paper and identify information by proper section number.

Return completed form to:

San Diego County Regional Airport Authority
Tony Russell, Director, Corporate & Information Governance/Authority Clerk
Corporate & Information Governance
P.O. Box 82776
San Diego, CA 92138-2776

*Dear Russell, I came across these pages & cannot recall leaving them out but thought I might have. Sorry.
Ann W. Korden*

000057

8) Describe property damage or personal injury claimed:	Left hand palm - (see pictures) 2 gouges that were not properly attended to within 3 hours. Instead I had to wait 12 hours to get back to Gainesville to go to ER. Dr. Freeman did the best he could do under the circumstances & sewed up each wound.
9) Owner and location of damaged property or name/address of person injured:	Ann W. Braden 10 Edgebrook Road Binghamton, NY 13903
10) Detailed list and amount of damages claimed as of date of presentation of claim, including prospective damages. If amount exceeds \$10,000.00, a specific amount need not be included.	Bills are held up with two insurance companies: Medicare & Empire

Dated: April 10, 2015 Claimant: Ann W. Braden
(Signature)

Notice to Claimant:

Where space is insufficient, please use additional paper and identify information by proper section number.

Return completed form to:

San Diego County Regional Airport Authority
 Tony Russell, Director, Corporate & Information Governance/Authority Clerk
 Corporate & Information Governance
 P.O. Box 82776
 San Diego, CA 92138-2776

1) 3 men told me on separate occasions of horror stories of others who had been injured. My question is: why would something so dangerous be allowed to remain in the S.D. Airport? I wonder if anyone turned off the escalator to stop my misery? Three or four policemen came up to me offering condolences but when I asked one who had a Medic Badge if he could sew up my hand he said: No one would allow him to do that. Then another policeman offered to put a bandage on my hand before I got on my flight. But the stewardess on US Airways said she wasn't allowed to give me any first aid on my way off the plane. I needed a clean bandage.

RESOLUTION NO. 2015-0040

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY REJECTING THE CLAIM OF ANN
BRADEN.

WHEREAS, on April 15, 2015, Ann Braden filed a claim with the San Diego County Regional Airport Authority for injuries she claims were the result of a fall on an escalator in Terminal Two at San Diego International Airport on March 26, 2015; and

WHEREAS, at its regular meeting on May 21, 2015, the Board considered the claim filed by Ann Braden and the report submitted to the Board, and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby rejects the claim of Ann Braden; and

BE IT FURTHER RESOLVED the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at its regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000060



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
9

Meeting Date: **MAY 21, 2015**

Subject:

Reject the Claim of Colleen Brandt

Recommendation:

Adopt Resolution No. 2015-0041, Rejecting the Claim of Colleen Brandt.

Background/Justification:

On April 27, 2015, Colleen Brandt filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority") alleging that she sustained injuries when she slipped and fell while walking through Terminal Two at San Diego International Airport. Brandt claims damages in an unspecified amount for a rotator cuff injury she states required surgery.

On March 15, 2015, Brandt arrived at San Diego International Airport to depart on a Delta Airlines flight. She states she and her husband walked in the terminal and she slipped on a wet floor. She states a cleaning crew came by and yelled at her for falling and that no one offered to help her up or ask if she was ok. She further states there was no sign indicating a wet floor. She states there was no one around to whom she could report the accident. She sought treatment for shoulder pain once she returned home to Minnesota.

Brandt's claim should be denied. An investigation into the alleged incident revealed no notice of an unsafe or dangerous condition. A review of video revealed a busy terminal and what appears to be the claimant pulling a large piece of luggage, falling and quickly getting back on her feet. She continues on her way and a wet floor sign is in view immediately adjacent to the area where she fell.

Fiscal Impact:

Not Applicable.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

000061

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:

Not Applicable.

Prepared by:

SUZIE JOHNSON
GENERAL COUNSEL

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
ACCIDENT OR DAMAGE CLAIM FORM**

Please complete all sections.
Incomplete submittals will be returned, unprocessed.
Use a typewriter or print in ink. SDCRAA

APR 27 2015
Corporate & Information Governance

FOR AUTHORITY CLERK USE ONLY	
Document No.:	02-249
Filed:	4-27-15

1) Claimant Name: Colleen G. Brandt	
2) Address to which correspondence regarding this claim should be sent: 832 86th Lane N.W. Coon Rapids, MN. 55433	
Telephone No.: 763-780-1267 (Home)	Date: April 21, 2015
3) Date and time of incident: Mar. 15th, 2015 @ 4:45 a.m.	
4) Location of incident: Entrance to airport where car rental shuttle drops you off.	
5) Description of incident resulting in claim: When coming in from outside going to the escalators to get to the check in level, I slipped on the wet floor & fell on my left side HARD. The cleaning crew came by and yelled at me for falling on the wet floor. No offer to help me up or even ask if I was o.k. Then they took off on their cart. There wasn't any sign that said that the floor was wet. The only orange cones were on the other side of the hall and further up (about a block) which would indicate to me not to go to that side. There was nobody around to report it to & I didn't want to miss my flight, so I called after I returned home to report it. I have been to the Dr. for x-rays & an MRI which indicated that I had torn my rotator cuff. I will have to have surgery.	
6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known:	
7) Persons having firsthand knowledge of incident:	
Witness (es)	Physician(s):
Name: Glen Brandt	Name: Dr. Douglas A. Becker M.D.
Address: 832 86th Lane N.W. Coon Rapids, Mn. 55433	Address: 825 South 8th Street Suite 550 Minneapolis, MN. 55404
Phone: 763-780-1267	Phone: 612-333-5000

ATTACHMENT A

8) Describe property damage or personal injury claimed:
I have a tear in my rotator cuff caused by the fall on my shoulder & left side. I will have to have surgery to repair the damage.
I am having surgery on the 28th of April.
9) Owner and location of damaged property or name/address of person injured:
Colleen G. Brandt
832 86th Lane N.W.
Coon Rapids, Mn. 55433
10) Detailed list and amount of damages claimed as of date of presentation of claim, including prospective damages. If amount exceeds \$10,000.00, a specific amount need not be included.

Dated: April 21, 2015 Claimant: Colleen G. Brandt
(Signature)

Notice to Claimant:

Where space is insufficient, please use additional paper and identify information by proper section number.

Return completed form to:

San Diego County Regional Airport Authority
Tony Russell, Director, Corporate & Information Governance/Authority Clerk
Corporate & Information Governance
P.O. Box 82776
San Diego, CA 92138-2776

RESOLUTION NO. 2015-0041

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY REJECTING THE CLAIM OF COLLEEN
BRANDT.

WHEREAS, on April 27, 2015, Colleen Brandt filed a claim with the San Diego County Regional Airport Authority for injuries she claims were the result of a fall in Terminal Two at San Diego International Airport on March 15, 2015; and

WHEREAS, at its regular meeting on May 21, 2015, the Board considered the claim filed by Colleen Brandt and the report submitted to the Board, and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby rejects the claim of Colleen Brandt; and

BE IT FURTHER RESOLVED the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at its regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000065



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

**Item No.
10**

Meeting Date: **May 21, 2015**

Subject:

Annual Review and Approval of Amendments to Authority Policy 4.40 – Debt Issuance and Management Policy

Recommendation:

Adopt Resolution No. 2015-0042, approving amendments to Authority Policy 4.40 – Debt Issuance and Management Policy.

Background/Justification:

The attached debt policy (Exhibit A) was developed in conjunction with the Authority's financial advisors and bond counsel and serves as the foundation of the Authority's debt issuance and management goals and priorities. The stated objectives are:

- Protect the assets and funds entrusted to the Authority;
- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors; and,
- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law compliance, and reimbursement agreement covenants;

000063

Page 2 of 3

On an annual basis staff reviews the policy with the Authority’s financial advisors and bond counsel. After this year’s review staff recommends the following changes, as indicated on Exhibit A, to the policy:

- Add references to securities law changes to incorporate the role of Registered Municipal Advisor in relation to roles and responsibilities;
- Clarify that the Authority will regularly review its target debt affordability indicators;
- Clarify that credit ratings are assigned to all the Authority’s public debt issuances;
- Modify language to ensure consistency amongst short term variable rate products;
- Clarify the type of debt that can be used as an interim financing tool;
- Clarify the types of underwriters targeted in a RFP;
- Minor revisions to certain titles and descriptions;

The existence of an approved and current debt policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the public that it serves. On May 11 2015 the Finance Committee reviewed the proposed changes and recommendations and has forwarded them to the Board for adoption.

Fiscal Impact:

None.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
 Customer Strategy
 Employee Strategy
 Financial Strategy
 Operations Strategy

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:

Not Applicable

Prepared by:

SCOTT BRICKNER
VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/TREASURER

RESOLUTION NO. 2015-0042

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AMENDMENTS TO AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT POLICY

WHEREAS, San Diego County Regional Airport Authority Policy 4.40 establishes a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (“Authority”); and

WHEREAS, Policy 4.40, as amended, has been reviewed and approved by the Authority’s financial advisors and bond counsel; and

WHEREAS, this policy serves as the guideline for the Authority to ensure prudent management of its debt, having been submitted for review and adoption by the Authority Board in a public meeting.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves Authority Policy 4.40 (Exhibit A), as amended, governing the debt issuance and management policies and practices of the Authority; and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a “project” as defined by the California Environmental Quality Act (CEQA), Cal Pub. Res. Code Section 21065; and is not a “development” as defined by the California Coastal Act, Cal Pub. Res. Code 30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
POLICIES

ARTICLE 4 - FINANCE AND ACCOUNTING
PART 4.4 - DEBT
SECTION 4.40 - DEBT ISSUANCE AND MANAGEMENT POLICY

PURPOSE: To establish a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”).

POLICY STATEMENT:

SECTION I. INTRODUCTION & EXECUTIVE SUMMARY

This comprehensive Debt Issuance and Management Policy (the “Policy”) contains the policies that govern existing and anticipated debt obligations. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority’s ability to manage its outstanding debt and projected debt issuance. It is expected that the Policy will be updated from time to time to reflect changes in law and market practices.

Debt plays an important role in meeting the financial needs of the Authority since it provides the funding for the Authority to build projects today which will subsequently be repaid from future revenues. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent financial management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Authority’s access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity. The term “debt” is used in this Policy to describe numerous types of financial obligations of the Authority which may include Bonds, Subordinate Obligations, Special Facility Obligations and other financings of the Authority.

The Authority’s debt issuance and management objectives are to:

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors;

- Comply with all Federal and State laws and regulations, as well as bond indenture, federal tax and securities law post-issuance compliance, and reimbursement agreement covenants; and
- Protect the assets and funds entrusted to the Authority.

SECTION II. ROLES AND RESPONSIBILITIES

The roles and responsibilities of key parties in administering, monitoring, and ensuring on-going compliance with this Policy include:

- 1) Board: The Authority is governed by an appointed board of nine members who represent all areas of San Diego County and three *ex-officio* members. The Board approves all bond issuances as well as the policies and guidelines pursuant to which debt is incurred and issued.
- 2) President/CEO and Vice President, Finance and Asset Management/Treasurer: The Vice President, Finance and Asset Management/Treasurer, under the direction of the President/CEO, is (i) responsible for developing, evaluating, implementing and monitoring the financing plan and debt strategies for the Authority in compliance with this policy, subject to Board approvals; and (ii) is in charge of federal tax and securities law post-issuance compliance with respect to all debt obligations.
- 3) Registered Municipal Advisor: The Authority has chosen to deliver a Notice of Representation by Registered Municipal Advisor pursuant to SEC Rule 17 CFR Section 240.15Ba1-1(d)(3)(vi)(B) dated August 27, 2014 to notify investment banking firms that the Authority has retained a financial advisor and, among other things, will rely on advice of the financial advisor for recommendations on the issuance of municipal securities provided by investment banking firms. The Authority may amend or modify this notice from time to time.
- 3)4) Financial Professionals: All financial professionals performing services for the Authority's debt programs, such as its financial advisor, bond counsel, disclosure counsel, investment advisor and underwriters, must comply with the policies and procedures set forth herein.

SECTION III. CAPITAL IMPROVEMENTS AND FINANCIAL PLANNING

The Authority maintains a financing plan and model which projects the available sources and uses of funds and verifies the Authority's financial ability to deliver current and planned programs and services. The impact of the funding sources, particularly debt, on future commitments is a relevant consideration of this Policy. The financing plan is based on a set of assumptions developed through detailed collection and analysis of historical and forecasted data concerning revenues and expenses, economic forecasts and trend projections. The main sources of revenues include airline rates and charges, parking and concession revenues, and lease revenues, and other revenues. Additionally, Passenger Facilities Charges (PFCs), Customer Facility Charges (CFCs), and federal grants-in-aid are included as a funding source for certain eligible projects.

The Authority's annual operating budget will ensure that sufficient resources are provided from current revenues to: 1) finance the current fiscal year's requirements for ongoing operating and maintenance needs; 2) provide reserves for periodic replacement and renewal; 3) fund the annual requirements of the maintenance, operating and other reserves; and 4) meet any debt service coverage requirements.

Both the capital plan and the financing plan shall be updated periodically as part of the budget process. It is the goal of the Authority to adopt its capital plan on a rolling five year forward basis. Both plans will comply with the Policy, paying particular attention to all relevant target debt affordability indicators.

SECTION IV. DEBT TARGETS

The President/CEO and the Vice President, Finance and Asset Management/Treasurer will recommend to the Board the amount, term and type of debt needed to meet the Authority's short-term and long-term financing requirements. In such determinations, issues of debt capacity, amortization period and affordability will be considered, guided by the use of target debt affordability indicators for measuring the affordability of additional borrowing.

The following are the target debt affordability indicators for the Authority. The Authority will regularly review and may re-evaluate certain targets from time to time as long-term master plan requirements may be defined.

1) Rate Covenants

The Authority has covenanted in the Master Indenture to comply with the senior lien Rate Covenant, as summarized below:

Bonds – Under the Master Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Net Revenues, which are generally defined as Revenues less Operation and Maintenance Expenses for a given period, in each Fiscal Year will be at least equal to 125% of the aggregate annual debt service for all Bonds.

“Bonds” are generally defined by the Master Indenture to mean any debt obligation of the Authority including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements, other agreements, certificates of participation, and bank repayment obligations. The term “Bonds” does not include Subordinate Obligations (which is defined hereinafter).

The Authority has covenanted in the Master Subordinate Indenture to comply with the subordinate lien Rate Covenant, as summarized below:

Subordinate Obligations – Under the Master Subordinate Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Subordinate Net Revenues (which are generally defined as Revenues less Operation and Maintenance Expenses less senior lien Bond debt service and reserve funding requirement for a given period) in each

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Fiscal Year will be at least equal to 110% of the Aggregate Annual Debt Service for all Subordinate Obligations for such Fiscal Year (excluding the principal amount of Commercial Paper reissued during the Fiscal Year).

“Subordinate Obligations” shall mean any debt obligation of the Authority issued under the Master Subordinate Indenture and are generally defined to mean a subordinate lien debt obligation including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and bank repayment obligations.

2) Additional Bonds Test and Additional Subordinate Obligations Test

In order to issue additional parity debt under the Master Indenture, the Authority must comply with one of the two prongs of the Additional Bonds Test, as summarized below:

(A) The Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds were at least equal to 125% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Net Revenues are expected to be at least 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for each year of the forecast period.

In order to issue additional parity debt under the Master Subordinate Indenture, the Authority must comply with one of the two prongs of the Additional Subordinate Obligations Test, as summarized below:

(A) The Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations were at least equal to 110% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Subordinate Net Revenues are expected to be at least 110% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for each year of the forecast period.

3) Annual Debt Service Coverage Targets

The Authority has established debt service coverage targets for its Bonds and Subordinate Obligations in order to maintain adequate financial margins to accommodate unexpected events given the volatile nature of the aviation industry, preserve financial capacity for future funding needs, and maintain strong credit ratings.

The current minimum Debt Service Coverage targets are:

Bonds: 1.75x (for only senior lien bonds)

Aggregate Debt Service:

- 1.50x, based upon Net Revenues divided by Aggregate Annual Debt Service on Bonds and Subordinate Obligations (for total debt service)
- 1.20x, based upon an alternative “revenue method” calculation utilized by rating agencies where PFCs are added to Net Revenues (rather than deducted from Debt Service) with the sum divided by Aggregate Annual Debt Service for Bonds and Subordinate Obligations

These debt service coverage targets will be reviewed at least annually by the Authority and its financial advisor to determine appropriate adjustments that may be necessary.

4) Airline Costs Per Enplaned Passenger Target

The Authority will compare its airline costs per enplaned passenger (“CPE”) with available sources of data, including the rating agencies’ median reports and a selected peer group of airports. Due to the different ways that airports set airline rates and charges, it is recognized that comparisons between airports can be misleading.

The Authority will regularly review and monitor CPE and seek to maintain a competitive rate.

5) Debt Per O&D Enplaned Passenger Target

The Authority will compare its debt per O&D enplaned passenger with available sources of data, including the rating agencies’ median reports. Due to the different ways that airports finance their capital facilities, this measure is only one indicator of debt affordability.

The Authority has established a debt (excluding special facility financing) per O&D enplaned passenger goal of no more than \$150 per enplaned passenger.

The Authority will regularly review and update this metric from time to time as may be necessary.

6) Liquidity Target

Recognizing the inherently volatile nature of the aviation industry, the Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Authority’s budgeting and capital planning process.

The Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, and O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 500 days of budgeted operating and maintenance expenses for the current fiscal year.

7) Credit Ratings Target

Credit ratings are assigned to the Authority's Senior Lien Airport Revenue Bonds. The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport. At a minimum, the Authority seeks to maintain ratings in the category of "A1/A+/A+" from all three rating agencies for its Senior Lien Airport Revenue Bonds.

SECTION V. TYPES OF FINANCING – DESCRIPTION AND APPROACH

1) Bonds and Subordinate Obligations of the Authority

In general, issuing senior lien debt under the Authority's Master Indenture will achieve the lowest borrowing costs compared to other forms of borrowing. Under the Master Indenture, senior lien debt is defined as "Bonds". Under the Master Subordinate Indenture, subordinate lien debt is defined as "Subordinate Obligations".

Bonds issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Net Revenues generated by the Airport. Subordinate Obligations issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Subordinate Net Revenues generated by the Airport.

Revenues generally include all revenues, income, receipts, and money derived from the ownership and operation of the Airport and all gifts, grants, reimbursements, or payments received from governmental units or public agencies, which are not restricted by law or the payor to application for a particular purpose other than payment of bonds. Among other things, Revenues specifically exclude:

- (A) Passenger Facility Charges (PFCs)
- (B) Released Revenues, which are an identifiable portion of Revenues that have been excluded from Revenues after meeting certain requirements defined in the Master Indenture
- (C) State and/or federal Grants
- (D) Rental car Customer Facility Charges (CFCs)

2) PFC-Supported Bonds and Subordinate Obligations

The Authority intends to leverage PFCs to support investment in Airport infrastructure and facilities. In order to do this, the Authority may make an irrevocable pledge of PFCs to pay eligible debt service. The Authority will not include PFCs in estimates of

future revenues pledged to support Annual Debt Service unless approval for their imposition has been obtained or is expected to be obtained from the FAA.

3) Special Facility Financings

Special Facilities Obligations may be issued by the Authority to finance capital projects and must be secured by a defined revenue stream derived from or relating to discrete facilities such as cargo terminals or maintenance facilities. Such facilities may be leased to one or more tenants.

The Authority may designate facilities at the Airport as Special Facilities and the revenues therefrom as Special Facilities Revenue if such facilities or revenues meet the following tests from the Master Indenture:

(A) The estimated Special Facilities Revenue pledged to the payment of Special Facilities Obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due; and

(B) With respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as a "Special Facility" or "Special Facilities," the estimated Net Revenues, calculated without including the new Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses of the Airport System, will be sufficient so that the Authority will be in compliance with the Rate Covenant; and

(C) No Event of Default then exists under the Indenture

If a facility meets these tests, the Special Facilities Revenues will not be Revenues for the period during which any Special Facilities ~~Bonds~~Obligations are outstanding.

Special Facilities Obligations are limited obligations of the Authority to be repaid solely by Special Facilities Revenues derived from or relating to a discrete facility and are not secured by a lien on Revenues or PFC Revenues. Bonds and Subordinate Obligations are not secured by Special Facilities Revenues.

Special Facilities Obligations may be used in lieu of issuance of Bonds or Subordinate Obligations for financing of discrete airport facilities or airport projects that have an independent revenue stream.

The Authority may permit tenants to undertake Special Facilities ~~Bonds~~Obligations under the following specified terms and conditions:

(A) The financing must comply with the Master Indenture limitations on this type of financing;

(B) A pledge of leasehold mortgage or security interest in the underlying asset may be granted to the trustee or Bondholders in certain circumstances, taking into account any value the Airport receives from the tenant in return;

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(C) Terms of bonds will be consistent with the standard terms and the provisions of the Airport's leasing policies;

(D) The Airport will not enhance the creditworthiness of Special Facilities Obligations (for example, through the granting of a re-letting provision), unless the Authority determines it is in the best interests of the Airport, taking into account any value the Airport receives from the tenant in return;

(E) The Special Facilities Obligations are amortized over a period that does not exceed the lesser of: (a) 40 years; or (b) the useful life of the facility (80% of the useful life of the facility for projects that are considered to be "private activities" under Federal tax regulations, if tax-exempt financing is used). "Bullet" maturities may be considered if they do not exceed the lesser of: (a) the useful life of the facility; or (b) 25 years, and are amortized on a straight line basis for purposes of calculating amortized cost (see below);

(F) The Authority reserves the right to acquire the facility at its amortized cost and the right to require notices exercising early call redemption provisions for the Special Facilities Obligations;

(G) Any refinancing of assets financed with Special Facilities Obligations will not be permitted without the consent of the Board;

(H) The tenant will reimburse the Authority for all of its costs associated with the Special Facilities Obligations;

(I) The Authority may assess an annual fee for Special Facilities Obligations;

(J) Bond Counsel(s) for the Authority will review all Disclosure documents and prepare the financing documents;

(K) The tenant will satisfy Continuing Disclosure and arbitrage rebate requirements and will provide the Authority with indemnities covering any exposure the Authority may have arising from the financing;

(L) The proposed facility must be compatible with Airport System land and capital use plans; and

(M) The Authority may establish minimum threshold Credit Ratings for airlines and other parties wishing to participate in Special Facilities Obligation financed projects. These threshold Credit Ratings will be reviewed by the Authority from time to time.

4) Bond Anticipation Notes ("BANs") and Grant Anticipation Notes ("GANs")

Bond Anticipation Notes ("BANs") are short-term debt instruments that will be repaid with proceeds of an upcoming bond issue.

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Grant Anticipation Notes (“GANs”) are short-term instruments that will be repaid from expected future Federal AIP and TSA grants or other Federal or State grants accepted by the Authority. The FAA and TSA may issue Letters of Intent (“LOI”) to the Authority indicating their intent, although not their commitment, to fund “long term, high priority capacity projects” on a multi-year basis as appropriations become available. Once an LOI is in hand, notes may be issued that are secured by the grants anticipated to be received from the FAA and/or TSA. However, there typically must be an ancillary source of repayment for the notes in the event grant funding is ultimately not received.

Notes may be considered Balloon Indebtedness under the Master Indenture, which specifies that, for purposes of calculating the Aggregate Annual Debt Service of Balloon Indebtedness, such Bonds shall be assumed to be amortized in substantially equal annual amounts for principal and interest over a period of 30 years at an interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, or if that index is no longer published, another similar index selected by the Authority. If the Authority fails to select a replacement index, the rate shall be the rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Indenture. Issuance of BANs and GANs should not occur in amounts or result in amortization that would result in the failure by the Authority of its ability to satisfy its rate covenants and the debt coverage goals contained in this Policy.

5) Capital Appreciation Bonds and Zero Coupon Bonds

The Authority will not issue capital appreciation bonds or zero coupon bonds unless the Authority has determined, quantified and demonstrated that there is a significant benefit over traditional structures.

6) Commercial Paper

Commercial Paper is a short-term obligation with maturities ranging from 1 to 270 days. The payment when due of principal and interest on each series of the Notes also is secured by separate irrevocable, direct-pay letters of credit.

The Authority may refinance, refund or purchase outstanding Commercial Paper by issuing new Commercial Paper, by issuing Bonds, or by using available Authority funds.

For purposes of calculating Aggregate Annual Debt Service for a Commercial Paper Program, the principal and interest shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 35 years commencing in the year in which such Commercial Paper Program is implemented and with substantially level Annual Debt Service payments. The interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a

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reasonable market rate for fixed rate Subordinate Obligations of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Subordinate Obligations bear interest which is or is not excluded from gross income for federal income tax purposes.

Any outstanding Commercial Paper anticipated to be paid off and not reissued within the current fiscal year shall be excluded from any calculations of variable rate exposure for internal debt management purposes.

The Authority may issue Commercial Paper as sources of interim ~~construction~~ financing for capital projects. Before issuing such Commercial Paper notes, the take out of such Commercial Paper must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

7) Floating Rate Notes

Floating Rate Notes (FRNs) are notes that have a variable coupon, equal to a money market reference rate, such as SIFMA (Securities Industry and Financial Markets Association) or LIBOR (the London Interbank Offered Rate), plus a spread. The spread is a rate that remains constant. At the beginning of each coupon period, the coupon is calculated by taking the fixing of the reference rate for that day and adding the spread. Because the coupon resets based on a short-term index, the issuer is exposed to rising interest rates unless it has swapped the debt to a fixed rate. However, unlike variable rate demand obligations or Commercial Paper, FRNs are not supported by a bank liquidity facility, and therefore do not pose short-range liquidity/refinancing risk to the issuer.

The Authority may issue FRNs as a source of interim financing for capital projects. Before issuing such FRNs, the take out of such notes must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

8) Equipment Leases

Equipment leases are basically loans pursuant to which the lender buys and owns certain equipment (e.g., jet bridges, baggage systems, flight and baggage information display systems) and then "rents" it to the Authority at a flat monthly rate for a specified number of months. At the end of the lease, the Authority may purchase the equipment for its fair market value (or a fixed or predetermined amount), continue leasing, lease new equipment or return the equipment. The Authority may explore equipment leases as a financing vehicle and alternative to debt if the terms and conditions of the lease (including the interest rate charged) are more favorable.

9) Installment Payment Agreement

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The Authority may also finance certain facilities under an agreement with a third-party whereby the third-party funds the investment in the facility and the Authority agrees to pay the third party as rental/payment for the use and occupancy of the facility specific installment payments. The installment payments would be made from the Authority's available funds after payment of all Operation and Maintenance Expenses, all funds necessary to pay debt service on and to fund the reserves for the Authority's Outstanding Senior and Subordinate Debt Obligations and amounts necessary to fund the Authority's Operation and Maintenance Reserve Subaccount and Renewal and Replacement Subaccount in accordance with the Master Trust Indenture.

10) Direct Loans

The Authority may also enter into a direct loan with a financial institution to meet certain of its financing needs. A direct loan is made directly with a financial institution and may be a fixed or variable product. The Authority may use direct loans as interim or permanent financing for capital projects or to refinance outstanding debt.

SECTION VI. FEATURES OF LONG-TERM DEBT

The Vice President, Finance and Asset Management/Treasurer will recommend to the Board the structure and term of long-term debt according to the general policies described below.

1) Selection of Final Maturity and Amortization of Principal

The final maturity of borrowings should not exceed, and preferably be less than, the projected economic life of the improvements that are financed or such shorter period as required by Federal tax law, if tax-exempt debt has been used.

2) Use of Capitalized Interest

The Vice President, Finance and Asset Management/Treasurer will evaluate whether or not to capitalize the early years' interest cost in a bond issue by taking into account the impact this action would have on the size of the bond issue, future Annual Debt Service requirements, accounting treatments and budgetary impacts.

3) Tax Status

The Vice President, Finance and Asset Management/Treasurer will evaluate whether or not to issue taxable bonds in lieu of bonds that are subject to the Alternative Minimum Tax (AMT) for certain maturities for private activity financing needs. In some market conditions, the cost for taxable debt may be less than the cost for AMT bonds for certain maturities.

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4) Sizing of Debt Service Reserve Funds

Except in limited circumstances, the Master Indenture and the Master Subordinate Indenture require either the funding of a common Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for all existing and proposed Bonds or Subordinate Obligations under the respective master indenture participating in such master reserve fund, or the funding of a Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for only the proposed issue. With each issuance of Bonds or Subordinate Obligations, the Vice President, Finance and Asset Management/Treasurer will compare the costs of funding required increases to the reserve requirement from bond proceeds with the costs of satisfying the reserve requirement through the use of a reserve fund surety. The potential effect on credit ratings will also be considered when comparing reserve requirement funding alternatives.

5) Selection of Redemption Provisions

Redemption provisions will be established on a case-by-case basis, taking into consideration market conditions and the results of a call option analysis prior to the time of sale.

The issuance of non-callable Bonds or Subordinate Obligations should be considered only in special circumstances based upon the specific transaction. Because the issuance of non-callable debt may restrict future financial flexibility, cost will not be the sole determinant in the decision to issue non-callable bonds. The preference of the Authority is to issue debt with standard redemption provisions.

6) Use of Discount Bonds

Prior to issuing Bonds or Subordinate Obligations at a dollar price less than 97.0% of par, the Vice President, Finance and Asset Management/Treasurer will request from the financial advisor an analysis of the reduced option value resulting from the assignment of a lower interest coupon. The Authority will consider issuing the discount debt, where permissible under tax law, if the present value debt service savings provided by the lower interest coupon is greater than the reduction in call option value. Other benefits such as the participation of new investors will be an additional consideration.

7) Use of Premium Bonds

Prior to issuing Bonds at a dollar price greater than par, the Vice President, Finance and Asset Management/Treasurer will request from the Authority's financial advisor a brief cost/benefit analysis of the interest saved using premium debt versus other possible pricing structures.

8) Minimum Criteria for Debt Financing Equipment Items

The Authority will not issue long-term debt to finance individual items of equipment with a useful life less than five (5) years, except under a master lease program.

SECTION VII. REFUNDING OPPORTUNITIES

The Vice President, Finance and Asset Management/Treasurer and the Authority's financial advisor will monitor refunding opportunities for all outstanding debt obligations on a periodic basis applying established criteria in determining when to issue refunding bonds for debt service savings.

(It is acknowledged that refunding issues may be executed for reasons beyond economic purposes, such as to restructure debt service, to change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove undesirable covenants.) The refunding criteria will include a comparison of expected present value savings with the option value of the existing callable bonds. Generally, the Authority will pursue refunding opportunities if the expected net present value savings provide sufficient compensation for the exercise of the optional redemption provision. Recommendations as to the sufficiency of the net present value savings will be provided by the Authority's financial advisor.

An Advance Refunding involves refunding tax-exempt bonds more than 90 days in advance of the bond's first optional redemption date. Currently, only Governmental Purpose tax-exempt bonds (as that term is defined in the Internal Revenue Code) may be advance refunded. An Advance Refunding is an important debt management tool for the Authority. Advance Refundings are commonly used to achieve interest cost savings, to remove or change burdensome bond covenants or to restructure future debt service payments. For bonds issued after December 31, 1985, only one Advance Refunding of Governmental Purpose tax-exempt bonds may occur under Federal tax law and thus the Authority must carefully evaluate the appropriateness of Advance Refunding when an opportunity arises. A current refunding involves issuing refunding bonds no earlier than ninety (90) days prior to the bond's optional redemption date. Federal tax law does not limit the number of current refundings of any bond.

The Authority will anticipate the potential for Advance Refundings when issuing new debt. Careful attention will be given to pricing considerations that will affect future Advance Refunding flexibility such as optional redemption provisions and interest characteristics.

The following considerations apply when the Authority considers refunding opportunities:

1) Monitor Potential Savings:

The Vice President, Finance and Asset Management/Treasurer, with the assistance of the Authority's financial advisor, will monitor on an ongoing basis potential savings available by refinancing outstanding debt of the Authority. Savings will be analyzed on a present value basis by using a percentage of the refunded par amount. All costs and benefits of the refinancing will be taken into account.

2) Target Savings Amounts:

A present value analysis must be prepared to identify the economic effect of any proposed refunding. To proceed with a refinancing for economic savings, the Authority will evaluate the net present value savings as a percentage of the refunded par amount

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relative to the time to the first call date of the bonds and the maturity date of the bonds, using the following guidelines:

<i>Years from the date of first call to Maturity Date of the Bonds</i>	<i>Years to the first Call Date</i>		
	<i>After the First Call Date to Up to 1 Year Before</i>	<i>1 to 3 Years Before the First Call Date</i>	<i>More than 3 Years Before the First Call Date</i>
0-5 Years	0.5%	1.0%	2.0%
6-10 Years	1.0%	2.5%	4.0%
11-20 Years	3.0%	4.0%	5.0%

3) Other Considerations:

Some refundings may be executed for other than economic purposes, such as to restructure debt, to change the type of debt instrument, or to retire a bond issue and indenture for more desirable covenants. In addition, if the benefits outweigh the costs and the refunding opportunity would otherwise be lost, the Authority may proceed with a refunding that has economic benefit but does not meet the criteria stated above in the “Target Savings Amount” paragraph above.

4) Non-Traditional Refundings:

Refundings executed with non-traditional structures such as swaps, require a full analysis of the benefits and risks, and may require higher economic benefits.

SECTION VIII. ISSUANCE OF VARIABLE RATE DEBT

Variable Rate Debt typically is issued for a term of up to 30 years, although the interest rate on this debt instrument is reset daily, weekly, monthly or less commonly, periodically.

The Authority recognizes that variable rate securities are a useful debt management tool that traditionally has had lower interest rate costs than fixed rate debt. The Authority’s current goal is to maintain a debt program which may include both fixed and variable rate debt, as well as Commercial Paper.

1) Purposes of Variable Rate Debt

The Vice President, Finance and Asset Management/Treasurer may recommend that variable rate securities be issued for the following purposes:

(A) Interim Financing Tool

The Authority may consider issuing Variable Rate ~~Indebtedness Debt~~ or Commercial Paper (whose stated maturity cannot exceed 270 days) in connection with its major debt-financed capital projects, especially when interest rates associated with a fixed rate, long term borrowing far exceed the interest rates that can be earned on the construction and capitalized interest

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funds (resulting in a significant amount of negative arbitrage). Because Variable Rate Debt or Commercial Paper can be retired or redeemed without penalty, these instruments may better suit circumstances where a refunding or restructuring of a potential debt issue is likely for any reason, (for example, if a change in use of the facility to be funded may reasonably be anticipated, or if grant or another source of funds may be obtained to substitute for bond funding).

Certain variable rate products—most notably, Commercial Paper—can be issued incrementally as funds are needed to finance current construction, and can reduce the long-term cost of construction financing.

(B) Statement of Net Position Management Tool

The maintenance of Variable Rate Indebtedness and Commercial Paper liabilities at a level that takes into consideration the amount of short-term assets maintained by the Authority prudently reduces the Authority's risk of exposure to changes in interest rates. Since the Authority invests its free cash balances in short term instruments, it is exposed to interest rate fluctuations at the short end of the yield curve. Conversely, a large portion of its liabilities are in the form of long term, fixed-rated debt. When interest rates fall, the Authority's assets earn less, while its liabilities are fixed. Offsetting this exposure by better matching the variability of earnings on its assets with variable, rather than fixed, rate liabilities serve as a hedge against interest rate risk and reduces the overall cost of funds.

(C) Diversify Investor Base to Lower Costs

Typically, variable rate debt is sold to a different segment of investors than long-term fixed rate bonds. By tapping short-term investors, an issuer broadens and diversifies its investor base. By becoming a familiar and respected credit among short-term investors, the Authority will be in a better position to gain access to these buyers at those times when it is less advantageous to borrow in the fixed-rate market.

(D) Management of Negative Arbitrage

Issuing debt in a variable rate mode reduces or at times may even eliminate negative arbitrage in Construction, Capitalized Interest and Debt Service Reserve Funds. (See "A" above)

2) Criteria for Use of Variable Rate Debt

The Authority's net variable rate debt composition (defined as variable rate debt less unrestricted cash reserves): ~~Excluding~~ ~~excluding~~ interim financings (defined as financings the Authority intends to take out with permanent long term financings) will not exceed the greater of 15% of total debt or \$100 million.

Statement of Net Position Risk Mitigation - In determining the appropriate amount of variable rate debt to be issued for risk mitigation purposes, the following factors should be taken into account, and analyzed on the basis of the funds that will be repaying the debt:

- (i) The historic average of cash balances analyzed over the course of several prior fiscal years.
- (ii) Projected cash balances based on known demands on the given fund.
- (iii) Any basis risk, such as differences in the performance or average life of the Authority's investment vehicle (e.g., swaps, as discussed in Section IX) and the variable rate debt instrument.

3) Diversification of Remarketing Agents and Counterparties

In selecting remarketing agents for variable rate debt, the Authority will seek to choose a diversity of remarketing agents to better foster competition. For similar reasons, the Authority will seek to diversify its counterparties when selecting institutions to provide liquidity or credit enhancement for Airport variable rate debt.

4) Budgeting

The Vice President, Finance and Asset Management/Treasurer will determine the appropriate method for budgeting the interest cost of variable rate debt by considering historic interest rates, projected interest rates and the effect of risk mitigation products such as interest rate swaps or caps.

5) Monitoring and Reporting

The Vice President, Finance and Asset Management/Treasurer will monitor the performance of actual interest rates on variable rate debt and periodically report the results. Reports will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and with rules promulgated by the General Accounting Standards Board (GASB). With the assistance of its financial advisor, the Vice President, Finance and Asset Management/Treasurer will regularly review the performance of the individual remarketing agents in relation to other remarketing agents, similar programs and market indices.

SECTION IX. DERIVATIVES

The Authority has adopted and will maintain a separate policy for derivatives (Policy 4.21 "Policy Regarding the Use and Management of Derivative Products").

SECTION X – METHOD FOR SALE OF DEBT

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There are two methods of issuing debt obligations: a Competitive Sale and a Negotiated Sale. In a Competitive Sale, Underwriters submit sealed bids, and the Underwriter or Underwriting Syndicate with the lowest True Interest Cost (TIC) is awarded the sale. In a Negotiated Sale, the Underwriter or Underwriting Syndicate is selected through a Request for Proposal (RFP) process. The interest rate and Underwriter's fee are negotiated prior to the sale, based on market conditions.

It is usually not feasible to issue bonds through a Competitive Sale for certain types of financings, such as Variable Rate Debt, Commercial Paper and specialized financings like Special Facility Revenue Bonds. Further, there are factors (e.g., flexibility as to timing and the mix of the underwriting syndicate) that support the use of a Negotiated Sale. Still, a competitive process should be used to choose the appropriate Underwriter and financing team to ensure the most qualified firms are used for a specific financing. The current policy of the Authority establishes a preference for Negotiated Sales of its Bonds.

Role of Underwriters in Negotiated Sale

The Authority expects its underwriters to: 1) participate in a valuable and significant way with respect to the structuring and pricing of each debt issue and sales performance; 2) cooperate fully with other financing team members in a way that provides the maximum benefit to the Authority; and 3) attend meetings, when requested, related to the issuance of debt.

The book running senior manager, in conjunction with the financial advisor, is responsible for developing a time and responsibility schedule that will allow for the timely and successful completion of the financing. The book running senior manager is responsible for communicating the Authority's plan of finance and timing to the other managing underwriters in the syndicate.

Underwriter Selection in Negotiated Sale

The Authority may select underwriters for an individual financing or to serve as part of a pre-qualified pool of underwriters available for appointment for anticipated financings. In either case, the Authority would conduct a competitive selection process, which should include:

- Developing an RFP that meets the financial and policy goals of the Authority.
- Meeting the Authority procurement requirements.
- Circulating the RFP to a wide range of ~~large and small cap~~ large and small cap ~~capitally funded Underwriters (e.g. national and regional firms, DBE and majority firms, and firms that specialize in certain types of debt).~~
- Diligently evaluating the Underwriters' proposals received in response to the RFP.
- Conducting follow-up interviews with any or all of the proposing firms (optional).
- Selecting candidates to be recommended for appointment to an individual financing or to an Underwriter pool.

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Should the Board appoint underwriters to a pre-qualified pool after an RFP process, the Vice President, Finance and Asset Management/Treasurer may recommend such firms for appointment to specific financings, without a subsequent RFP process.

SECTION XI. INVESTMENT OF BOND PROCEEDS

The Authority shall invest proceeds generated through the issuance of debt in compliance with the terms of eligible investments under the relevant bond indenture and related bond documents; its Investment Policy; and applicable state laws.

SECTION XII. COMPLIANCE WITH FEDERAL TAX LAW AND MARKET DISCLOSURE OBLIGATIONS

1) Compliance with Federal Tax Law

The Vice President, Finance and Asset Management/Treasurer shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Federal tax code and ensure compliance with other Federal tax regulations and post-issue compliance as required by Bond Counsel at the time of issuance of the debt. This effort shall include tracking expenditures of bond proceeds to ensure such expenditures comply with federal tax law requirements, tracking investment earnings on proceeds, retention of a rebate consultant to prepare and calculate rebate payments in compliance with tax law and remitting any earnings subject to rebate to the Federal government in a timely manner in order to preserve the tax-exempt status of the Authority’s outstanding debt issues that have been issued on a tax-exempt basis.

The Authority will comply with all covenants contained in tax certificates.

Trustee banks have been appointed for the Authority’s outstanding debt. The trustees shall perform all functions and duties required under the terms and conditions set forth in the respective bond indentures and trust agreements, including maintaining records of fund balances and investments.

2) Initial Disclosure

The Authority acknowledges its responsibilities under the securities laws to avoid material misstatements and omissions in offering documents used in the marketing of Authority debt. The Vice President, Finance and Asset Management/Treasurer shall manage and coordinate the disclosure documentation preparation process and shall establish a system of procedures to ensure the preparation of appropriate disclosure documentation when required, with assistance from the Authority’s General Counsel and the Authority’s Bond and/or Disclosure Counsel. When necessary, the Vice President, Finance and Asset Management/Treasurer shall provide training covering new developments and disclosure responsibilities to staff members.

3) Continuing Disclosure

To assist Underwriters to comply with Securities and Exchange Commission (“SEC”) Rule 15c2-12, except where exceptions apply, the Authority has entered into and

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expects in the future to enter into additional continuing Disclosure undertakings. The Authority is required to provide 1) Annual Reports, containing the Authority's audited financial statements as well as updates of operating and financial data included in the Authority's offering documents, and 2) notices of certain enumerated events.

- i) Notice of the occurrence of any of the following events shall be given, or caused to be given by the Authority, with respect to any bonds, not later than ten business days after the occurrence of the event:
 - (A) Principal and interest payment delinquencies;
 - (B) Unscheduled draws on the Debt Service Reserve Funds reflecting financial difficulties;
 - (C) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (D) Substitution of credit or liquidity providers, or their failure to perform;
 - (E) Adverse tax opinions with respect to the tax status of any bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to any bonds;
 - (F) Tender offers;
 - (G) Defeasances;
 - (H) Rating changes; or
 - (I) Bankruptcy, insolvency, receivership or similar event of the obligated person:

Note: for the purposes of the event identified in subparagraph (I), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (ii) Notice of the occurrence of any of the following events with respect to any bonds, if material, shall be given, or caused to be given by the Authority, not later than ten business days after the occurrence of the event:

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- (A) Unless described in paragraph 3(i)(E), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of any bonds or other material events affecting the tax status of any bonds;
- (B) Modifications to rights of the owners of any bonds;
- (C) Optional, unscheduled or contingent bond calls;
- (D) Release, substitution or sale of property securing repayment of any bonds;
- (E) Non-payment related defaults;
- (F) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
- (G) Appointment of a successor or additional trustee or the change of name of a trustee;

SECTION XIII. RATINGS AGENCIES AND INVESTOR RELATIONS

The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority’s Credit Rating agency relationship. The Authority recognizes the importance of immediate and timely Disclosure of relevant financial and program information concerning its debt programs to the rating agencies and pursuant to its continuing disclosure undertakings. This effort shall include periodic meetings with the rating agencies and shall provide the rating agencies with the Authority’s annual budget projections, financial statements and other relevant information.

The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority’s investor relations program. The Authority shall attempt to promptly respond to any reasonable inquiry from an institutional or retail investor concerning information generally available to the investing public.

SECTION XIV. AMENDMENTS TO DEBT ISSUANCE AND MANAGEMENT POLICY

The Policy codifies and explains the guidelines and the policies that govern existing and anticipated debt obligations of the Authority. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority’s ability to manage its projected debt issuance. The Policy will require changes and modifications over time. The Vice President, Finance and Asset Management/Treasurer shall be responsible for ensuring the policy is current and will review the Policy annually, at a minimum. In the event that changes to the Policy are necessary, the Vice President, Finance and Asset Management/Treasurer shall propose such changes to the CEO. Upon CEO approval, the proposed amended Policy will be submitted to the Board requesting approval.

GLOSSARY

Additional Bonds Test: The earnings test which must be satisfied under the provisions of a revenue bond contract before bonds of an additional issue having the same lien on a pledged revenue source can be issued. Typically, the test required that historical or future estimated pledged revenues exceed total debt service (existing and proposed) by a certain ratio. The test provides protection to investors that the bond issuer will not issue additional parity bonds without providing ample security to the investors in the previous financing(s).

Advance Refunding: A refunding that occurs more than 90 days in advance of the first optional redemption date. Under current IRS regulations, Governmental Purpose tax-exempt bonds issued after December 31, 1985 are permitted only one advance refunding. Additionally, certain private activity bonds may not be advanced refunded.

Airline Costs per Enplaned Passenger (“CPE”): A comparative statistic used to demonstrate the affordability of airline operations at an airport. CPE is often used in the process of determining the credit quality of an issue. It is typically calculated as total passenger airline revenue divided by the number of enplaned passengers in any fiscal year.

Airport Revenue Bonds: Airport Revenue Bonds (also known as General Airport Revenue Bonds, or “GARBs”) are bonds issued pursuant to the terms of a trust indenture or ordinance which are secured either by a pledge of gross or net airport revenues.

Alternative Minimum Tax: Other than for certain private activity bonds issued during the AMT “waiver” period authorized by the American Recovery and Reinvestment Act of 2009 (“ARRA”), interest on tax-exempt private activity bonds issued after August 7, 1986 (other than bonds for 501(c)(3) organizations and refundings of pre-August 8, 1986 bonds) is generally subject to the Alternative Minimum Tax (“AMT”) as a specific item of tax preference. ARRA exempted new money and certain refundings of private activity bonds issued in 2009 and 2010 from the AMT penalty.

Amortization: The process of paying the principal amount of an issue of securities by periodic payments either directly to holders of the securities or to a sinking fund for the benefit of security holders.

Arbitrage: With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with tax-exempt bonds.

Arbitrage Rebate: A payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made.

Balloon Maturity: A bond structure wherein the principal amount becomes due and payable on one date, generally at the end of the bond term.

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Basis Point: Yields on bonds are usually quoted in increments of basis points. One basis point is equal to 1/100 of one (1%) percent. For example, the difference between 6.00% and 6.50% is 50 basis points.

Bond Counsel: A law firm retained by the bond issuer to give a legal opinion that the bond issuer is authorized to issue proposed securities, the bond issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation. Usually, bond counsel will prepare authorizing resolutions and ordinances, trust indentures and other bond documents with the exception of the Official Statement.

Bondholder: The owner of a municipal bond. The owner of a bearer bond is the person having possession of it, while the owner of a registered bond is the person whose name is noted on the bond register.

Bond Insurance: Insurance which guarantees the timely payment of principal and interest of either an entire bond issue or specified maturities. In exchange for payment of the bond insurance premium, a higher credit rating (historically, AAA) is assigned to the insured bonds and a lower cost of funds is attained. With a competitive sale, generally the bidding dealer bears the cost of insurance to the benefit of the firm's bid. The bond issuer pays the cost of bond insurance from bond proceeds with a negotiated sale.

Bond Purchase Agreement: The contract between the Syndicate and the bond issuer setting forth the final terms, prices and conditions upon which the Syndicate will purchase a new issue.

Book Running Senior Manager: The managing underwriter that controls the book of orders for the transaction and is primarily responsible for the successful execution of the transaction.

Broker-Dealer: A securities firm engaged in both buying and selling securities on behalf of customers and also buying and selling securities on behalf of its own account.

Build America Bonds ("BABs"): Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The most widely used version was authorized under the American Recovery and Reinvestment Act ("ARRA") that allowed BABs to be issued in 2009 and 2010 with a 35% of interest subsidy to the issuer received as direct payments from the federal government. The proceeds of BABs authorized under ARRA could only be used to fund non-private activity, governmental purposes.

Bullet Maturity: See Balloon Maturity.

Callable Bond: A bond where the bond issuer is permitted to redeem it before the stated maturity date at a specified price by giving notice of redemption in the manner specified in the bond document.

Capital Appreciation Bond: A municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return. It differs from a Zero Coupon Bond in that only the initial principal amount is counted against an issuer’s statutory debt limit, rather than the total par value at maturity.

Capitalized Interest: A portion of the proceeds of an issue which is set-aside to pay interest on the bonds for a specified period of time. Interest is commonly capitalized during the construction period of a revenue-producing project.

Commercial Paper: Short-term (1 to 270 days) promissory notes usually issued to provide for interim financing of projects through the construction period and backed by a letter or line of credit from a commercial bank. Following the completion of the projects, principal and interest due on commercial paper is often redeemed through the issuance of long-term refunding bonds.

Competitive Sale: The sale of a new issue of bonds by an issuer through a bidding process where underwriters are awarded the bonds on the basis of offering the lowest cost of funds for the issuer usually as measured on a true interest cost (TIC) basis. The bid parameters for the public sale are established in the notice of sale or notice inviting bids.

Credit Enhancement: The use of the credit of an entity other than the issuer to provide additional security in a bond or note financing. This term typically is used in the context of bond insurance, letters of credit and other similar facilities.

Credit Ratings: Evaluations of the credit quality of bonds made by independent ratings services such as Moody’s Investors Service, Standard & Poor’s Ratings Group and Fitch. Credit ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities. Credit ratings are assigned before issuance of the bonds and are periodically reviewed or may be amended to reflect changes in the issuer’s credit position. Bonds with investment grade ratings are assigned credit ratings between Baa3/BBB- and Aaa/AAA.

Current Refunding: A current refunding involves refunding bonds within 90 days of the bond’s first optional redemption. Federal tax law does not limit the number of current refundings of any tax-exempt bond.

Customer Facility Charge (CFC): A fee imposed by a car rental company upon a car rental customer arriving at the airport and renting a vehicle from an on-airport or off-airport car rental company serving the airport. The CFC is collected by the car rental company generally for use by the airport in funding rental car facility-related projects or debt associated with such projects.

Debt Ratios: Comparative statistics showing the relationship between a bond issuer’s outstanding debt and factors affecting repayment. Such ratios are often used in the process of determining the credit quality of an issue. Examples of debt ratios applied to airport bonds include: debt/revenues/costs per enplaned passenger, debt service coverage ratio, utilization per gate, operating ratio and net takedown.

Debt Service: The amount due for repayment of interest and principal on outstanding debt, including required contributions to a sinking fund for term bonds. Debt service may be computed on a bond year, fiscal year or calendar year basis.

Debt Service Coverage: The ratio of Net Revenues annually available to pay debt service on bonds to the annual debt service requirement. This ratio is one indicator of the credit quality of a bond issue. For example, a coverage ratio of “1.50x” means that for every \$1.00 of annual debt service, the bond issuer has \$1.50 of annual net revenues.

Debt Service Reserve Fund: The fund in which moneys are placed which may be used to pay debt service if Net Revenues are insufficient to satisfy the debt service requirements. The size of this fund is generally established by the reserve requirement, which is generally equal to the lesser of: (i) 10% of new issue par, (ii) maximum annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund), and (iii) 125% of average annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund).

Debt Service Reserve Fund Surety Policy: A debt service reserve fund insurance policy provided by a highly-rated municipal bond insurer or a letter of credit provided by a highly-rated commercial bank which guarantees the funding of the reserve requirement.

Defeasance: Bonds for which the payment of debt service has been assured through the structuring of a portfolio of government securities, the principal and interest on which will be sufficient to pay debt service on the outstanding bonds. The rights and interest of the bondholders and of their lien on pledged revenues is terminated in accordance with the bond documents through a defeasance. Defeasance usually occurs through the issuance of refunding bonds.

Disclosure: From the perspective of the bond issuer, it is taken to mean the dissemination of accurate and complete information material to an existing or proposed bond issuance which an investor is likely to consider important in making an investment decision. The material facts pertinent to a new bond offering are disclosed in the Official Statement.

Disclosure Counsel: A law firm retained by the bond issuer to prepare the Official Statement and provide a 10b-5 opinion.

Discount Bond: A bond sold for less than its face value as a result of the yield exceeding the coupon rate.

Financial Advisor: A consultant who advises the bond issuer on matters such as bond structure, timing, marketing, pricing, documentation and credit ratings. The consultant may also provide non-bond related advice relating to capital planning and investment management.

Fixed Rate Debt: Securities with an interest rate that is established for the life of the securities.

Forward Refunding: A Forward Refunding is an agreement, usually between an issuer and the underwriter, whereby the issuer agrees to issue bonds on a specified future date and an underwriter agrees to purchase such bonds on such date. The proceeds of such bonds, when issued, are generally used to refund the issuer's outstanding bonds.

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Group Net Order: An order for bonds submitted by a Syndicate member in which the takedown is distributed to Syndicate members according to their respective liability shares in the issue.

Interest Rate Risk: The risk associated with changes in general interest rate levels or Yield Curves (see Yield Curves below).

Letter of Credit: A commitment usually made by a commercial bank to honor demands for timely payment of debt service upon compliance with pre-established conditions and/or the occurrence of certain events specified in the agreement between the bank and the issuer of the debt. Letters of credit are often issued as additional sources of security for issues of notes, commercial paper or bonds, with the bank issuing the letter of credit committing to pay debt service on the bonds. Debt issued with a letter of credit may be assigned the credit rating (short- and/or long-term) of the letter of credit provider. Letters of credit may also provide liquidity support for such debt issues.

Master Indenture: The Trust Indenture that governs all the senior lien bond obligations of the issuer.

Master Subordinate Indenture: The Trust Indenture that governs all the subordinate lien bond obligations of the issuer.

Negotiated Sale: The sale of a new issue of bonds by an issuer through an agreement with an underwriter or underwriting Syndicate selected by the issuer. Bonds are generally sold on a negotiated basis when market conditions, issue structure or issue credit quality indicate that a competitive sale would result in higher borrowing costs for the issuer.

Official Statement: A document published by the bond issuer, and often prepared by Disclosure Counsel, which discloses material information on a new bond issue including the purpose of the issue, source of repayment, bond covenants as well as financial, economic, demographic and legal characteristics of the bond issuer. The Official Statement is used by investors to determine the credit quality of the bond issue. An Official Statement is deemed preliminary prior to the determination of the interest rates on the bond issue.

Parity Bonds: Two or more subsequent issues of bonds which have the same priority of claim or lien against pledged revenues.

Passenger Facility Charge (PFC): A fee, in amounts up to \$4.50, assessed to enplaned passengers at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. Federal law limits use of PFC funds strictly to the above categories.

Premium Bond: A bond sold for greater than its face value as a result of the coupon rate exceeding the yield.

Redemption Provisions: Terms set out in the bond documents which give the bond issuer the right or requirement to redeem or "call" all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specified price.

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Remarketing Agent: A broker-dealer responsible for reselling to new investors securities (such as variable rate demand obligations and other tender option bonds) that have been tendered for purchase by their owner. The remarketing agent also typically is responsible for resetting the interest rate for a variable rate issue and also may act as tender agent.

Retail Order: An order for bonds placed by an individual or, as determined by the bond issuer, a retail order may also include an order placed by a bank trust department or an investment advisor for an individual.

Secondary Market Disclosure: Disclosure of information relating to outstanding municipal securities made following the end of the underwriting period by or on behalf of the issuer of the securities.

Securities and Exchange Commission (SEC): The Federal agency responsible for supervising and regulating the securities industry. In general, municipal securities are exempt from the SEC's registration and reporting requirements. Brokers and dealers in municipal securities, however, are subject to SEC regulation and oversight. The SEC also has responsibility for the approval of Municipal Securities Rulemaking Board (MSRB) rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

SEC Rule 15(c)2-12: A regulation of the SEC which requires underwriters participating in primary offerings of municipal securities of \$1,000,000 or more (i) to obtain, review, and distribute to investors copies of the issuer's disclosure documents; (ii) to obtain and review a copy of an Official Statement deemed final by an issuer of the securities, except for the omission of specified information; (iii) to make available upon request, in non-competitively bid offerings, the most recent preliminary official statement, if any; (iv) to contract with an issuer of the securities, or its agent, to receive, within specified time periods, sufficient copies of the issuer's final official statement, both to comply with this rule and any rules of the Municipal Securities Rulemaking Board; and (v) to provide, for a specified period of time, copies of final Official Statements to any potential customer upon request. The rule contains exemptions for underwriters participating in certain offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors, have short-term maturities, or have short-term tender or put features. The release also modifies, in limited respects, a previously published interpretation of the legal obligations of municipal securities underwriters.

Senior Lien Bonds: Bonds which have a prior claim against pledged revenues.

Serial Bonds: Bonds of an issue in which principal is amortized in successive years without interruption.

Subordinate Lien Bonds: Bonds which have a subordinate, or junior, claim against pledged revenues.

Special Facility Bonds Obligations: The issuance of bonds by a governmental entity to finance a project with repayment secured by a defined revenue stream derived from or relating to the use of the completed project.

Syndicate: A group of underwriters formed to purchase and re-offer a bond issuer's bonds for sale to the public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase a bond issue and for broader distribution of the issue to the general public. Each syndicate member has a share in the liability of the issue.

Takedown: The total discount at which members of syndicates buy bonds from an issuer.

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Tax Events Risk: Risk to the issuer of variable rate bonds created by either a change in the taxable equivalent yield of comparable investments or loss of tax-exempt status. For an issuer of variable rate bonds, a reduction in federal income tax rates would increase interest costs. Re-classification of outstanding variable rate bonds as taxable would also increase interest costs.

Term Bonds: Bonds comprising a large part of the issue which come due in a single maturity. The bond issuer usually makes periodic payments into a sinking fund for mandatory redemption of term bonds before maturity or for payment at maturity.

True Interest Cost: The rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received on the closing date of the bond issue.

Trust Indenture: A contract between a bond issuer and a trustee, for the benefit of bondholders. The trustee administers the funds specified in the indenture and implements the remedies provided in case of default.

Underwriter: A dealer which purchases a new issue of bonds for resale either by negotiation with the issuer or by award on the basis of a competitive bid.

Underwriter's Counsel: A law firm retained by the Underwriter to represent their interests in connection with the negotiated purchase of a new issue of bonds. The firm's duties may include review of all bond documents, preparation of the agreement among Underwriters and negotiation of the bond purchase contract between the Underwriter and the bond issuer.

Underwriter's Gross Spread: In a negotiated sale, the difference between the price the Underwriter pays the bond issuer and the original reoffering price to the public; includes the management fee, expenses, and sales commissions (takedown and concession).

Variable Rate Debt: Securities with an interest rate that changes at intervals according to an index or formula, or is periodically (daily, weekly or monthly) reset at the market clearing rate. Variable rate debt is also known as "floating rate debt".

Yield Curve: Refers to the graphical or tabular representation of interest rates across different maturities. The presentation often starts with the shortest-term rates and extends towards longer maturities. It reflects the market's views about implied inflation/deflation, liquidity, economic and financial activity, and other market forces.

Zero Coupon Bond: An original issue discount bond on which no periodic interest payments are made but which is issued at a deep discount from par, accreting (at the rate represented by the offering yield at issuance) to its full value at maturity.

[Amended by Resolution 2014-0050 dated June 5, 2014.]

[Amended by Resolution 2013-0048 dated June 6, 2013.]

[Amended by Resolution 2012-0060 dated June 7, 2012.]

[Amended by Resolution 2011-0078 dated July 7, 2011.]

[Adopted by Resolution. 2010-0046 dated May 6, 2010.]



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
11

Meeting Date: **MAY 21, 2015**

Subject:

Annual Review and Approval of Amendments to Authority Policy 4.20 - Guidelines for Prudent Investments, and Delegation of Authority to Invest and Manage Authority Funds to the Vice President, Finance and Asset Management/Treasurer

Recommendation:

Adopt Resolution No. 2015-0043, approving amendments to Authority Policy 4.20 - Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President of Finance and Asset Management/Treasurer.

Background/Justification:

The attached Investment Policy (Exhibit A) serves as the foundation of the Authority's investment goals and priorities. The Authority's internal policy guidelines compel the Authority's Treasurer to invest Authority funds in a manner that will provide the highest security of funds while meeting the daily cash flow demands. The foremost stated objective is safety, with the requirement that all transactions are structured to avoid capital losses from issuer or broker/dealer default, or erosion of market value.

State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, the Investment Policy requires that the Authority shall seek to achieve a return on funds throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

The Authority's Investment Policy was developed in conjunction with our financial and investment advisors and it adheres to or exceeds the policies and requirements of investment types as authorized by the California Government Code §§ 16429.1 and 53600 et seq (Code).

The recommended changes to the policy include language that reflect updates to Code to allow investments in certain supranational issuers providing the Authority with another high quality investment option. The supranational issues authorized under the recommended policy changes are all AAA rated with yields that will be comparable to Federal Agency issues. Staff also recommends the elimination of separate maturity requirements by ratings category for Negotiable Certificate of Deposits (NCD) and Medium Term Notes (MTN). (i.e. NCD's and MTN's rated A, AA or AAA can be invested for a term up to 5 years. Prior to this change A and AA were limited to 24 and 36 months respectively).

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The changes to NCDs and MTNs are recommended as a result of transitions in the fixed-income markets characterized by:

- Historically low yields
- Significant and ongoing Federal Reserve intervention
- Changing supply/demand dynamics
- General deleveraging of the financial, banking and investment sectors
- Continuation of a secular trend of lower credit ratings

As a result of these changing dynamics, staff is recommending the Board adopt the modification to NCD and MTN maturity requirements to increase investment flexibility, enhance portfolio diversification, and improve the portfolio's return potential. Staff believes that this change will not result in unwarranted risk. The Authority not only relies on credit ratings but also is advised by an investment advisor whose approach to managing credit risk involves a rigorous and dynamic credit process that incorporates a detailed analysis of issuers before they are added to the investment advisors approved issuer list and includes ongoing monitoring of all issuers on the approved list. This change reflects current Code in the case of MTNs (the Code does not have a credit requirement for NCDs) as well as the current investment policies of the San Diego County Investment Pool, Local Agency Investment Fund (LAIF) and other local agencies including the cities of San Diego and Los Angeles (includes LAX investments)

Section 53646(a) of the Code states that the treasurer or chief fiscal officer of any local agency may annually render to its legislative body and any oversight committee an investment policy, which the legislative body shall adopt at a public meeting.

While an annual review and adoption is not required by statute, both the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association have established policy standards recommending a review be conducted annually.

Since this Investment Policy serves as the guidelines for prudent management of the Authority's investments, the attached resolution and accompanying policy are submitted to ensure regular review and approval by the Authority Board.

In addition, the Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation is on a fiscal year basis and subject to renewal by the Board, at its option. Based on the investment record, the attached resolution requests reappointment of the Vice President of Finance and Asset Management/Treasurer to continue this role for another year.

The existence of an approved investment policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the public that it serves. This annual review is done to ensure the Authority Board's continued oversight and approval of the policies, rules, and performance regarding the investment of Authority funds. On May 11 2015 the Finance Committee reviewed the

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proposed changes and recommendations and has forwarded them to the Board for adoption.

Fiscal Impact:

None.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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:

Not Applicable.

Prepared by:

SCOTT BRICKNER,
VICE PRESIDENT FINANCE AND ASSET MANAGEMENT/TREASURER

RESOLUTION NO. 2015-0043

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AMENDMENTS TO AUTHORITY POLICY 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATING AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/ TREASURER

WHEREAS, San Diego County Regional Airport Authority Policy 4.20 establishes a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (“Authority”); and

WHEREAS, the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association established policy standards recommending a review of a local government’s investment policy be conducted annually; and

WHEREAS, Policy 4.20, as amended, has been reviewed and approved by the Authority’s financial and investment advisors; and

WHEREAS, Policy 4.20 serves as the guideline for the Authority to ensure prudent management of its investments, having been submitted for regular review and adoption by the Authority Board in a public meeting; and

WHEREAS, the Board has reviewed the investment record and desires to continue its delegation of authority to invest and manage the funds of the Authority to the Vice President, Finance and Asset Management/Treasurer.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby amends Authority Policy 4.20 (Exhibit A) – Guidelines for Prudent Investments, and delegates authority to invest and manage Authority funds to the Vice President, Finance and Asset Management/Treasurer; and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a “project” as defined by the California Environmental Quality Act (CEQA), Ca. Pub. Res. Code §21065; and is not a “development” as defined by the California Coastal Act, Cal Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
POLICIES

ARTICLE 4 - FINANCE AND ACCOUNTING
PART 4.2 - INVESTMENTS
SECTION 4.20 - POLICY GUIDELINES FOR PRUDENT INVESTMENTS

PURPOSE: To establish a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”), including risk management.

POLICY STATEMENT:

It is the policy of the Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Authority. The investment policies and practices of the Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds.

This policy also addresses risk management because risk management is an integral part of managing a fixed income portfolio. To focus only on maximizing return is imprudent; therefore, policy issues will be directed to limiting the investment portfolio’s exposure to each issue and issuer of debt and criteria for establishing minimum credit requirements that firms must have in order to effect security transactions with the Authority.

(1) Scope. This investment policy applies to all the Authority’s investment activities, except for the Employees Retirement and Deferred Compensation funds, which are administered separately. In addition, in the event of a conflict between this policy and permitted investments of bond proceeds as defined by a master indenture or supplemental indenture (“**Indenture**”) associated with any Authority debt issuance, the more restrictive parameters of either Cal. Gov. Code or the Indenture will take precedence. The financial assets of all other Authority funds shall also be administered in accordance with the provisions of this policy.

(2) Objectives.

(a) Safety of Principal. Safety of principal is the Authority’s foremost objective. To accomplish this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default or erosion of market value. The Authority shall seek to preserve principal by mitigating credit risk and market risk.

(i) Credit risk is the risk of loss due to failure of the issuer to repay an obligation and shall be mitigated by investing in only the highest quality credits and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the Authority's cash flows.

(ii) Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by:

(A) structuring the portfolio so that securities mature at the same time major cash outflows occur, thereby eliminating the need to sell securities prior to their maturity; and

(B) limiting the average maturity of the Authority's portfolio to three years, Furthermore, no investments will be made in any security with a maturity greater than five years unless the Board has granted its express authority to make such investment specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

It is explicitly recognized, however, that in a diversified portfolio occasional losses may be inevitable and must be considered within the context of overall investment return.

(b) Liquidity. The Authority's investment portfolio will be structured to provide sufficient liquidity to meet the operating requirements of the Authority.

(c) Return on Investment. State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, investment officials shall seek to achieve a return on the funds under their control throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

(3) Authority to Invest Funds.

(a) Policy principles for investment of Authority funds. Monies entrusted to the Authority will be invested and actively managed pursuant to applicable California statutory limitations and the guidance and limitations set forth in the Authority's written policies. Authority for the management and investment of Authority funds rests with the Authority Board of Directors ("**Board**"). The Board promulgates the policy for investment and management of Authority funds and conducts periodic reviews to ensure compliance with policy and statutory requirements. All persons authorized to make investment decisions for the Authority are trustees of the Authority and owe the Authority a fiduciary duty. All trustees are bound by the prudent investor rule, which requires trustees in making decisions with regards to the Authority's funds to act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Trustees of Authority funds are relieved of personal responsibility for an individual security's risk or market price changes where the trustees at all times were acting in accordance with written procedures and this investment policy, exercising due diligence, taking timely and appropriate action to control adverse developments, and provided timely appropriate reports to the Board regarding the adverse developments with an investment.

(b) Delegation of investment authority to Treasurer. The Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation shall be on a fiscal year basis and subject to renewal by the Board, at its option, after appropriate review of the investment record. The Board reserves the right to revoke the delegation of investment authority at its discretion. The Treasurer shall report to the board the status of Authority's investment portfolio in accordance with Sections (10)(a) and (b) of this policy. Whenever a security is sold at a loss, the Treasurer will record the loss as such in the Authority's accounting system. The Treasurer shall designate in writing an officer or employee of the Authority who shall have authority to execute or authorize execution of an investment trade on behalf of the Authority when the Treasurer is not reasonably available and circumstances require timely action.

(c) Treasurer's responsibility for investments. Investment and management of the Authority's funds shall be solely the responsibility of the Authority's Treasurer, who shall take necessary measures to be fully informed on current market conditions and market trends in general and the condition of the Authority's investment portfolio in particular. The Treasurer shall establish and periodically review for currency and adequacy a system of controls to ensure compliance with the applicable statutory requirements and the Authority's investment policies. The system of controls shall also provide for regulation of subordinate officers and employees as well as investment advisors under contract with the Authority.

(d) Execution of trades by authorized investment advisor. Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of investment responsibilities and where the Treasurer has approved in writing a strategy to guide the investment of Authority funds, the Treasurer may authorize the investment advisor to execute trades on behalf of the Authority to effectuate the approved investment strategy. The Treasurer shall make such delegation via a document that specifies the boundaries of the delegated authorization. The investment advisor designated to execute trades on behalf of the Authority shall be bound by this policy of the Authority and the Treasurer's written approval of the investment strategy. Authorizing the investment advisor to execute trades on behalf of the Authority does not relieve the Treasurer of responsibility for management and oversight of all investment transactions involving Authority funds. The Treasurer or designated Authority officer or employee, as provided in Section 3(b), when the Treasurer is not reasonably available and circumstances require timely action, must approve in writing all investment transactions that exceed a market value of five million dollars (\$5,000,000) prior to execution of the trade. The investment advisor shall not execute any trade through any security broker in whom the investment advisor holds an ownership interest or has a financial interest. The investment advisor shall not take possession of or act as custodian for the cash, securities or other assets. The investment advisor shall provide a written report of all trades made on behalf of the Authority to the Treasurer within twenty-four (24) hours of trade execution.

(4) Ethics and Conflicts of Interest. The Board, Authority officers or Authority employees involved in the investment process shall refrain from any activity that could conflict with proper execution of the investment program or which could impair the Authority's Treasurer's ability to make impartial investment decisions. Authority staff involved with the investment process shall disclose to the Authority's Treasurer any financial interest in financial institutions that conduct business with the Authority and they shall further disclose any personal financial and/or investment positions that could be related to the performance of the Authority's portfolio. Board members, Authority officials and Authority employees shall subordinate their personal investment transactions to those of the Authority, particularly with regard to the time of purchases and sales.

(5) Placement of Trade Execution Orders.

- (a) Whenever possible, investment transactions shall be made via a competitive process to ensure the Authority's security transactions are made on terms most favorable to the Authority. Trade execution shall be only through firms registered with the Financial Industry Regulatory Authority (FINRA) and approved by the Treasurer. To ensure security transactions are made via the most competitive process, solicitation of bids to transact a security trade shall be provided equally to all security dealers approved by the Treasurer pursuant to the section (5)(b) of this policy. This policy permits the Authority to purchase investments directly from approved issuers who require no competitive process (e.g., Local Agency Investment Fund (LAIF), the San Diego County Investment Pool (SDCIP), and Local Government Investment Pools (LGIPs).
- (b) Other than investments with depository institutions and approved pools, the Treasurer shall only execute trades with security dealers that have been approved to execute security trades on behalf of the Authority. Prior to approving a security dealer to execute security trades, the Treasurer shall determine that the dealer is fully qualified to execute security trades for the Authority. In evaluating whether a specific dealer is so qualified, the Treasurer shall evaluate, at a minimum, the dealer's security registration, financial condition, standing in the investment community, and experience with security trades of the nature to be executed on behalf of the Authority. To be qualified, all financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following information on an annual basis: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) a trading resolution; (4) proof of California registration; and (5) a completed broker/dealer questionnaire.
- (c) Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of the investment responsibilities, the Treasurer may rely on the advisor's assurances that specific security dealers are fully qualified to execute trades on behalf of the Authority. The investment advisor shall provide such assurances in writing and shall renew the assurances based on an annual review of the financial condition and registrations of qualified bidders.

(6) Authorized Investments.

The Authority is authorized by the applicable sections of Cal. Gov. Code §16429.1, §53600 *et seq.* and §53630 *et seq.* to invest in the following types of securities, further limited herein:

(a) United States Treasury Bills, Bonds and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(b)

(b) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(f)

(c) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed 30 percent of the portfolio. Cal. Gov. Code §53601(q)

(ed) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances which are eligible for purchase by the Federal Reserve System and are rated in the highest category by a nationally recognized statistical rating organization (NRSRO), may not exceed 180 days to maturity or 40% of the market value of the portfolio. No more than 10% of the market value of the portfolio may be invested in banker's acceptances issued by any one bank. Cal. Gov. Code §53601(g)

(de) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.

(2) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maturity of 270 days or less. No more than 25% of the market value of the portfolio may be invested in commercial paper. No more than 10% of the market value of the portfolio may be invested in the commercial paper of any single issuer. The amount invested in commercial paper of any one issuer in

combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(h)

(ef) Negotiable Certificates of Deposit (NCDs) issued by a nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank. Negotiable Certificates of Deposit (NCDs) together with Placement Service Deposits (PSDs) may not exceed 30% in aggregate of the market value of the portfolio. NCDs eligible for purchase shall be rated "A" or better by a NRSRO. The maximum term for NCDs shall be five years. NCDs with an "A" rating shall be limited to 24 months maximum maturity; "AA" rated NCDs shall be limited to 36 months. The amount invested in NCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(i)

(fg) Placement Service Deposits (PSDs). Deposits placed through a deposit placement service that meet the requirements of Cal. Gov. Code §53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for PSDs shall be three years. Placement Service Deposits (PSDs) together with Negotiable Certificates of Deposit (NCDs) may not exceed 30% in aggregate of the market value of the portfolio. The amount invested in PSDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601.8 and 53635.8

(gh) Bank Deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time certificates of deposits ("TCDs") in financial institutions located in California. The Authority will invest in financial institutions with a net worth of ten million dollars and total assets in excess of \$50 million. Such deposits in each bank shall be limited to no more than 5% of the total assets of the bank. To be eligible to receive Authority deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Cal. Gov. Code §53630 *et seq.* The Treasurer may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The Authority shall have a signed agreement with any depository accepting Authority funds per Cal. Gov. Code §53649. The maximum maturity of TCDs is three years. A maximum of 20% of the market value of the portfolio may be invested in TCDs. The amount invested in TCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53630 *et seq.*

(hi) Medium Term Notes (MTNs), defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States-rated "A" or better by a

NRSRO and be issued by a corporation organized and operating within the United States. ~~MTNs with an "A" rating shall be limited to 24 months maximum maturity; "AA" rated MTNs shall be limited to 36 months.~~ The aggregate total of MTNs may not exceed 15% of the market value of the investment portfolio. The amount invested in MTNs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(k)

(ik) Repurchase agreements (RPAs) shall only be made with financial institutions having a credit rating of not less than "A" by a NRSRO. The Security Industry and Financial Markets Association (SIFMA) master repurchase agreement shall be the Authority's master repurchase agreement.

The term of the agreement may not exceed one year.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in 6(a) and 6(b) above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102% of the total dollar value of the money invested by the Authority for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement. Cal. Gov. Code §53601(j)

(jl) The Local Agency Investment Fund ("LAIF"), established by the State Treasurer for the benefit of local agencies and identified under Cal. Gov. Code §16429.1 *et seq.* The market value of the Authority's investment in LAIF may not exceed the current deposit limit for regular LAIF accounts.

(km) The San Diego County Investment Pool ("SDCIP") as authorized by Cal. Gov. Code §53684. The market value of the Authority's investment in SDCIP may not exceed the current deposit limit for regular LAIF accounts.

(ln) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or ("LGIPs")) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of the Investment Trust of California (CalTRUST), as authorized by California Government Code §53601(p). The market value of the Authority's investment in each of the CalTRUST funds may not exceed the current deposit limit for regular LAIF accounts.

(mo) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or ("LGIPs")) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of Cal. Gov. Code §53601(p). The market value of the Authority's investment in any LGIP may not exceed the LAIF statutory limit. Prior to investing, the Treasurer will complete a thorough investigation of the potential investment. Whenever the

Authority has any funds so invested, the Treasurer shall maintain on-going monitoring including the following:

- (i) Establish the investment is a legal investment under Cal. Gov. Code.
- (ii) A description of eligible investment securities, and a written statement of investment policy and objectives. All investments must comply with the eligible investments outlined in this policy. In the event that any investments do not comply with the eligible investments outlined in this Policy, the Treasurer will assess the potential risk of a substantial investment loss related to the investment(s) not in compliance.
- (iii) The issuer must have a current AAAM rating, provide a constant dollar pool with a stated objective of maintaining a \$1 net asset value, meet an asset size of \$1 billion at the time of investment, and provide for third-party custody of portfolio assets.
- (iv) A description of interest calculations and how it is distributed, and how gains and losses are treated.
- (v) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- (vi) A description of who may invest in the program, the type and number of governmental participants, investor concentrations, what size deposit and withdrawal are allowed, and what time restrictions are placed on these deposits and withdrawals.
- (vii) A schedule for receiving statements and portfolio listings.
- (viii) Determination of how reserves, retained earnings, etc. are utilized by the fund.
- (ix) A fee schedule, and when and how it is assessed. Cal. Gov. Code §53601(p).

(np) The Authority may place funds in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §80a-1 *et seq.*). Investment in money market funds may not exceed 20% of the market value of the portfolio with no more than 10% of the market value of the portfolio in any single fund. Additionally, each selected fund shall be large enough that the Authority's investment does not constitute more than 5% of the total fund balance. To be eligible for investment, these companies shall either:

- (i) Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or
- (ii) Retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years' experience managing

money market mutual funds with assets under management in excess of \$500,000,000. Cal. Gov. Code §53601(l)

(øq) The Authority may invest in: (i) Registered state warrants or treasury notes or bonds of this state including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state; (ii) Registered treasury notes or bonds issued by any of the other 49 States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state; and (iii) Bonds, notes, warrants or other evidence of debt issued by a local agency or municipality located within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this paragraph shall be rated at least "A" by a NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of the Authority's portfolio. The amount invested with any one issuer shall not exceed 5% of the portfolio. Cal. Gov. Code §53601 (c), (d), (e).

(p̄r) Permitted Investment for Bond Proceeds. All investment types listed above are authorized investments for bond proceeds. The percentage or dollar limitations listed above do not apply to bond proceeds investments. In addition to the above investments, bond proceeds may be invested in the following:

Investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in items (a) or (b) of this section which are the following:

- (i) Valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, and
- (ii) Held by any Federal Reserve Bank or a depository acceptable to the Treasurer or any Authority bond trustee, and
- (iii) Subject to a perfected first lien on behalf of the Authority or any bond trustee and free and clear from all third-party liens

The Board has expressly granted the Treasurer the authority to invest debt service reserve funds in U.S. Treasury, federal agency, municipal securities and investment agreements (which meet the requirements of this Investment Policy and the Indenture) with maturities exceeding 5 years

if it is considered to be in the best interest of the Authority and if the maturity of such investments does not exceed the expected use of the funds. Reserve fund investments beyond 5 years are specifically excluded from the mathematical calculation of the average maturity of the Authority's portfolio.

(7) Prohibited Investments. Investments not described herein, including but not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages, and common stocks are prohibited from use in this portfolio. The Authority shall not invest any funds in any security that could result in zero interest accrual and zero discount accretion if held to maturity. Cal. Gov. Code §53601.6

(8) Safekeeping of Securities. To protect against potential losses by the collapse of individual securities dealers, all securities owned by the Authority shall be held in safekeeping by a third person bank trust department acting as agent for the Authority under the terms of a custody agreement executed by the bank and the Authority. All securities will be received and delivered using standard delivery versus payment procedures. The only exception to the foregoing shall be: (i) LAIF; (ii) the SDCIP; (iii) LGIPs; (iv) money market mutual funds, and (v) Deposits (TCDs & PSDs), since the purchased securities are not deliverable. A record of these investments shall be held by the Treasurer.

All investment officers shall be bonded and all investment accounts subject to surprise audits performed no less than on a quarterly basis.

(9) Portfolio Limitations. Percentage limits and credit criteria are applied at the time of purchase. If a percentage-of-portfolio limitation is exceeded due to reduction in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Authority's Treasurer shall consider restructuring the portfolio basing the decision in part on the expected length of time the portfolio will be imbalanced. The Treasurer shall report all such imbalances in the monthly report to the Board. In the event that an investment originally purchased within policy guidelines is downgraded below the policy requirements by any one of the NRSROs, the course of action to be followed by the Treasurer will then be decided on a case-by-case basis, considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.

(10) Reporting Requirements.

(a) In accordance with Cal. Gov. Code §53646, on a quarterly basis, the Authority's Treasurer shall prepare in accordance with GAAP and GASB 31 a report detailing investments and investment activity and transmit same to the Executive Officer, the Internal Auditor and the Board.

(i) The report shall be submitted within 30 days of the end of the quarter covered by the report.

(ii) The report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Authority.

(iii) The report shall include a description of any funds, investments, or programs that are under the management of contracted persons.

(iv) The report shall also include a current market value on a market-to-market basis as of the report date using an established identified independent source for the valuation.

(v) The report shall state compliance of the portfolio to the statement of investment policy or the manner in which it is not in compliance.

(vi) The report shall state the Authority's ability to meet its budgeted expenditure requirements for the next six months or to explain why sufficient money may not be available.

(b) In accordance with Cal. Gov. Code §53607, the Authority's Treasurer shall make a monthly report of investment transactions to the Board.

(11) Internal Control. The development of internal controls is a function of management. The Authority's Treasurer shall establish and document a system of internal controls that will provide reasonable assurance regarding the achievement of objectives in the following categories:

- Safeguarding assets
- Ensuring validity of financial records and reports
- Promoting adherence to policies, procedures, regulations and laws
- Promoting effectiveness and efficiency of operations

In addition, the Authority's Treasurer shall:

(a) Establish an annual process of an independent review by an external examiner.

(b) Develop performance standards. Those performance standards will be reviewed by the Treasurer and presented as an information item to the President/CEO and the Board. On a quarterly basis, as part of the reporting requirements the Authority's Treasurer shall report actual compared to the performance standard and any substantial deviations shall be explained.

(c) Review the Authority's investment policy annually at a public meeting and obtain Board approval and adoption of the policy to ensure its consistency with the Authority's objectives of preservation of principal, liquidity, rate of return and the policy's relevance to current law and financial and economic trends. The Authority's Treasurer is responsible for maintaining guidance over the Authority's investment policy and ensuring that the Authority can adapt readily to changing market conditions and shall submit to the Board any modification to the investment policy prior to implementation.

(12) Glossary of Terms.

Asked: The price at which securities are offered (that is, the price at which a firm will sell a security to an investor).

Bankers' Acceptance (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Bid: The price offered for securities (that is, the price at which a broker or dealer will pay to purchase a security an investor owns).

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

Certificate of Deposit (CD): See: Time Certificate of Deposits, Negotiable Certificates of Deposits.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper (CP) - An unsecured short-term promissory note issued by corporations and local governments, with maturities ranging from 1 to 270 days. Commercial paper is usually issued at a discount from par with a zero coupon. Highly-rated, or "Prime" commercial paper carries a Standard & Poor's rating of A1 or A1+, a Moody's rating of P1, and/or a Fitch rating of F1 or F1+.

Constant Maturity Treasury (CMT) – A calculated average released by the Federal Reserve of all Treasury yields along a specific maturity point. This calculation is frequently used as a benchmark for conservative government portfolios.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; (b) A certificate attached to a bond evidencing interest due on a payment date.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called ~~free~~ delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be selling at a discount.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Farm Credit Bank (FFCB): The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of Congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. Unlike commercial banks, System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FFCB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

Federal Home Loan Banks: Federal Home Loan Banks provide a source of low cost loan funding to U.S. banks. Within their collective membership, the FHLBank System represents the largest source of home mortgages in the United States. The System does not provide loans directly to individuals, only to other correspondent banks. System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FHLB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

Federal Home Loan Mortgage Company (FHLMC or “Freddie Mac”): The Federal Home Loan Mortgage Corporation (FHLMC), commonly referred to as “Freddie Mac”, was created in 1970 to assist its sister company, Fannie Mae, by purchasing mortgage loans in the secondary market, pooling them together, and selling them to investors in the form of mortgage-backed securities. By providing a secondary market for home loans, Freddie Mac increases the amount of money available for mortgage lending. In September 2008, Freddie was placed under Federal government conservatorship as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed. Like Fannie Mae, Freddie Mac issues debt in maturity ranges from one-day to 30 years, and its long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government.

Federal National Mortgage Association (FNMA or “Fannie Mae”): The Federal National Mortgage Association (FNMA), commonly referred to as “Fannie Mae”, was created in 1938 during the Great Depression to provide a secondary market for mortgage loans by purchasing groups of loans from lenders and packaging them into pools of mortgage-backed securities that can then be sold to investors. To facilitate this process, Fannie Mae also issues debt in maturity ranges from one-day to 30 years. The company’s long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government. Although Fannie Mae had operated as a private company since 1968, it was placed under Federal government conservatorship in September 2008 as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed.

Government National Mortgage Association (GNMA or “Ginnie Mae”): Long-term mortgage-backed securities backed by FHA and VA loans guaranteed by the full faith

and credit of the U.S. Treasury. The term “pass-through” is often used to describe Ginnie Mae securities as principal and interest payments from the underlying homeowners are passed along to investors.

Federal Open Market Committee (FOMC): A group of Federal Reserve Officials that meet eight times per year to set U.S. monetary policy (raises and lowers interest rates). The Committee must balance its two primary and often conflicting objectives of achieving stable economic growth and keeping inflation at acceptable levels

Fed or Federal Reserve Bank: The Central Bank of the U.S. responsible for supervising and regulating member banks, providing banking services, providing information, and setting monetary policy through the FOMC.

International Bank for Reconstruction and Development (IBRD or World Bank). The International Bank for Reconstruction and Development was created in 1944 to help Europe rebuild after World War II. Today, its purpose is to assist with reconstruction and poverty reduction through an inclusive and sustainable globalization. The IBRD is owned and governed by its member governments. The United States is the IBRD’s leading shareholder.

International Finance Corporation (IFC): The IFC is a member of the World Bank Group. Its focus is on assisting with private sector development in developing countries. The IFC is owned and governed by its member governments. The United States is the IFC’s leading shareholder.

Inter-American Development Bank (IADB): The IADB was established in 1959 to Provide financing and expertise for sustainable economic, social, and institutional development in Latin America and the Caribbean. The IADB is owned and governed by its member governments. The United States is the IADB’s leading shareholder.

Inverse Floating Rate Note: A debt security with an interest rate stated as a fixed rate minus a variable rate index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pools (LGIPs): Shares of beneficial interest issued by a joint powers authority organized pursuant to Cal. Gov. Code §6509.7. LGIPs offer a diversification alternative to LAIF and SDCIP for short-term cash management facilities.

Market Value: The price at which a security is trading and could presumably be sold.

Master Repurchase Agreement: A written contract covering all future transactions between counterparties to repurchase agreements and reverse repurchase agreements that

establish each entity's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Notes: A class of debenture that is defined as all corporate and depository debt securities with a maximum remaining maturity of five years or less.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency (CRA) that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Negotiable Certificate of Deposit (NCD): A type of CD that is at least \$100,000 and can also be traded on a highly liquid secondary market.

Placement Service Deposit (PSD): A type of deposit that uses a deposit placement service. The placement service will allow the bank with which the investment is placed to split the initial deposit into multiple pieces that are then distributed among a network of banks, such that the full amount of the deposit is protected by the FDIC insurance of each participating bank.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

Prudent Investor Standard: A legal doctrine that requires fiduciaries to make investments using the prudence, diligence, and intelligence that would be used by a prudent person in making similar investments.

Rate of Return: A standard performance measurement that considers the coupon interest a security or portfolio of securities receives, along with any realized gain or loss, along with any change in unrealized market gain or loss. Depending on market volatility, the rate of return could differ significantly from the average yield of a portfolio.

Rating Agency: Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

Rating Category: A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or

combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Repurchase Agreement (RP or Repo): A type of financial agreement in which an investor exchanges cash for securities with a primary dealer or bank and earns a fixed rate of interest for a specified period. At the end of the period, securities are returned in exchange for the principal amount, along with accrued interest. Dealers and banks use repo proceeds to finance their inventory positions.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Sec Rule 15C3-1: See Uniform Net Capital Rule.

Securities and Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Strip (Bonds): Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

Time Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

Treasurer: The Vice President of Finance/Treasurer of the Authority or the authorized designee or representative as designated by the President/Chief Executive Officer.

Treasury Bill: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

Treasury Bond: Long-term U.S. Treasury security having initial maturities of more than ten years.

Treasury Note: U.S. Treasury security having initial maturities between two and 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: The rate of annual income return on an investment, expressed as a percentage. (A) **Income Yield** is obtained by dividing the current dollar income by the current market price for the security. (B) **Net Yield or Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the

adjustment spread over the period from the date of purchase to the date of maturity of the bond.

- [Amended by Resolution No. 2014-0051 dated June 5, 2014]
- [Amended by Resolution No. 2013-0049 dated June 6, 2013]
- [Amended by Resolution No. 2012-0059 dated June 7, 2012]
- [Amended by Resolution No. 2011-0064 dated June 2, 2011]
- [Amended by Resolution No. 2010-0059 dated June 3, 2010]
- [Amended by Resolution No. 2009-0123 dated October 1, 2009]
- [Amended by Resolution No. 2008-0118 dated September 4, 2008]
- [Amended by Resolution No. 2006-0010 dated February 6, 2006]
- [Amended by Resolution No. 2005-0102 dated September 8, 2005]
- [Amended by Resolution No. 2004-0133 dated December 6, 2004]
- [Amended by Resolution No. 2004-0100 dated October 4, 2004]
- [Amended by Resolution No. 2004-0032 dated April 5, 2004]
- [Adopted Resolution No. 2002-02 dated September 20, 2002]



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: May 21, 2015

To: Board Members

Via: Thella F. Bowens, President/CEO

From: Scott M. Brickner, Vice President, Finance & Asset Management/Treasurer

Subject: Accept the Unaudited Financial Statements for the Nine Months Ended March 31, 2015 and 2014:

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.





SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

Review of the Unaudited Financial Statements for the Nine Months Ended March 31, 2015 and 2014

Presented by:

Scott Brickner, CPA

Vice President, Finance and Asset Management/Treasurer

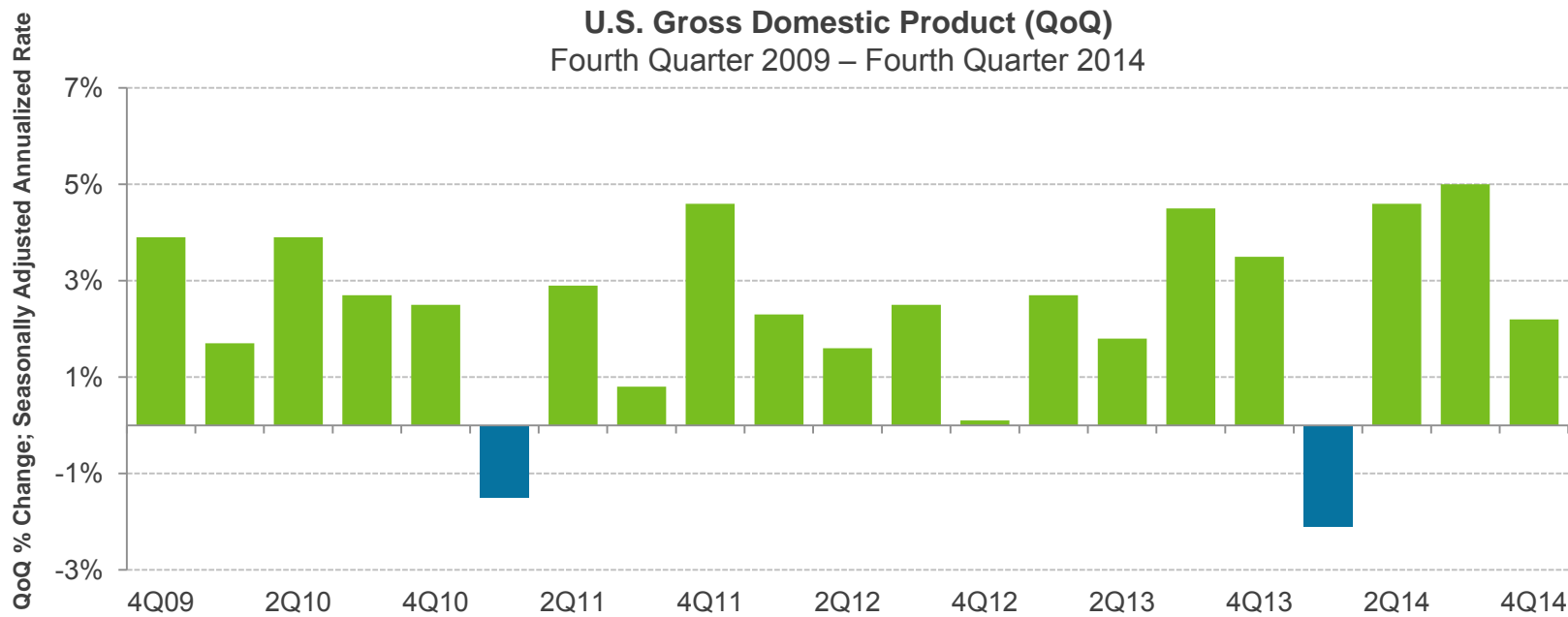
Kathy Kiefer

Senior Director, Finance & Asset Management

May 21, 2015

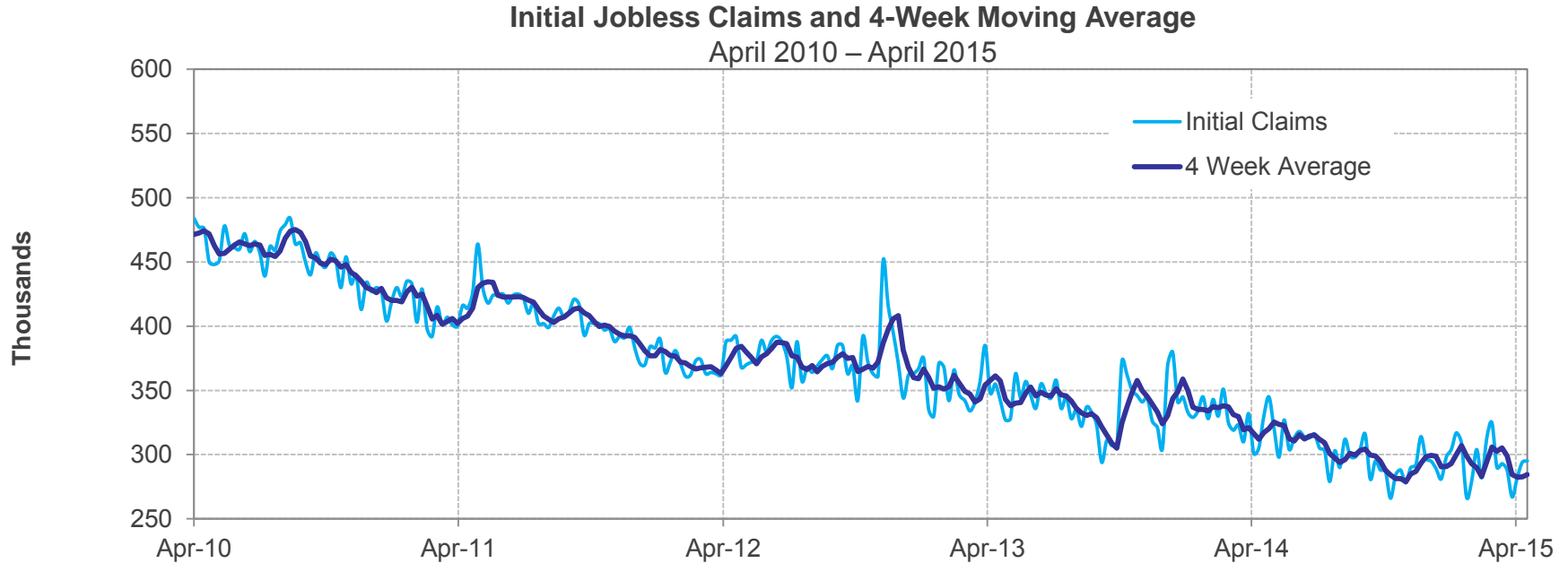
Economic Growth Softens in the Fourth Quarter

The third estimate of fourth-quarter GDP came in at 2.2%, which was unchanged from the second estimate. While exports and personal consumption expenditures increased more than previously estimated, these increases were offset by a smaller increase in private inventories.



Initial Claims for Unemployment

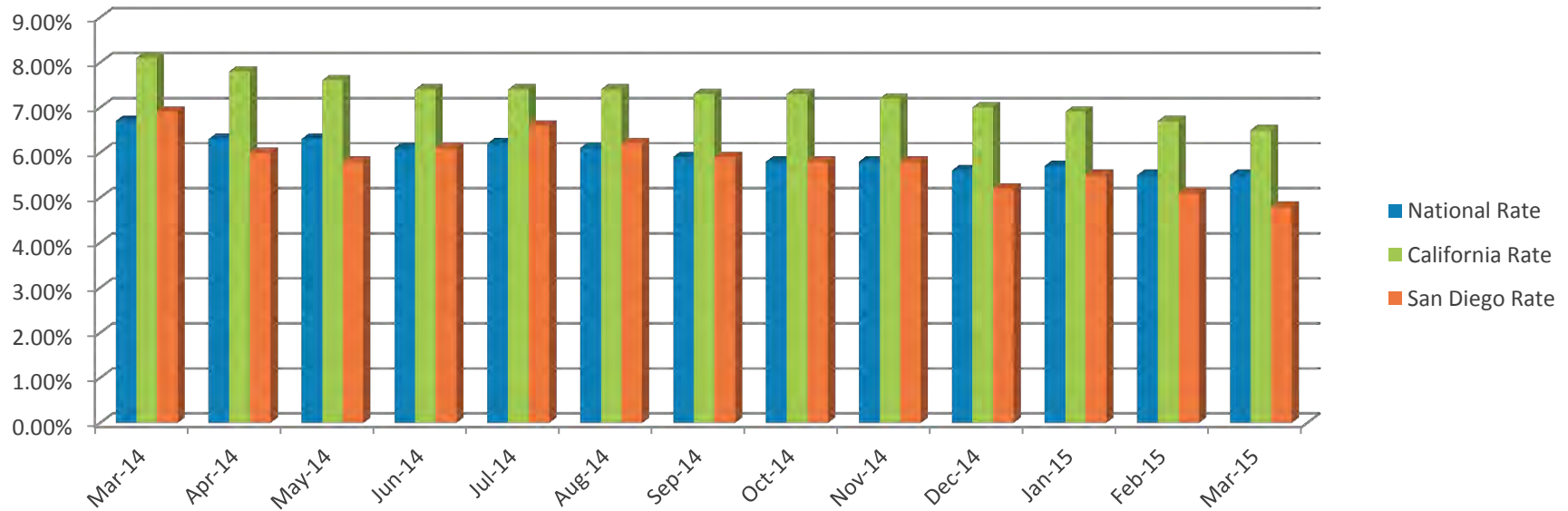
For the week ending April 18, 2015, initial claims for unemployment (seasonally adjusted) rose by 1,000 to 295,000. The 4-week moving average, which helps smooth out some of the weekly volatility, rose by 1,750 to 284,500. Although volatile on a weekly basis, initial claims have been averaging under 300,000 claims during 2015, which suggests continued strength in the labor markets.



Little Change in March Unemployment Rates

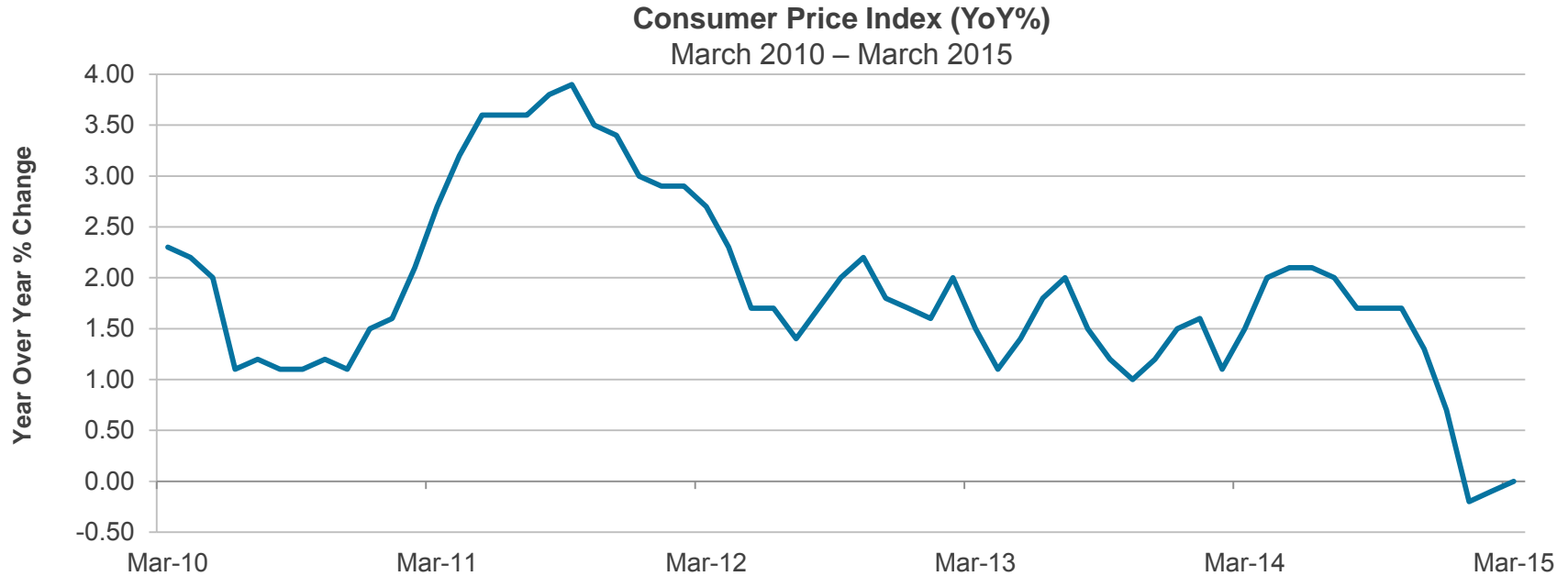
The National unemployment rate held steady at 5.5 percent in March. The National U-6 rate decreased marginally from 11 percent to 10.9 percent. In California, unemployment rates continue to trend downward, with the March State unemployment rate dropping 0.2 percent from February to 6.5 percent, down 1.6 percentage points from one year ago. Locally, San Diego's unemployment rate was 4.8 percent for March, down from 5.1 percent in February.

Unemployment Rates



Consumer Price Index

The Consumer Price Index for the twelve months ending March was flat at 0.0%, which was up slightly from the -0.1% decrease in February. A slight rise in energy prices helped boost the headline CPI number. However, the overall trend remains soft. Core CPI, excluding food and energy, was up 1.8% for the twelve months ending March, which was up slightly from the 1.7% increase in February.

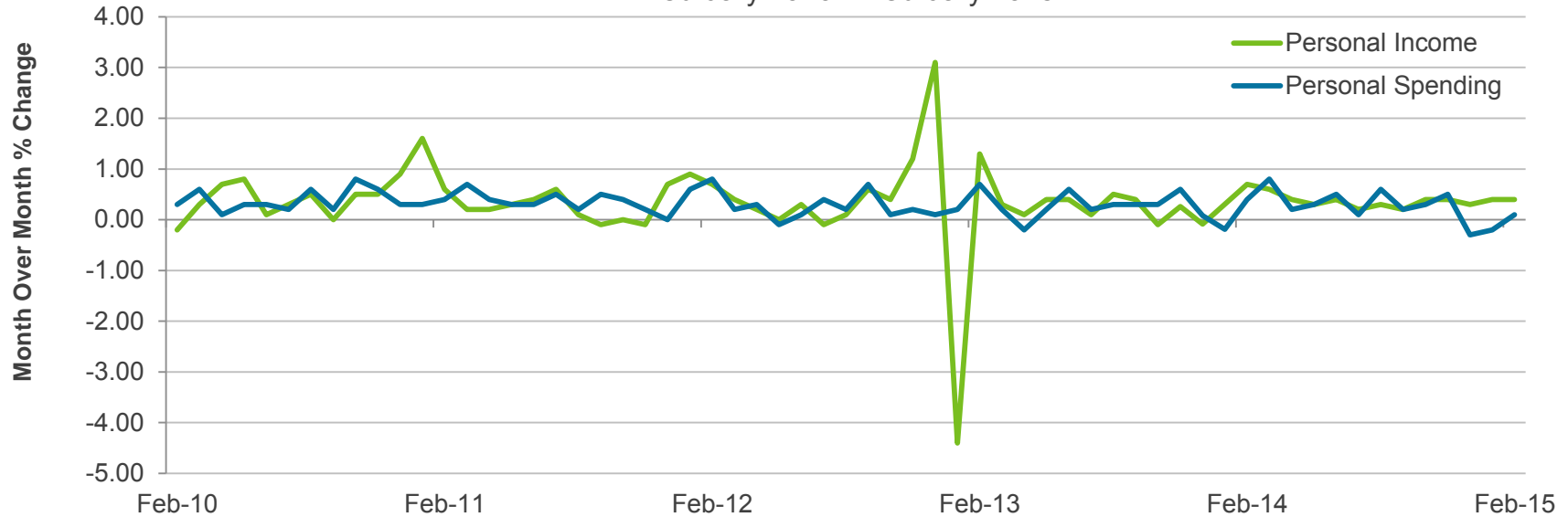


Personal Income and Spending Mixed

Personal income grew by 0.4% in February which matched its 0.4% increase in January. Personal spending, which has been more volatile, rose by 0.1% in February up from a -0.2% decrease in January. While personal income growth remained healthy, spending was soft.

Personal Income and Spending (MoM%)

February 2010 – February 2015



Consumer Confidence Up

The Consumer Confidence Index rose by a better than expected 2.5 points to 101.3 in March, up from a upwardly revised 98.8 points in February. While consumers were slightly less confident about current conditions, they were significantly more optimistic about their short-term expectations for gains in income and the jobs. March's number is just slightly below January's 103.8, which was a 7-1/2 year high.

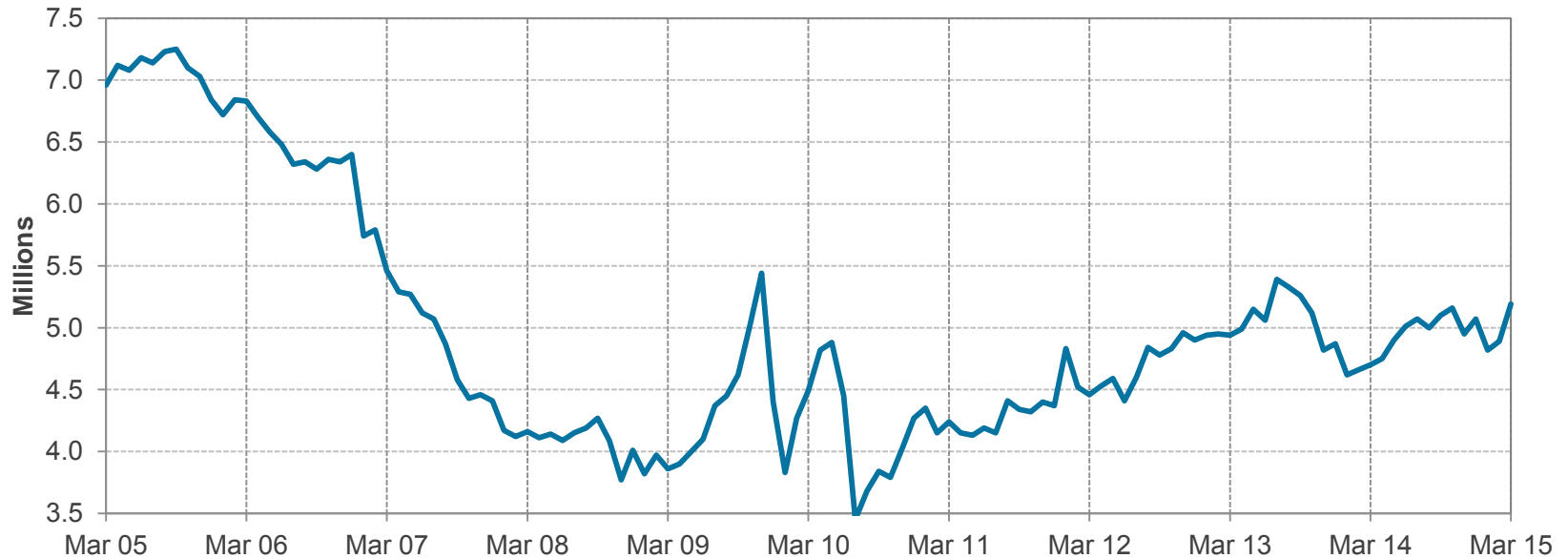
Consumer Confidence Index
March 2010 – March 2015



Existing Home Sales Rebound

Existing home sales rose by 6.1% in March to a seasonally adjusted annualized rate of 5.19 million units, which was the strongest rate since September 2013. Year-over-year, existing home sales were up 10.4% over March 2014. A combination of low mortgage rates and stability in the labor market appear to have helped the housing demand during the month.

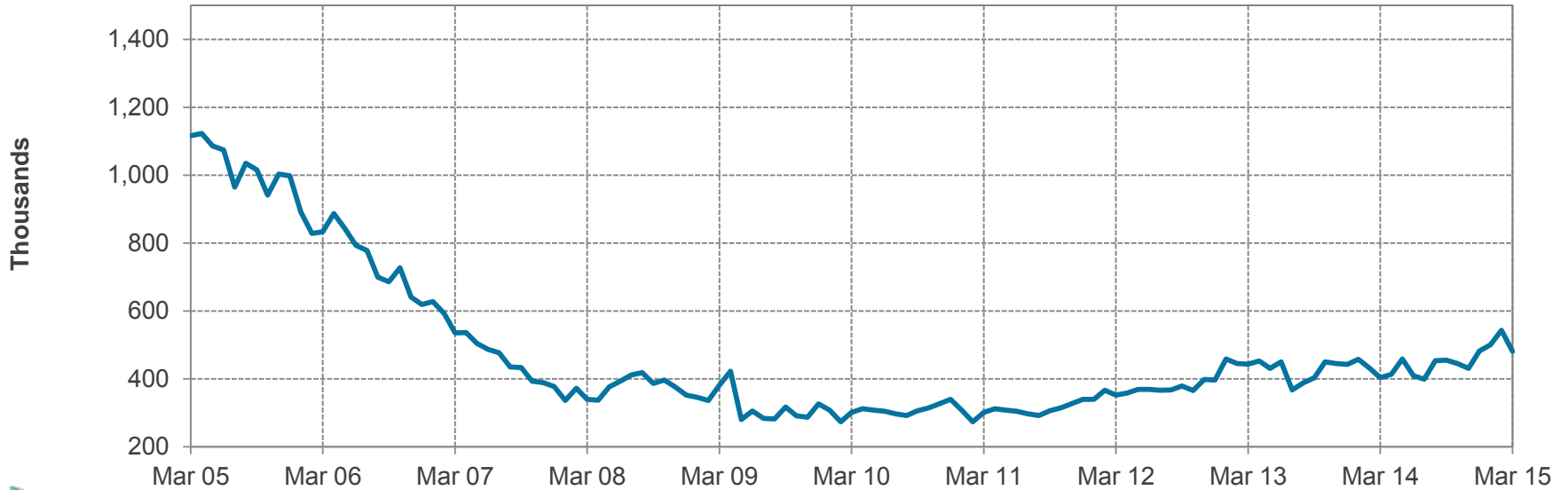
U.S. Existing Home Sales (MoM)
March 2005 – March 2015



New Home Sales Fall in March

After a strong increase in February, new home sales fell by 11.4% in March to a seasonally adjusted annualized rate of 481,000 units. March sales were 19.4% above March 2014 levels.

U.S. New Home Sales (MoM)
March 2005 – March 2015



Oil Prices Trending Higher

Oil (WTI spot) closed at \$55.58 on April 21st, which was just below its high for the year of \$56.69 reached on April 16th. Oil prices have been trending higher recently on concerns about Middle East oil supplies given the ongoing conflict in Yemen. U.S. oil production has also fallen recently, which may help reduce high oil stockpiles that have kept downward pressure on crude oil prices.

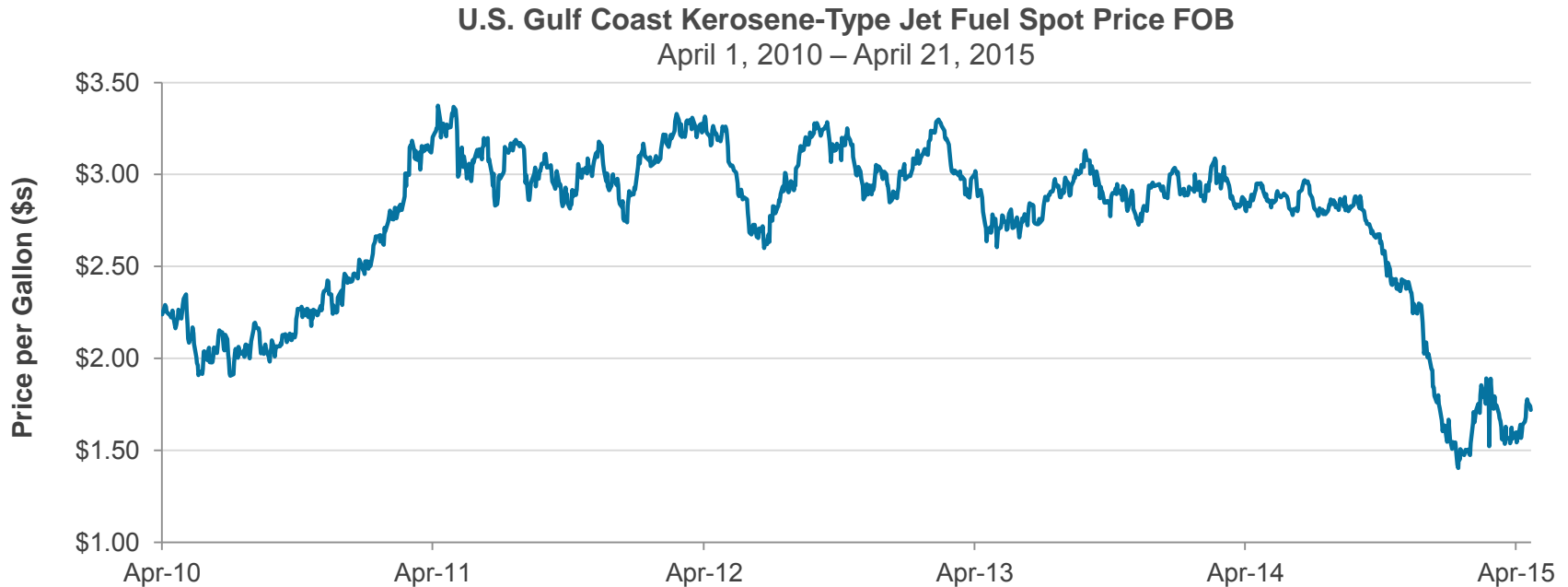
West Texas Intermediate Oil Price Per Barrel (WTI Spot)

April 1, 2010 – April 21, 2015



Jet Fuel Prices Trending Higher

Jet fuel (U.S. Gulf Coast Spot) closed at \$1.719 on April 21st, which was 5% above its average of \$1.63 for 2015. Higher crude oil prices have helped push jet fuel prices higher over the past month.



U.S. Equity Markets Remain Volatile

The equity markets remain volatile on mixed-economic news, uncertainty regarding Federal Reserve rate hikes, and global political and economic concerns. Year-to-date, the DJIA is up 1.21% and the S&P 500 is up 2.38%.

Dow Jones Industrial Average and S&P 500 Indices

April 1, 2010 – April 22, 2015



Treasury Yields in Narrow Range

U.S. Treasury yields have traded in a narrow range during the past 12 months. In recent weeks, Treasury rates have been trading in the middle part of the trading range due to mixed economic news and continued uncertainty about when the Federal Reserve will start to raise interest rates.

2- and 5-year U.S. Treasury Yields

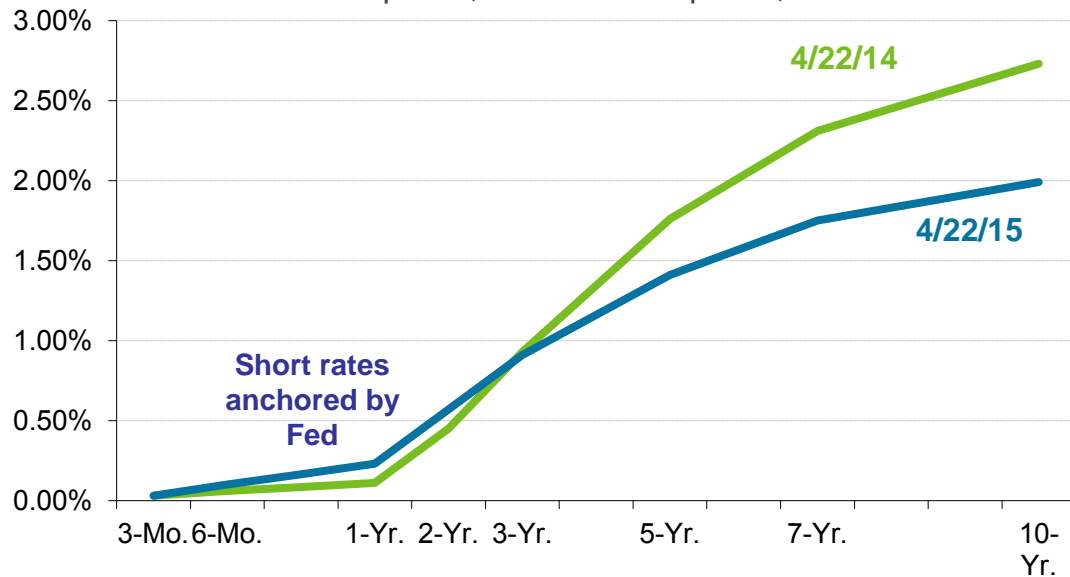
April 1, 2014 – April 22, 2015



U.S. Treasury Yield Curve Flattens

The Treasury yield curve has flattened over the past year. Shorter-term yields are up on continued economic growth and expectations that the Federal Reserve might start raising interest rates in 2015 while longer-term yields are down due to low inflation expectations and low global sovereign debt yields.

U.S. Treasury Yield Curve
April 22, 2014 versus April 22, 2015

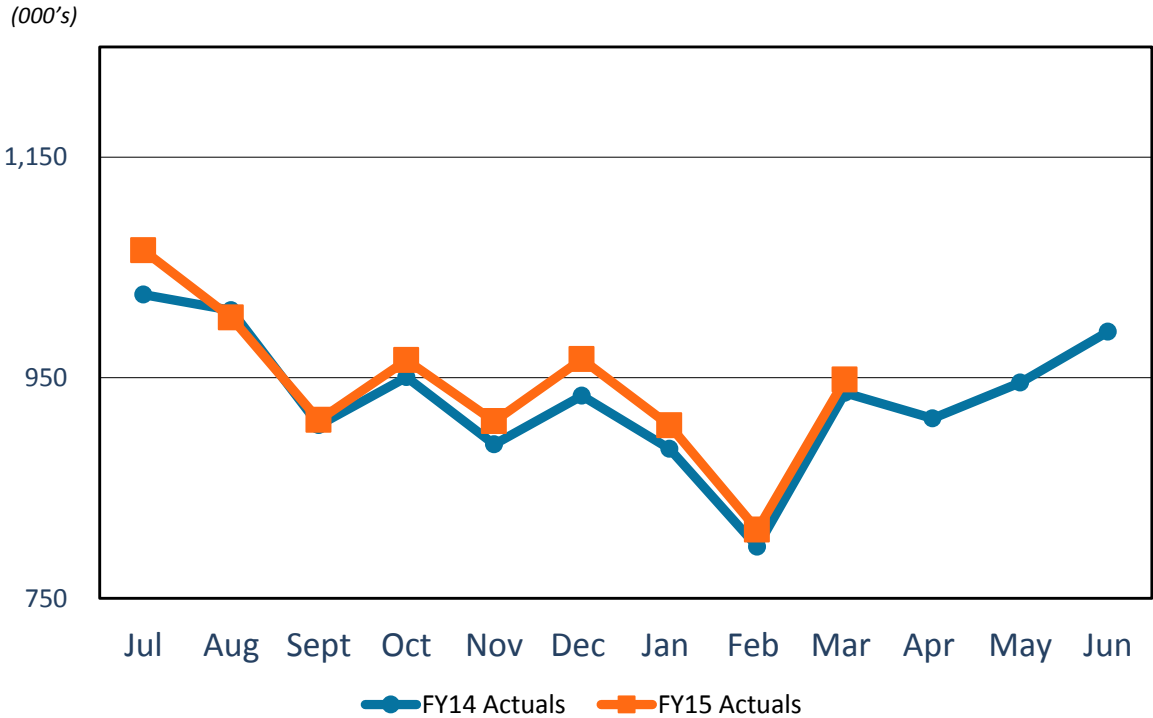


	4/22/14	4/22/15	Change
3-Mo.	0.03%	0.03%	0.00%
6-Mo.	0.06%	0.10%	0.04%
1-Yr.	0.11%	0.23%	0.12%
2-Yr.	0.45%	0.57%	0.12%
3-Yr.	0.93%	0.91%	(0.02%)
5-Yr.	1.76%	1.41%	(0.35%)
10-Yr.	2.73%	1.99%	(0.74%)
20-Yr.	3.25%	2.42%	(0.83%)
30-Yr.	3.50%	2.66%	(0.84%)



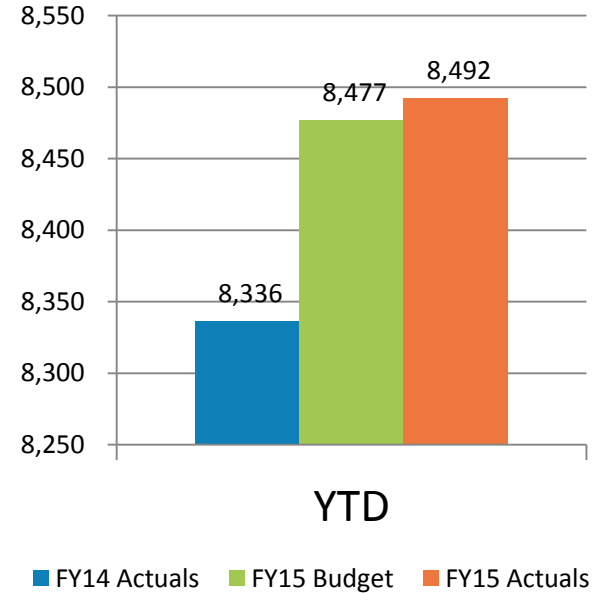
Revenue & Expenses (Unaudited) For the Month Ended March 2015 and 2014

Gross Landing Weight Units (000 lbs)



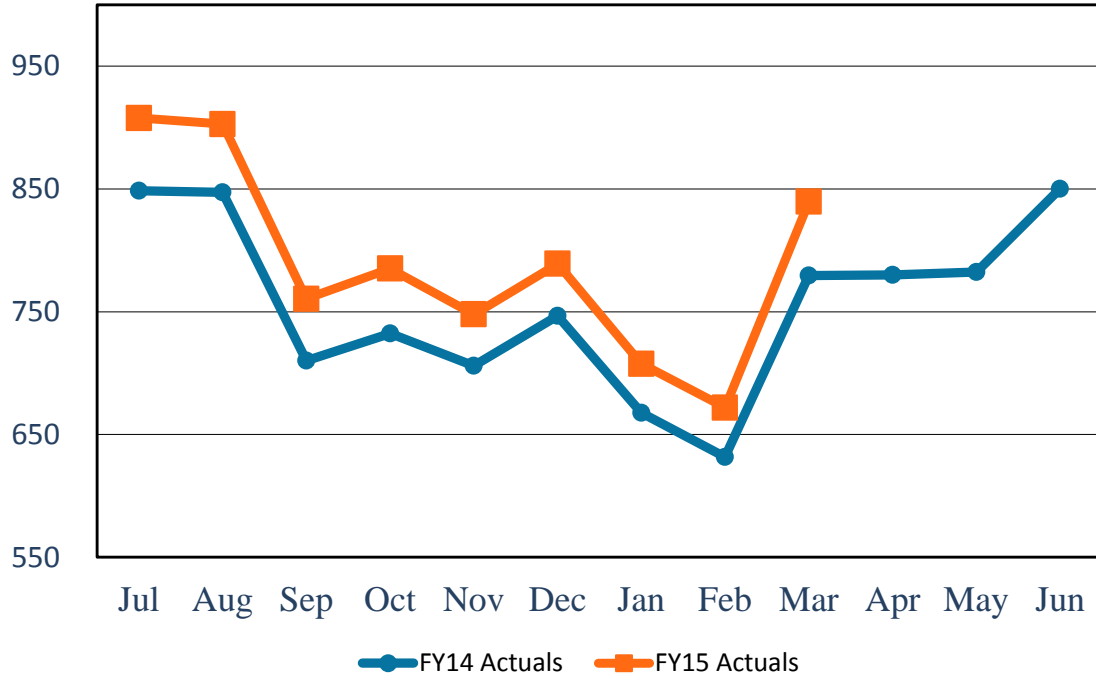
FY15 YTD Act Vs.
FY14 YTD Act
1.9%

FY15 YTD Act Vs.
FY15 YTD Budget
0.2%



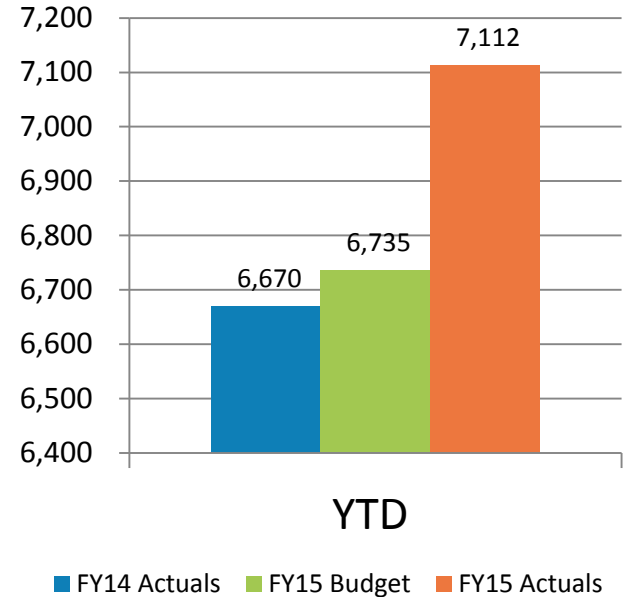
Enplanements

(000's)

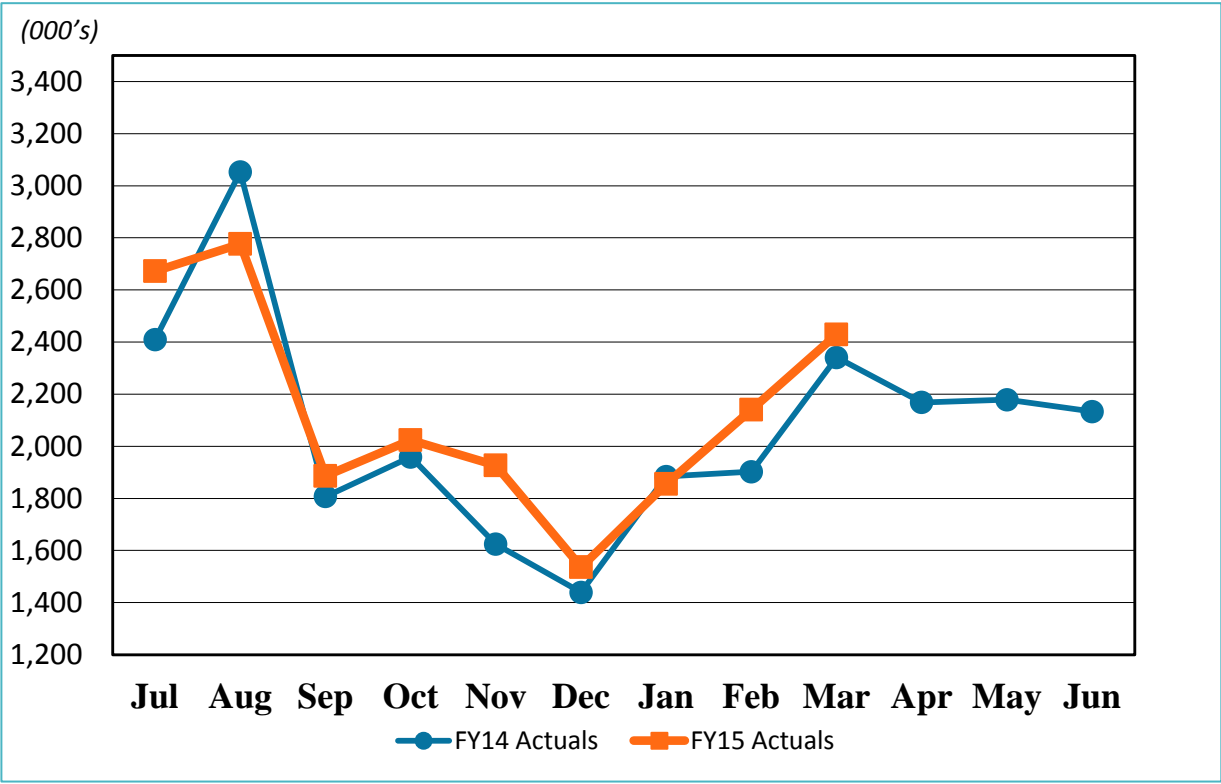


FY15 YTD Act Vs.
FY14 YTD Act
6.6%

FY15 YTD Act Vs.
FY15 YTD Budget
5.6%

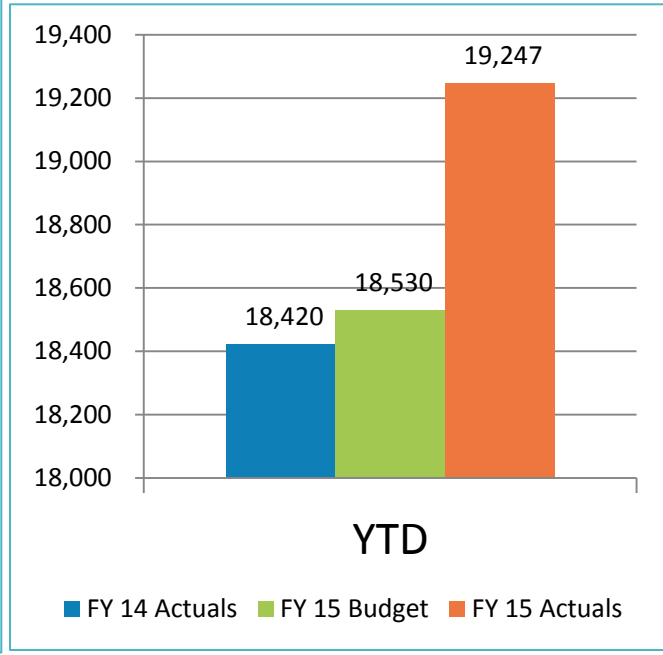


Car Rental License Fees

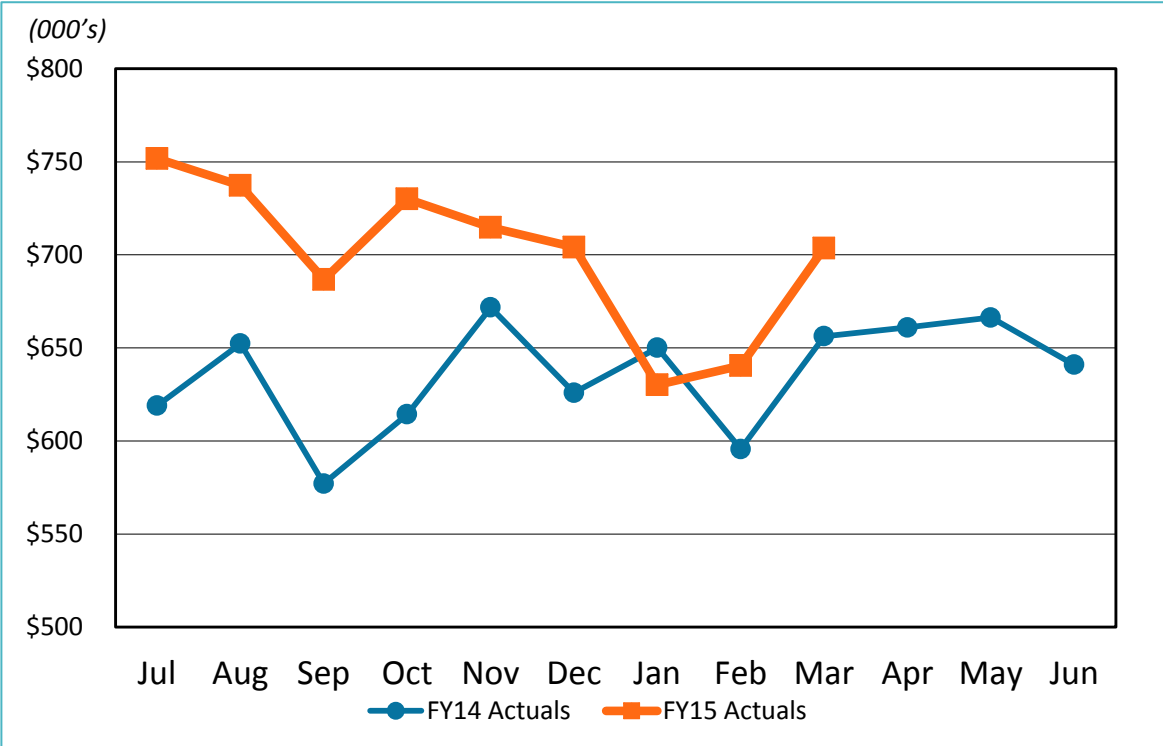


FY15 YTD Act Vs.
FY14 YTD Act
4.5%

FY15 YTD Act Vs.
FY15 YTD Budget
3.9%

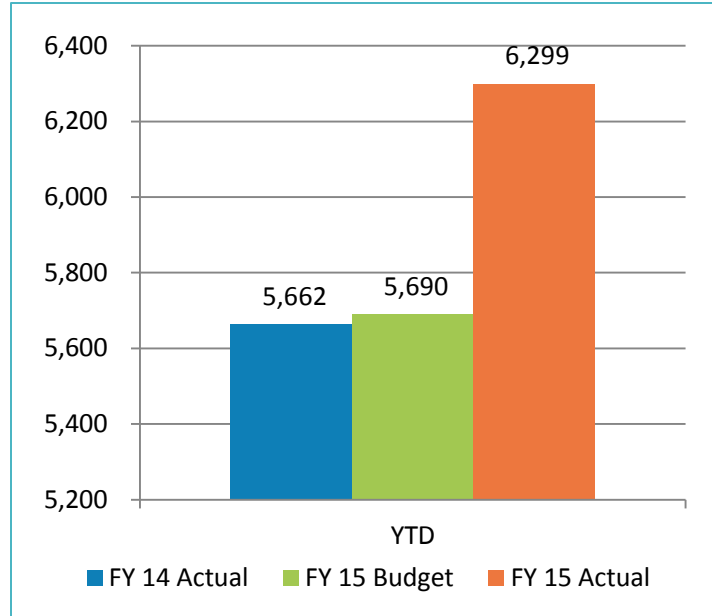


Food and Beverage Concessions Revenue

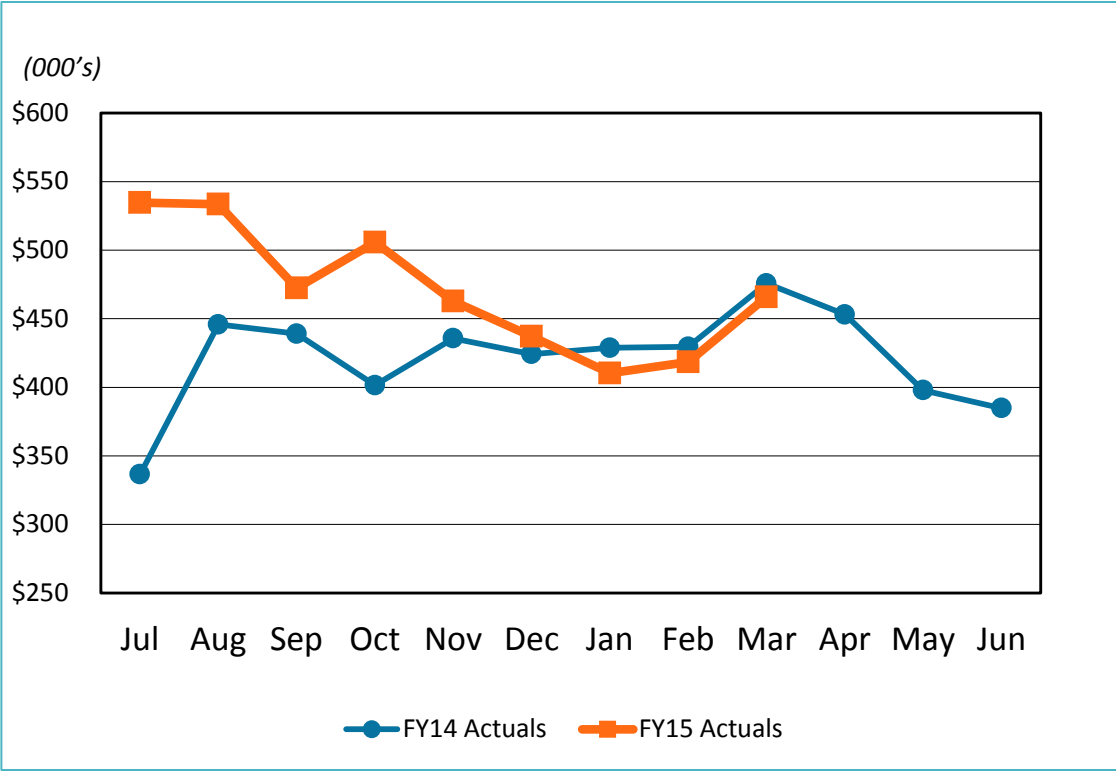


FY15 YTD Act Vs.
FY14 YTD Act
11.2%

FY15 YTD Act Vs.
FY15 YTD Budget
10.7%

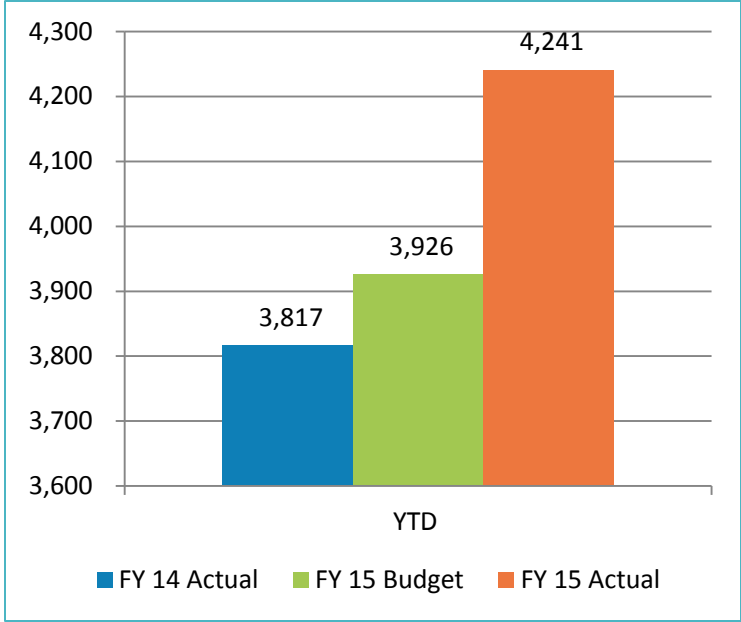


Retail Concessions Revenue

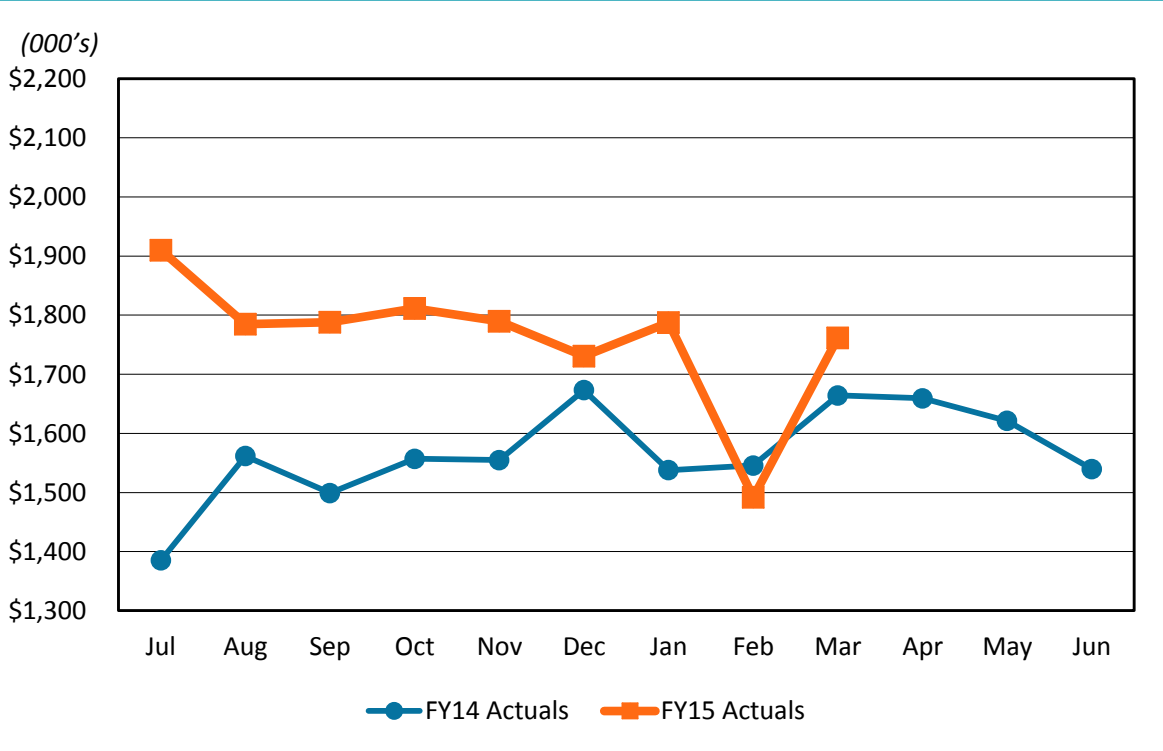


FY15 YTD Act Vs.
FY14 YTD Act
11.1%

FY15 YTD Act Vs.
FY15 YTD Budget
8.0%

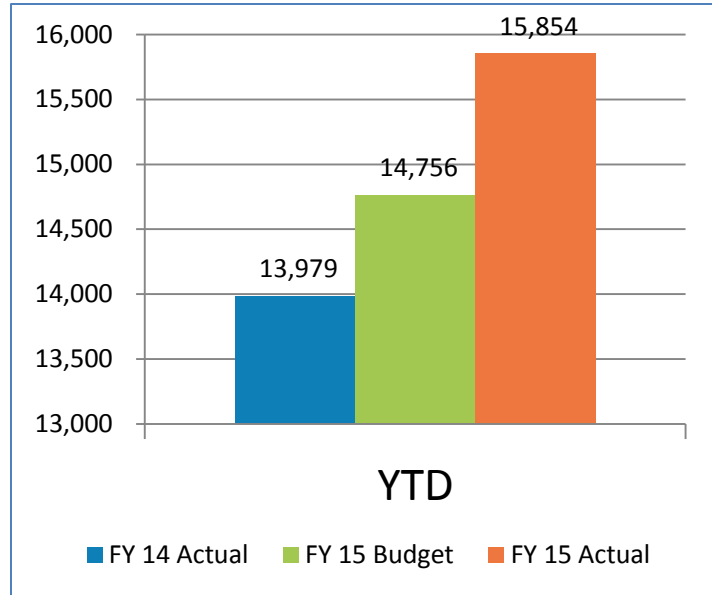


Total Terminal Concessions (Includes Cost Recovery)

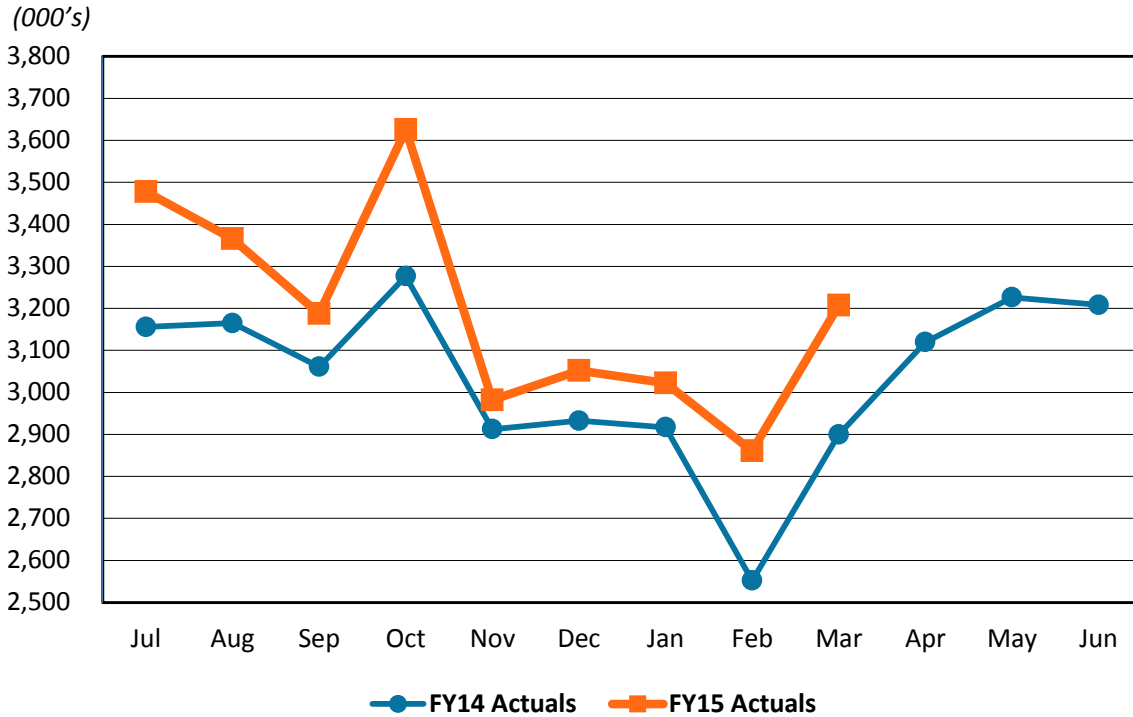


FY15 YTD Act Vs.
FY14 YTD Act
13.4%

FY15 YTD Act Vs.
FY15 YTD Budget
7.4%

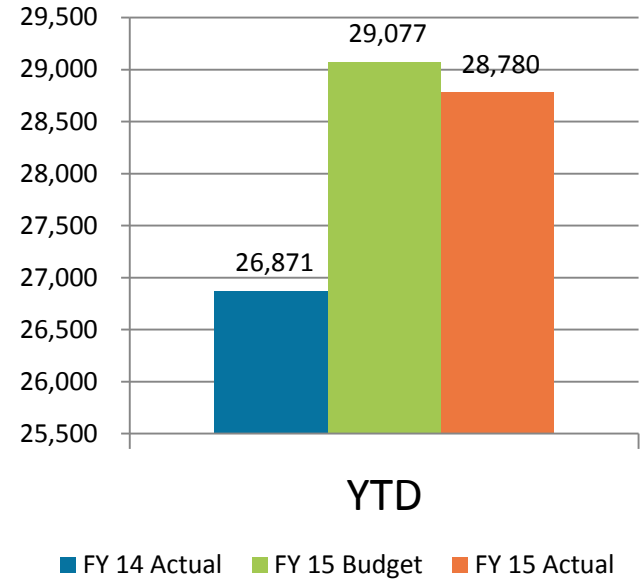


Parking Revenue



FY15 YTD Act Vs.
FY14 YTD Act
7.1%

FY15 YTD Act Vs.
FY15 YTD Budget
-1.0%



Operating Revenues for the Month Ended March 31, 2015

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 2,005	\$ 1,948	\$ (57)	(3)%	\$ 1,814
Aircraft parking fees	231	226	(5)	(2)%	225
Building rentals	4,166	4,542	376	9%	3,834
Security surcharge	2,211	2,211	-	-	2,081
CUPPS Support Charges	94	94	-	-	93
Other aviation revenue	133	136	3	3%	133
Total aviation revenue	\$ 8,840	\$ 9,157	\$ 317	4%	\$ 8,180

Operating Revenues for the Month Ended March 31, 2015

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 125	\$ 103	\$ (22)	(18)%	\$ 115
Concession revenue:					
Terminal concession revenue:					
Food and beverage	636	703	67	11%	656
Gifts and news	426	466	40	9%	476
Space storage	63	80	17	27%	72
Cost recovery	241	218	(23)	(10)%	185
Other <i>(Primarily advertising)</i>	271	294	23	8%	275
Total terminal concession revenue	1,637	1,761	124	8%	1,664
Car rental and license fee revenue:					
Rental car and license fees	2,233	2,429	196	9%	2,341
License fees-other	337	368	31	9%	363
Total rental car and license fees	2,570	2,797	227	9%	2,704
Total concession revenue	\$ 4,207	\$ 4,558	\$ 351	8%	\$ 4,368

Operating Revenues for the Month Ended March 31, 2015

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
Short-term parking revenue	\$ 2,049	\$ 2,097	\$ 48	2%	\$ 1,930
Long-term parking revenue	1,033	1,110	77	7%	969
Total parking revenue	3,082	3,207	125	4%	2,899
Ground transportation permits and citations	165	231	66	40%	184
Ground rentals	968	984	16	2%	676
Grant reimbursements	25	25	-	-	25
Other operating revenue	39	41	2	5%	32
Subtotal	4,279	4,488	209	5%	3,816
Total operating revenues	\$ 17,451	\$ 18,306	\$ 855	5%	\$ 16,479

Operating Expenses

for the Month Ended March 31, 2015

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 4,087	\$ 3,127	\$ 960	23%	\$ 2,990
Contractual services	2,966	2,649	317	11%	2,578
Safety and security	1,996	1,890	106	5%	1,998
Space rental	869	868	1	-	866
Utilities	710	707	3	-	696
Maintenance	1,306	1,384	(78)	(6)%	892
Equipment and systems	94	7	87	93%	14
Materials and supplies	31	51	(20)	(65)%	26
Insurance	89	86	3	-	82
Employee development and support	91	134	(43)	(47)%	85
Business development	236	71	165	70%	220
Equipment rental and repairs	298	754	(456)	(153)%	268
Total operating expenses	\$ 12,773	\$ 11,728	\$ 1,045	8%	\$ 10,715

Financial Summary

for the Month Ended March 31, 2015

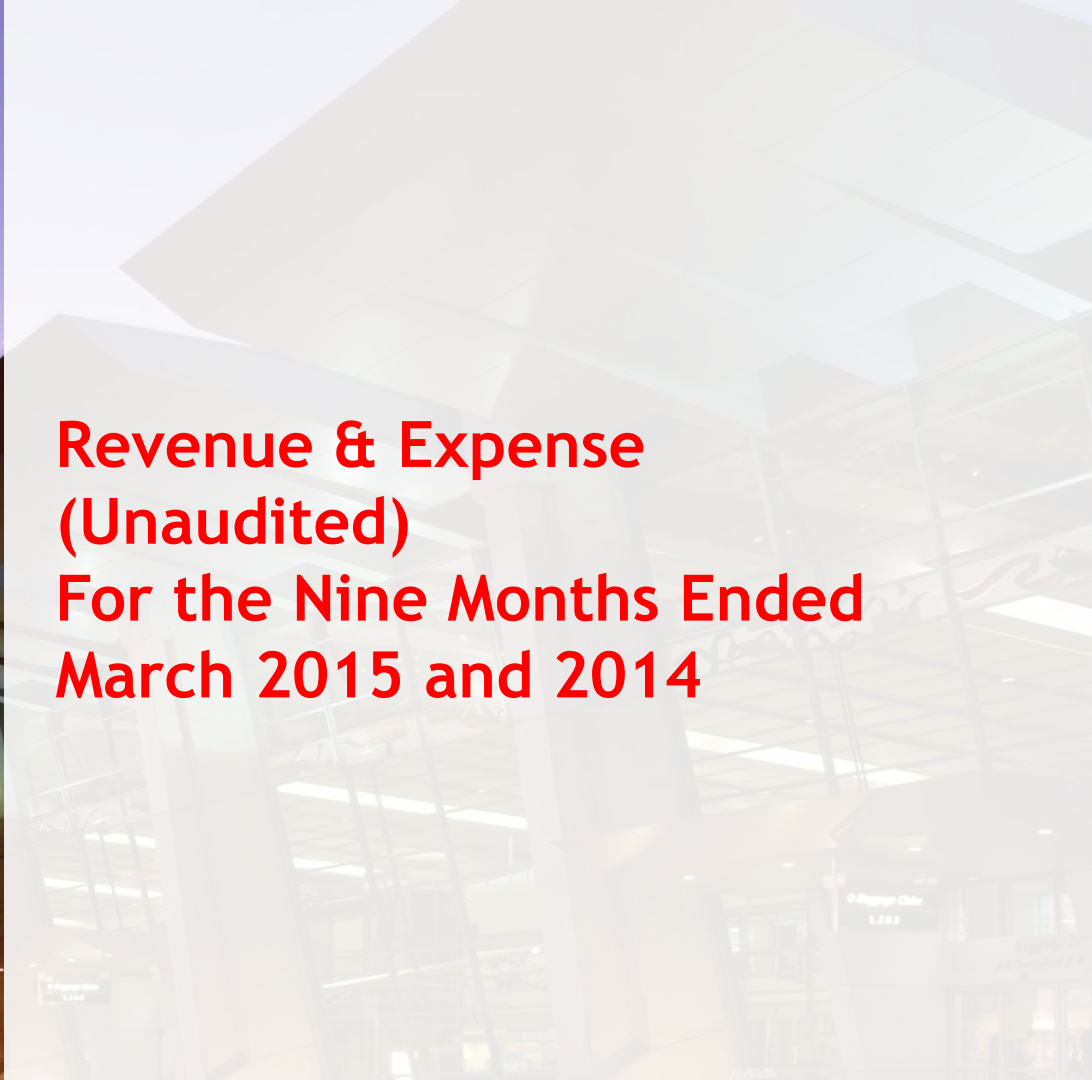
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 17,451	\$ 18,306	\$ 855	5%	\$ 16,479
Total operating expenses	12,773	11,728	1,045	8%	10,715
Income from operations	4,678	6,579	1,900	41%	5,764
Depreciation	6,711	6,711	-	-	20,526
Operating income (loss)	\$ (2,033)	\$ (133)	\$ 1,900	93%	\$ (14,762)

Non-operating Revenues & Expenses for the Month Ended March 31, 2015

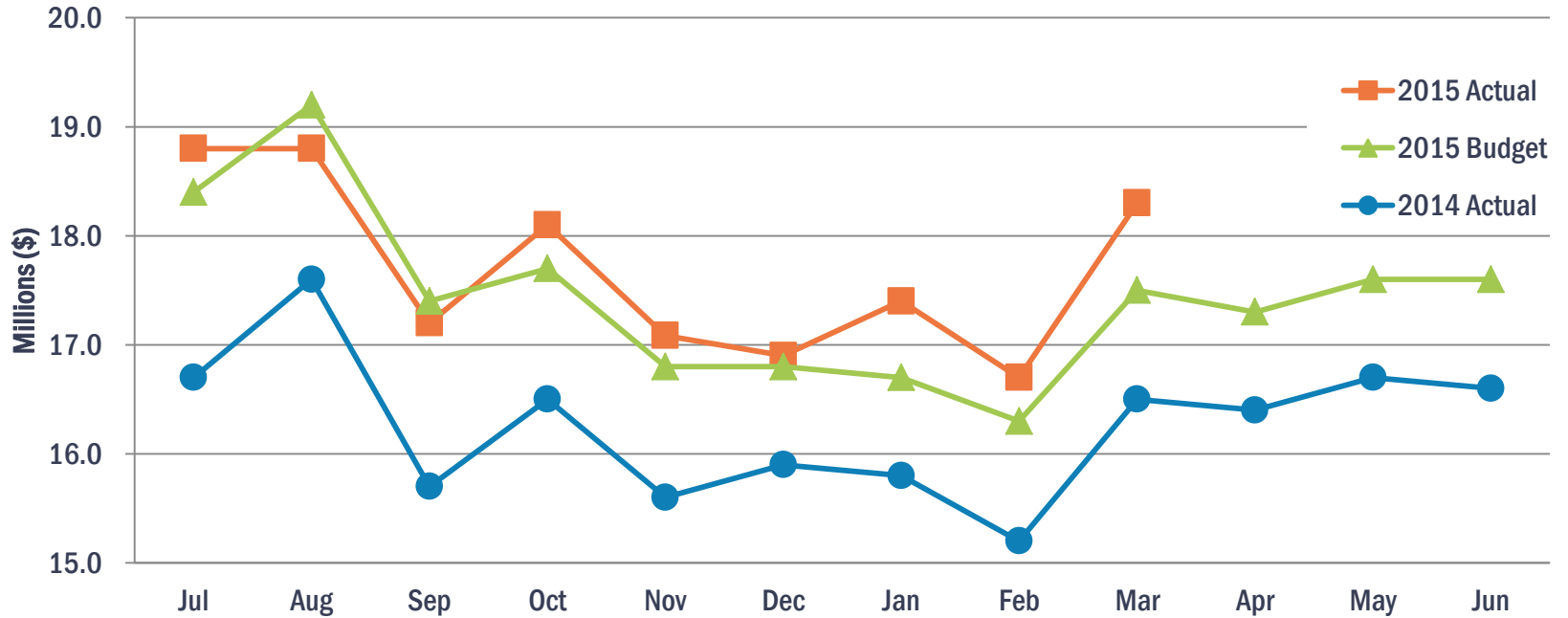
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 3,865	\$ 3,714	\$ (151)	(4)%	\$ 3,655
Customer facility charges (Rental Car Center)	2,866	2,960	94	3%	2,653
Quieter Home Program, net	(167)	(309)	(142)	(85)%	(284)
Interest income	388	486	98	25%	452
BAB interest rebate	386	386	-	-	386
Interest expense & debt issuance costs	(4,298)	(4,984)	(686)	(16)%	(5,845)
Bond amortization	359	359	-	-	366
Other nonoperating revenue (expenses)	(1)	(1,061)	(1,060)	-	(640)
Nonoperating revenue, net	3,398	1,551	(1,847)	(54)%	743
Change in net position before grant contributions	1,365	1,418	53	4%	(14,019)
Capital grant contributions	725	90	(635)	(88)%	686
Change in net position	\$ 2,090	\$ 1,508	\$ (582)	(28)%	\$ (13,333)



**Revenue & Expense
(Unaudited)
For the Nine Months Ended
March 2015 and 2014**



Monthly Operating Revenue, FY 2015 (Unaudited)



Operating Revenues

for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 17,637	\$ 17,584	\$ (53)	-	\$ 16,175
Aircraft parking fees	2,076	2,046	(30)	(1)%	1,900
Building rentals	37,470	38,148	678	2%	34,080
Security surcharge	19,897	19,897	-	-	18,727
CUPPS Support Charges	844	846	2	-	838
Other aviation revenue	1,191	1,188	(3)	-	1,190
Total aviation revenue	\$ 79,115	\$ 79,709	\$ 594		\$ 72,910

Operating Revenues

for the Nine Months Ended March 31, 2015 (Unaudited)

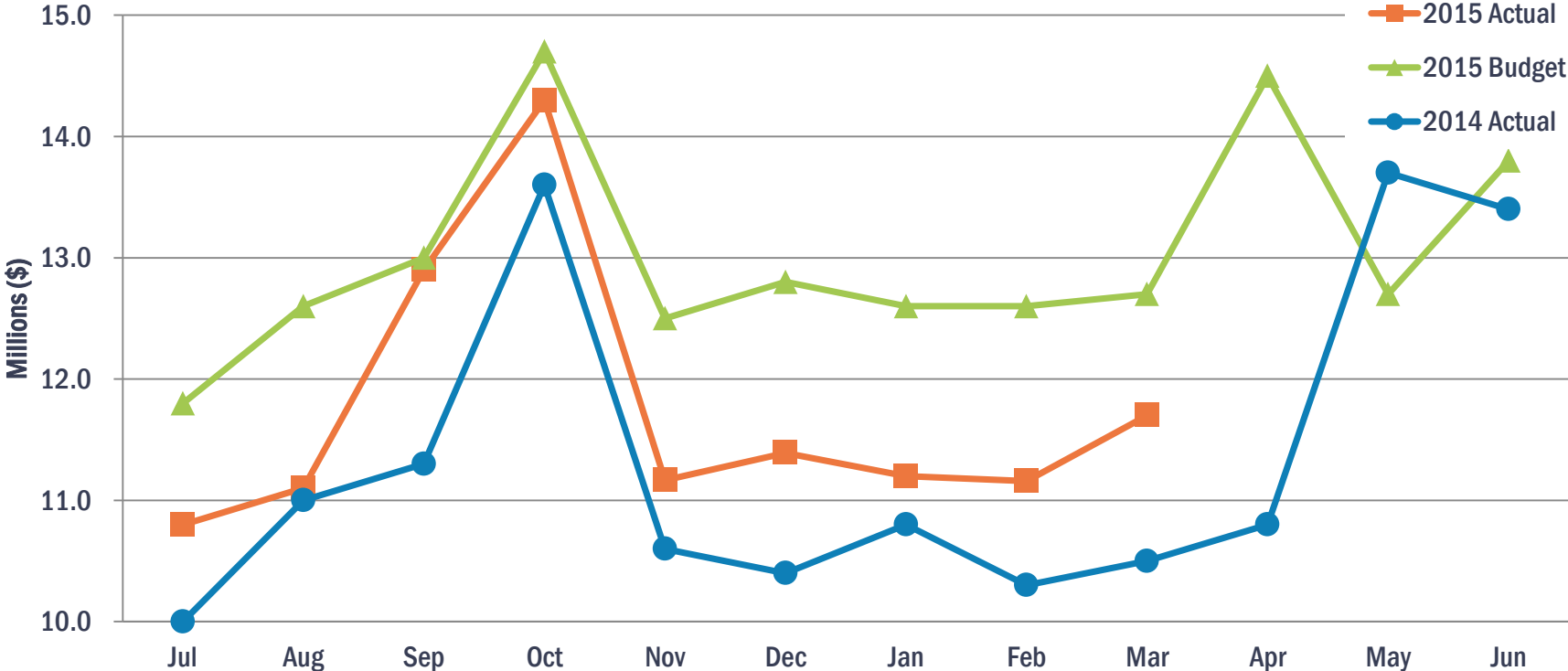
(In thousands)			Variance		
	Budget	Actual	Favorable (Unfavorable)	%	Prior Year
				Change	
Terminal rent non-airline	\$ 1,124	\$ 923	\$ (201)	(18)%	\$ 835
Concession revenue:					
Terminal concession revenue:					
Food and beverage	5,690	6,299	609	11%	5,662
Retail	3,926	4,241	315	8%	3,817
Space storage	571	703	132	23%	579
Cost recovery	2,115	1,840	(275)	(13)%	1,584
Other <i>(Primarily advertising)</i>	2,454	2,772	318	13%	2,337
Total terminal concession revenue	14,756	15,855	1,099	7%	13,979
Car rental and license fee revenue:					
Rental car license fees	18,530	19,247	717	4%	18,420
License fees-other	3,106	3,285	179	6%	2,956
Total rental car and license fees	21,636	22,532	896	4%	21,376
Total concession revenue	\$ 36,392	\$ 38,386	\$ 1,994	5%	\$ 35,355

Operating Revenues

for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
Short-term parking revenue	\$ 18,611	\$ 18,549	\$ (62)	-	\$ 17,028
Long-term parking revenue	10,466	10,231	(235)	(2)%	9,843
Total parking revenue	29,077	28,780	(297)	(1)%	26,871
Ground transportation permits and citations	2,302	2,352	50	2%	1,962
Ground rentals	8,439	8,547	108	1%	6,321
Grant reimbursements	219	219	-	-	296
Other operating revenue	352	505	153	43%	964
Subtotal	40,389	40,403	14	-	36,414
Total operating revenues	\$ 157,020	\$ 159,421	\$ 2,401	2%	\$ 145,514

Monthly Operating Expenses, FY 2015 (Unaudited)



Operating Expenses

for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 37,662	\$ 33,763	\$ 3,899	10%	\$ 28,892
Contractual services	25,232	22,285	2,947	12%	22,846
Safety and security	18,335	17,733	602	3%	18,195
Space rental	7,845	7,825	19	-	7,786
Utilities	7,119	7,870	(751)	(11)%	6,132
Maintenance	12,066	10,022	2,044	17%	8,994
Equipment and systems	419	145	274	65%	173
Materials and supplies	309	304	5	2%	257
Insurance	804	794	10	1%	741
Employee development and support	894	696	198	22%	762
Business development	2,059	1,743	316	15%	1,762
Equipment rental and repairs	2,766	2,271	494	18%	2,018
Total operating expenses	\$ 115,509	\$ 105,451	\$ 10,057	9%	\$ 98,558

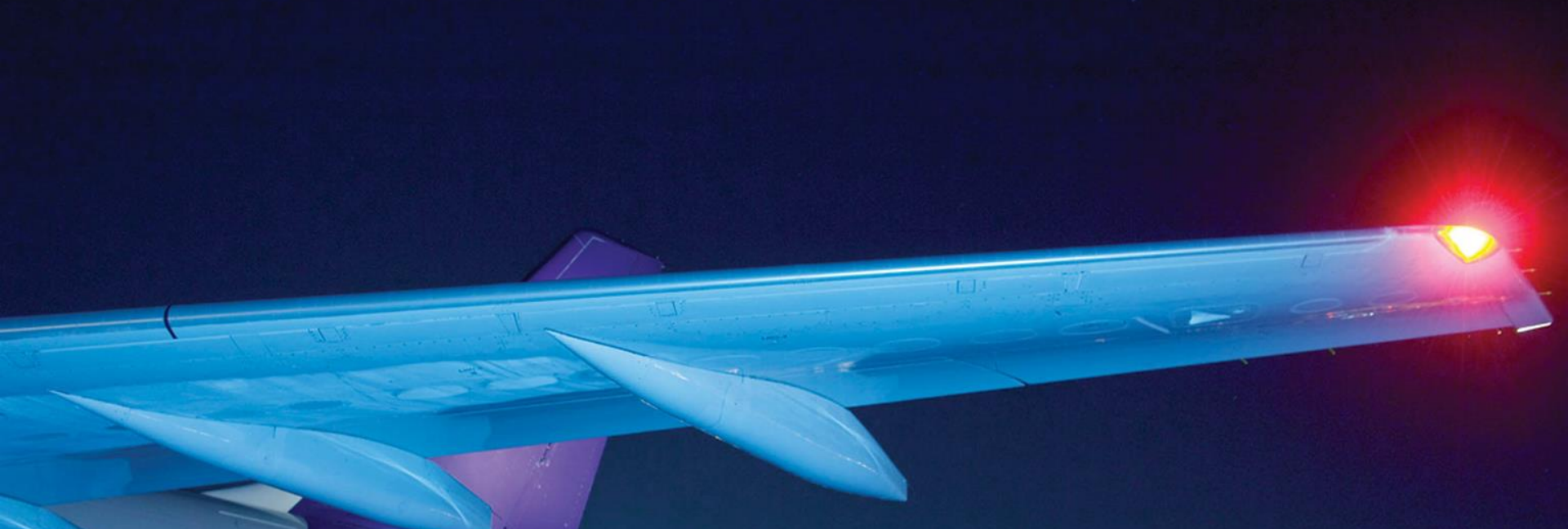
Financial Summary

for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 157,020	\$ 159,421	\$ 2,401	2%	\$ 145,514
Total operating expenses	115,509	105,451	10,058	9%	98,558
Income from operations	41,511	53,970	12,459	30%	46,956
Depreciation	60,213	60,213	-	-	59,534
Operating income (loss)	\$ (18,702)	\$ (6,243)	\$ 12,459	67%	\$ (12,578)

Nonoperating Revenues & Expenses for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 27,070	\$ 28,327	\$ 1,257	5%	\$ 26,357
Customer facility charges (Rental Car Center)	22,539	23,622	1,083	5%	19,357
Quieter Home Program, net	(2,436)	(2,127)	309	13%	(1,703)
Interest income	3,575	4,381	806	23%	3,573
BAB interest rebate	3,477	3,473	(4)	-	3,477
Interest expense & debt issuance costs	(39,072)	(46,627)	(7,555)	(19)%	(38,989)
Bond amortization	3,255	3,255	-	-	3,297
Other nonoperating revenue (expenses)	(8)	(1,069)	(1,061)	-	1,512
Nonoperating revenue, net	18,400	13,235	(5,165)	(28)%	16,881
Change in Net Position before grant contributions	(302)	6,992	7,294	2418%	4,303
Capital grant contributions	7,611	3,053	(4,558)	(60)%	3,000
Change in Net Position	\$ 7,309	\$ 10,045	\$ 2,736	37%	\$ 7,303



Statements of Net Position (Unaudited) March 31, 2015 and 2014

Statements of Net Position (Unaudited)

(In thousands)

March

Current assets:

	<u>2015</u>	<u>2014</u>
Cash and investments	\$ 68,701	\$ 94,575
Tenant lease receivable, net of allowance of 2015: (\$60,384) and 2014: (\$76,869)	8,517	9,273
Grants receivable	4,046	4,264
Notes receivable-current portion	1,529	1,447
Prepaid expenses and other current assets	6,507	6,407
Total current assets	89,300	115,966

Cash designated for capital projects and other	\$ 22,410	\$ 16,564
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Statements of Net Position (Unaudited)

(In thousands)

March

2015

2014

Restricted assets:

Cash and investments:

Bonds reserve	\$ 54,943	\$ 54,965
Passenger facility charges and interest unapplied	63,021	54,541
Customer facility charges and interest applied	41,777	38,674
Commercial paper reserve	-	4
SBD bond guarantee	4,000	4,000
Bond proceeds held by trustee	338,368	536,571
Commercial paper interest held by trustee	-	13
Passenger facility charges receivable	5,033	4,679
Customer facility charges receivable	2,974	3,681
OCIP insurance reserve	5,433	5,109
Total restricted assets	\$ 515,549	\$ 702,237

Statements of Net Position (Unaudited)

(In thousands)

March

	2015	2014
Noncurrent assets:		
Capital assets:		
Land and land improvements	\$ 71,082	\$ 70,943
Runways, roads and parking lots	575,159	563,883
Buildings and structures	1,042,821	1,007,766
Machinery and equipment	14,293	13,669
Vehicles	5,520	5,582
Office furniture and equipment	32,520	32,049
Works of art	3,424	2,468
Construction-in-progress	411,341	212,819
Total capital assets	2,156,160	1,909,179
Less: accumulated depreciation	(717,048)	(641,229)
Total capital assets, net	\$ 1,439,112	\$ 1,267,950

Statements of Net Position (Unaudited)

(In thousands)

March

	2015	2014
Other assets:		
Notes receivable - long-term portion	\$ 37,221	\$ 38,811
Investments - long-term portion	87,968	67,332
Net pension asset	6,468	6,231
Security deposit	500	500
Total other assets	132,157	112,874
Total noncurrent assets	1,571,269	1,380,824
TOTAL ASSETS	\$ 2,198,528	\$ 2,215,591

Other assets:

Notes receivable - long-term portion

Investments - long-term portion

Net pension asset

Security deposit

Total other assets

Total noncurrent assets

TOTAL ASSETS

Statements of Net Position (Unaudited)

(In thousands)

March

Current liabilities:

Accounts payable and accrued liabilities

	2015	2014
\$	63,369	\$ 73,782
	4,050	4,630
	67,419	78,412

Deposits and other current liabilities

Total current liabilities

Current liabilities payable from restricted assets:

Current portion of long-term debt

	10,695	11,870
	16,575	14,388
	\$ 27,270	\$ 26,258

Accrued interest on bonds

and commercial paper

Total liabilities payable from restricted assets

Statements of Net Position (Unaudited)

(In thousands)

March

	2015	2014
Long-term liabilities:		
Revolving line of credit and commercial paper payable	\$ 44,884	\$ 43,216
Other long-term liabilities	13,732	10,131
Long-term debt - bonds net of amortized premium	1,308,162	1,323,208
Total long-term liabilities	1,366,778	1,376,555
Total liabilities	\$ 1,461,467	\$ 1,481,224

Statements of Net Position (Unaudited)

(In thousands)

March

	2015	2014
Net Position:		
Invested in capital assets, net of related debt	\$ 405,412	\$ 418,204
Other restricted	176,344	165,770
Unrestricted:		
Designated	28,050	22,795
Undesignated	127,255	127,597
Total net position	737,061	734,366
TOTAL LIABILITIES AND NET POSITION	\$ 2,198,528	\$ 2,215,591



Questions?





SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: May 21, 2015

To: Board Members

Via: Thella F. Bowens, President/CEO

From: Scott Brickner, Vice President, Finance & Asset
Management/Treasurer

Subject: Accept the Authority's Investment Report as of March 31,
2015:

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.



Item 13



San Diego County Regional Airport Authority

Review of the Authority's Investment Report As of March 31, 2015

Presented by: Michael Sears
Director of Financial Management

May 21, 2015

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 Nine months.



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



Total Portfolio Summary

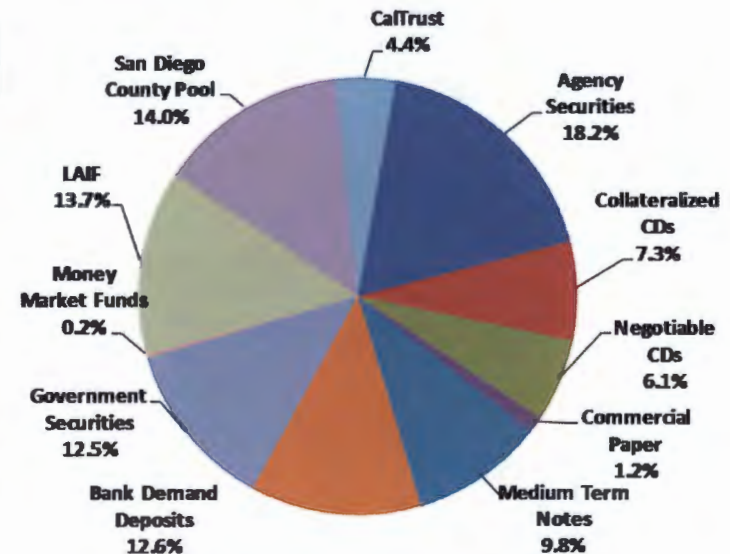
	Current Period March 31, 2015	Prior Period December 31, 2014	Change From Prior
Book Value (1)	\$346,484,000	\$340,123,000	\$6,361,000
Market Value (1)	\$346,325,000	\$339,696,000	\$6,629,000
Market Value%	99.95%	99.87%	0.08%
Unrealized Gain / (Loss)	(\$159,000)	(\$427,000)	\$268,000
Weighted Average Maturity (Days)	310 days	317 days	(7)
Weighted Average Yield as of Period End	0.57%	0.53%	0.04%
Cash Interest Received- Quarter-to-Date	\$675,000	\$341,000	\$334,000
Cash Interest Received- Year-to-Date	\$1,327,000	\$652,000	\$675,000
Accrued Interest	\$342,000	\$445,000	(\$103,000)

Notes:

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

Portfolio Composition by Security Type

	March 31, 2015		December 31, 2014		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 62,905,000	18.2%	\$ 64,659,000	19.0%	100%
Collateralized CDs	25,281,000	7.3%	25,250,000	7.4%	30%
Negotiable CDs	21,012,000	6.1%	16,958,000	5.0%	30%
Commercial Paper	3,997,000	1.2%	8,997,000	2.6%	25%
Medium Term Notes	33,811,000	9.8%	31,810,000	9.4%	15%
Bank Demand Deposits	44,289,000	12.6%	43,485,000	13.0%	100%
Government Securities	43,277,000	12.5%	37,146,000	10.9%	100%
Money Market Funds	683,000	0.2%	150,000	0.0%	20%
LAIF	47,619,000	13.7%	47,607,000	14.0%	\$50 million ⁽¹⁾
San Diego County Pool	48,378,000	14.0%	48,591,000	14.3%	\$50 million ⁽²⁾
CalTrust	15,073,000	4.4%	15,043,000	4.4%	\$50 million ⁽³⁾
Total:	\$ 346,325,000	100.0%	\$ 339,696,000	100.0%	

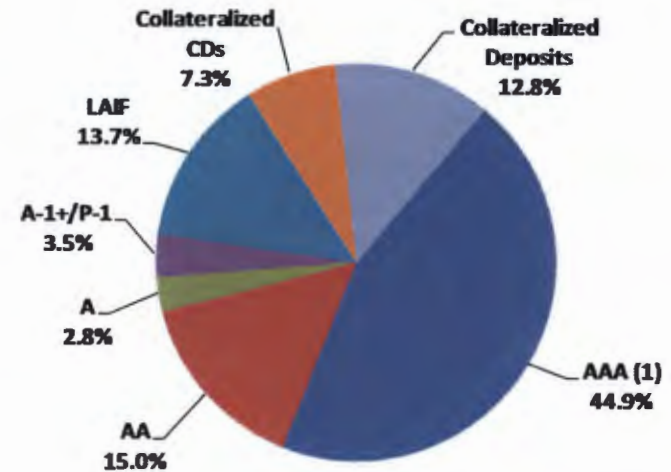


Notes:

- 1.) The \$50 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

	March 31, 2015		December 31, 2014	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA ⁽¹⁾	\$ 155,244,000	44.9%	\$ 165,588,000	48.8%
AA	52,027,000	15.0%	30,891,000	9.1%
A	9,869,000	2.8%	9,877,000	2.9%
A-1+/P-1	11,997,000	3.5%	16,997,000	5.0%
LAIF	47,619,000	13.7%	47,607,000	14.0%
Collateralized CDs	25,281,000	7.3%	25,250,000	7.4%
Collateralized Deposits	44,288,000	12.8%	43,486,000	12.8%
Total:	\$ 346,325,000	100.0%	\$ 339,696,000	100.0%



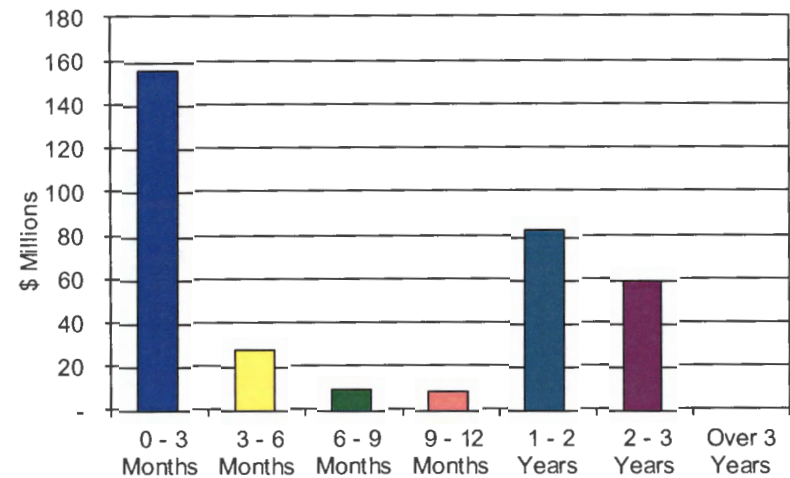
Notes:

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

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Portfolio Composition by Maturity ⁽¹⁾

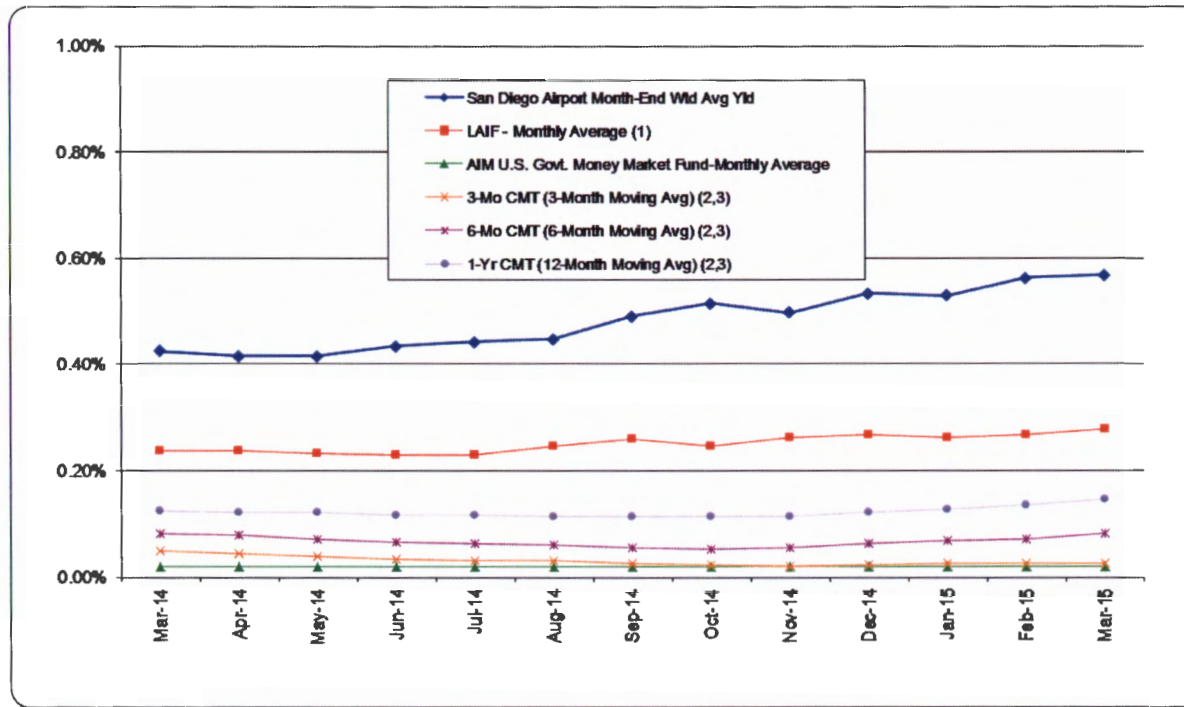
	March 31, 2015		December 31, 2014	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	\$ 156,042,000	45.0%	\$ 163,872,000	48.4%
3 - 6 Months	28,258,000	8.2%	-	0.0%
6 - 9 Months	10,023,000	2.9%	24,242,000	7.1%
9 - 12 Months	9,091,000	2.6%	13,038,000	3.8%
1 - 2 Years	83,062,000	24.0%	86,078,000	25.3%
2 - 3 Years	59,849,000	17.3%	39,464,000	11.6%
Over 3 Years	-	0.0%	13,002,000	3.8%
Total:	\$ 346,325,000	100.0%	\$ 339,696,000	100.0%



Notes:

1.) The 0-3 Month 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.



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Detail of Security Holdings As of March 31, 2015

Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
09/21/12	FHLMC	1.000	09/12/17	06/12/15	3,000,000	99.975	2,999,250	99.98	2,998,650	896	1.000
01/16/13	FHLMC	1.050	01/16/18	04/16/15	3,000,000	99.970	2,999,100	100.07	3,001,230	1022	1.056
01/30/13	FNMA	1.030	01/30/18	04/30/15	3,500,000	99.990	3,499,650	100.09	3,502,660	1036	1.032
06/13/13	FHLB	0.375	06/24/16	06/24/16	5,000,000	99.057	4,951,150	100.93	4,997,250	451	0.701
10/10/13	FHLMC	0.875	10/14/16	10/14/16	9,000,000	100.532	9,027,400	100.25	9,050,400	563	0.814
11/21/14	FHLMC	0.400	05/27/16	05/27/16	8,000,000	99.970	7,997,600	100.03	8,000,080	423	0.420
12/10/13	FHLB	0.625	12/28/16	12/28/16	5,000,000	99.816	4,990,800	100.31	5,006,100	638	0.438
08/07/14	FHLB	0.500	09/28/16	09/28/16	8,300,000	99.768	8,277,375	100.28	8,300,332	547	0.653
09/08/14	FNMA	1.000	09/27/17	09/27/17	10,000,000	99.722	9,972,200	100.66	10,037,800	911	1.093
06/12/13	FHLMC	0.500	05/13/16	05/13/16	8,000,000	99.652	7,976,568	100.42	8,010,160	409	0.601
Agency Total					62,800,000		62,691,093		62,904,662	640	0.754
07/02/14	East West Bk CD	0.500	07/02/15		10,221,314	100.000	10,221,314	100.00	10,221,314	93	0.500
10/21/14	East West Bk CD	0.500	10/21/15		10,022,513	100.000	10,022,513	100.00	10,022,513	204	0.500
09/05/14	Torrey Pines Bank CD	0.500	09/04/15		5,037,537	100.000	5,037,537	100.00	5,037,537	157	0.500
Collateralized CDs Total					25,281,363		25,281,363		25,281,363	150	0.500

Detail of Security Holdings As of March 31, 2015

Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
08/14/14	Citibank CD	0.371	08/11/15		4,000,000	100.000	4,000,000	100.00	4,000,000	133	0.371
09/11/14	US Bank CD	1.375	09/11/17		4,000,000	100.000	3,993,560	99.97	3,992,320	895	1.430
02/13/15	HSBC Bank CD	0.880	08/15/16		4,000,000	100.000	4,000,000	100.48	4,019,200	503	0.880
09/29/14	Toronto Dominion CD	0.900	09/29/16		5,000,000	100.000	5,000,000	100.00	5,000,000	548	0.900
08/19/14	Goldman Sachs CD	0.900	08/12/16		4,000,000	100.000	4,000,000	100.00	4,000,000	500	0.900
Negotiable CDs Total					21,000,000		20,993,560		21,011,520	517	0.896
01/20/15	BANK OF TOKYO MITS CP	0.310	07/15/15		4,000,000	99.848	3,993,938	100.07	3,996,840	106	0.310
Commercial Paper Total					4,000,000		3,993,938		3,996,840	106	0.310
05/09/13	Apple Inc Notes	0.450	05/03/16		4,000,000	99.944	3,997,760	100.08	4,000,880	399	0.469
01/15/15	BERKSHIRE HATHAWAY 0.1	0.553	01/12/18		5,000,000	100.000	5,000,000	100.16	5,008,200	1018	0.554
07/18/14	WELLS FARGO CO Notes	3.678	06/15/16		4,700,000	106.815	4,961,273	98.09	4,866,615	442	0.737
06/03/13	Toyota Motor Corp Notes	2.800	01/11/16		4,000,000	106.218	4,204,560	96.77	4,068,920	286	0.812
08/30/13	Caterpillar Financial	0.411	08/28/15		5,000,000	100.000	5,000,000	100.05	5,002,650	150	0.411
10/10/13	GE CAP CORP	0.843	01/08/16		5,000,000	100.457	5,022,600	99.99	5,021,900	283	0.680
11/19/14	CHEVRON CORP	1.345	11/15/17		5,000,000	100.203	5,009,950	100.61	5,040,750	960	1.345
11/01/13	COCA COLA CORP NOTE	0.750	11/01/16		800,000	99.885	799,080	100.25	801,080	581	0.789
Medium Term Notes					33,500,000		33,995,223		33,810,995	515	0.722

Detail of Security Holdings As of March 31, 2015

Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
02/26/15	U.S. Treasury	0.750	02/28/18		10,145,000	99.070	10,050,669	100.61	10,111,724	1065	1.015
02/24/14	U.S. Treasury	0.750	01/15/17		3,000,000	100.313	3,006,914	100.21	3,013,140	656	0.669
03/31/14	U.S. Treasury	1.000	03/31/17		6,000,000	100.401	6,013,594	100.61	6,050,160	731	0.940
03/05/14	U.S. Treasury	1.000	08/31/16		8,890,000	100.828	8,996,958	99.63	8,963,609	519	0.512
12/30/14	U.S. Treasury	0.750	12/31/17		6,600,000	99.115	6,528,242	100.91	6,587,658	1006	1.182
06/18/14	U.S. Treasury	0.875	01/31/17		5,000,000	100.199	5,009,961	100.46	5,032,800	672	0.798
06/18/14	U.S. Treasury	0.875	06/15/17		3,500,000	99.672	3,488,516	100.85	3,518,305	807	0.987
Government Total					43,135,000		43,094,853		43,277,397	800	0.873
	Torrey Pines Bank MM				5,036,908	100.000	5,036,908	100.00	5,036,908	1	0.400
	East West Bank				103,607	100.000	103,607	100.00	103,607	1	0.350
	East West Bank				21,519,784	100.000	21,519,784	100.00	21,519,784	1	0.350
	Wells Fargo Bank				4,051,591	100.000	4,051,591	100.00	4,051,591	1	0.220
	US Bank General Acct				13,576,435	100.000	13,576,435	100.00	13,576,435	1	0.035
Bank Demand Deposits					44,288,325		44,288,325		44,288,325	1	0.247
	Reich & Tang MMF				683,127	100.000	683,127	100.00	683,127	1	0.000
Money Market Fund					683,127		683,127		683,127	1	0.000
	Local Agency Invstmnt Fd				47,606,586	100.000	47,606,586	100.03	47,619,338	1	0.278
	San Diego County Inv Pool				48,782,868	100.000	48,782,868	99.17	48,378,214	1	0.500
	CalTrust				15,073,337	100.000	15,073,337	100.00	15,073,337	1	0.400
Grand Total					\$ 346,150,606	100.13	\$ 346,484,273	99.95	\$ 346,325,118	310	0.568

Portfolio Investment Transactions

From January 1st, 2015 - March 31st, 2015

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
01/12/15	US TREASNTS	U.S. Treasury	92828UE8	0.750	12/31/17	-	99.332	\$ 1,987,188
01/15/15	BERKSHIRE HATHAWAY	MTN	084864CD1	0.553	01/12/18	-	100.000	5,000,000
01/20/15	BANK OF TOKYO MITS DC/P	CP - DISC	06538CUF8	0.310	07/15/15	-	99.848	3,993,938
02/13/15	HSBC BANK	Negotiable CD	40428AC54	0.880	08/15/15	-	100.000	4,000,000
02/19/15	US TREASNTS	U.S. Treasury	92828UR9	0.750	02/28/18	-	98.926	5,198,986
02/19/15	FHLMC	AGCY	3137EADS5	0.875	10/14/18	-	100.404	5,035,391
02/26/15	US TREASNTS	U.S. Treasury	92828UR9	0.750	02/28/18	-	99.219	4,979,480
								\$ 30,104,013
CALLS								
01/09/15	FHLMC	AGCY CALL	3134G33V0	1.375	01/09/18	01/09/15	1375	\$ 2,000,000
								\$ 2,000,000
LIABILITIES								
07/17/14	UBS FINANCE CP	CP - DISC	90262DNG6	0.210	01/18/15	-	99.893	\$ 3,999,720
								\$ 3,999,720
WITHDRAWALS / SALES / TRANSFERS								
01/15/15	BANK OF TOKYO MITS CP	CP - DISC	06538CQR5	0.230	03/25/15	-	99.885	\$ 4,994,250
02/13/15	US TREASNTS	U.S. Treasury	92828C40	0.375	03/31/18	-	100.094	4,009,354
02/19/15	WAL MARTH NOTES	MTN	931142CX9	1.500	10/25/15	-	100.810	3,038,550
02/19/15	FNMA	AGCY	3135G0SR5	0.580	06/27/18	03/27/15	99.980	5,002,044
02/19/15	US TREASNTS	U.S. Treasury	92828VC1	0.250	05/15/18	-	99.880	749,589
02/19/15	US TREASNTS	U.S. Treasury	92828B41	0.375	01/31/18	-	100.141	350,561
02/19/15	US TREASNTS	U.S. Treasury	92828C40	0.375	03/31/18	-	100.098	1,002,439
								\$ 19,148,788



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Bond Proceeds Summary

SUMMARY OF 2010, 2013 & 2014 BOND PROCEEDS *

As of: March 31, 2015
(in thousands)

	Series 2010	Series 2013	Series 2014	Total	Yield	Rating
<u>Project Fund</u>						
LAIF	\$ -	\$ -	\$ 52,992	\$ 52,992	0.28%	N/R
SDCIP	-	56,995	79,121	136,116	0.50%	AAAf
	\$ -	\$ 56,995	\$ 132,113	\$ 189,108		
<u>Capitalized Interest</u>						
SDCIP	\$ -	219	\$ 16,294	\$ 16,513	0.50%	AAAf
	\$ -	\$ 219	\$ 16,294	\$ 16,513		
<u>Debt Service Reserve & Coverage Funds</u>						
SDCIP	\$ 30,165	\$ 32,926	\$ 13,431	\$ 76,522	0.50%	AAAf
East West Bank CD	20,733	-	-	20,733	0.75%	N/R
Torrey Pines DDA	-	-	15,078	15,078	0.40%	N/R
	\$ 50,898	\$ 32,926	\$ 28,509	\$ 112,333		
	\$ 50,898	\$ 90,140	\$ 176,916	\$ 317,954	0.47%	

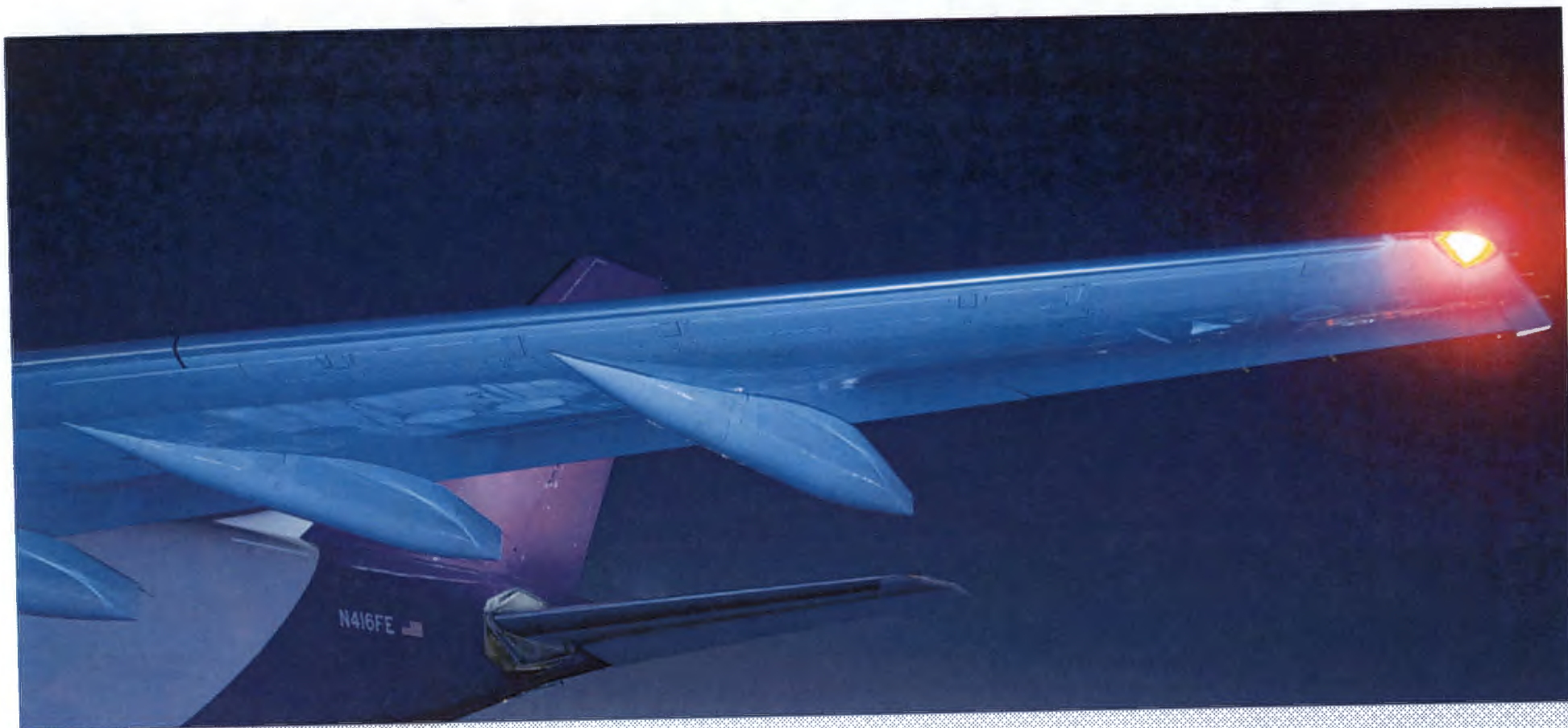
*Bond proceeds are not included in deposit limits as applied to operating funds

Bond Proceeds Investment Transactions

From January 1st, 2015 - March 31st, 2015

Settle Date	Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
							\$	-
CALLS								
							\$	-
MATURITIES								
							\$	-
DEPOSITS								
							\$	-
WITHDRAWALS / SALES								
1/2/2015	SDCIP (2014 Bonds)	SDCIP		0.42			1.000 \$	13,312,629
1/2/2015	Transfer to Debt Service P&I Funds (2013 Bonds)	SDCIP		0.42			1.000	236,920
1/2/2015	Transfer to Debt Service P&I Funds (2014 Bonds)	SDCIP		0.42			1.000	8,170,605
1/22/2015	LAIF (2014 Bonds)	LAIF		0.26			1.000	1,445,104
1/22/2015	LAIF (2014 Bonds)	LAIF		0.26			1.000	1,708,166
1/22/2015	LAIF (2014 Bonds)	LAIF		0.26			1.000	562,075
2/2/2015	SDCIP (2013 Bonds)	SDCIP		0.51			1.000	5,908,105
2/2/2015	SDCIP (2013 Bonds)	SDCIP		0.51			1.000	886,315
2/18/2015	SDCIP (2013 Bonds)	SDCIP		0.51			1.000	2,154,382
2/18/2015	SDCIP (2013 Bonds)	SDCIP		0.51			1.000	1,743,706
2/23/2015	LAIF (2014 Bonds)	LAIF		0.27			1.000	22,328,353
							\$	58,456,360

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Questions ?



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
14**

Meeting Date: **MAY 21, 2015**

Subject:

Fiscal Year 2015 Third Quarter Audit Activities Report and Audit Recommendations Issued by the Office of the Chief Auditor

Recommendation:

Accept the report.

Background/Justification:

The Charter of the Audit Committee states the compliance and regulatory oversight responsibilities of the Audit Committee. One of these oversight responsibilities requires it to review the Office of the Chief Auditor's (OCA) periodic communications and presentations to the Committee on the adequacy of management's systems of control. The scope of controls to be reviewed includes computerized information system controls and security, audit findings identified with management's responses, special audit steps implemented due to material control deficiencies, and special investigations.

The Office of the Chief Auditor hereby files its Fiscal Year 2015 Third Quarter Report (Attachment A) summarizing the activities and accomplishments of the office from January 1, 2015, through March 31, 2015.

During the Third Quarter, the Office of the Chief Auditor completed eleven (11) audits as listed in the Fiscal Year 2015 Audit Plan and issued three (3) recommendations. Fifteen (15) audits were in progress as of March 31, 2015.

At the regularly scheduled Audit Committee meeting on May 4, 2015, the Office of the Chief Auditor presented the Committee with the Fiscal Year 2015 Third Quarter Report and a current status on the implementation of all outstanding audit recommendations. Following a discussion on various completed audits the Committee unanimously voted to forward the report to the Board.

Fiscal Impact:

No impact.

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Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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:

Not Applicable

Prepared by:

MARK A. BURCHYETT
CHIEF AUDITOR



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
OFFICE OF THE CHIEF AUDITOR

FY15 THIRD QUARTER REPORT

April 24, 2015

000126



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

April 24, 2015

FY15 Third Quarter Report

Paul Robinson, Chair
Audit Committee
San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, California 92138-2776

Dear Mr. Robinson:

The Office of the Chief Auditor (OCA) presents our Fiscal Year 2015 Third Quarter Report. The report details both the audit and the administrative activities of the OCA during the third quarter of Fiscal Year 2015; and it includes the resolutions of past audit findings and information regarding the future plans of the OCA.

The Third Quarter Report will be presented at the next Audit Committee meeting scheduled for May 4, 2015.

Respectfully submitted,

Mark A. Burchyett
Chief Auditor

Audit Results

During the third quarter, the OCA continued its work on audits contained within the FY15 audit plan, as authorized by the Audit Committee, and wrapped up audits from the FY14 audit plan. In total, during the third quarter, the OCA issued eleven (11) audits reports. For the month of March, we issued six (6) audit reports, for which audit snapshots are located in Appendix A. The audit reports included three (3) recommendations, which were the only recommendations issued during the third quarter. The completed audits for the third quarter are listed in Figure 1 below, and the status of recommendations is presented on Page 3.

Figure 1: Audits Completed During the Third Quarter of Fiscal Year 2015

Audit	Report No.	Date	Type of Audit
Airport Noise Management Performance	15003	1/8/2015	Internal Process
JCDecaux Airport, Inc.	15024	1/16/2015	Revenue Contract
Network Security Electronics, Inc.	15008	1/20/2015	Expense Contract
Concessionaire Management and Performance	15001	1/27/2015	Internal Process
Cloud Management and Performance	15002	2/18/2015	Internal Process
Enterprise Holdings Inc.	15018	3/12/2015	Revenue Contract
Gate Gourmet Inc.	15026	3/18/2015	Revenue Contract
Board Member and Executive Business Expenses	15035	3/20/2015	Internal Process
Aztec Landscaping, Inc.	15011	3/27/2015	Expense Contract
Aircraft Service International Inc.	15025	3/30/2015	Revenue Contract
Stellar Partners, Inc.	15033	3/30/2015	Revenue Contract

In addition to the completed audits, the Office of the Chief Auditor had 15 audits in progress as of March 31, 2015, as shown in Figure 2 below. Of the 15 audits, at the end of the quarter, six (6) draft audit reports had been forwarded to the affected departments for review and comment. Of those six, one audit report for the Port District Billings has been issued.

Figure 2: Audits In-Progress as of March 31, 2015

Audit	Type of Audit	Audit	Type of Audit
PCL Construction Services, Inc.	Expense Contract	Merriwether Williams Insurance Services	Expense Contract
Aircraft Rescue & Fire Fighting (ARFF) Expense Billings	Expense Contract	Procurement Card Spending	Internal Process
Business and Travel Expenses	Internal Process	Public Records Management	Internal Process
Emergency Medical Technician & Paramedic Services	Expense Contract	Rental Car Center Fund Review	Internal Process
Granite Construction Company	Expense Contract	San Diego Unified Port District Billings – FY14	Expense Contract
Hatch Mott MacDonald, LLC	Expense Contract	Serco Management Services, Inc.	Expense Contract
High Flying Foods San Diego (FSP 7)	Revenue Contract	The Hertz Corporation	Revenue Contract
Hudson Group, Concourse Ventures Inc., Epicure and Martinez (RP 7)	Revenue Contract		

Recommendation Follow-Up

To ensure that audit issues are addressed in a timely manner, the OCA tracks the status of its recommendations on an on-going basis. For the last month in the quarter, the OCA tracked the implementation status of nine (9) recommendations that were issued during FY15, or were outstanding as of June 30, 2014. As shown by Figure 3 below, three (3) of the recommendations have been completed or implemented while six (6) remain outstanding.

See Appendix C for a complete listing of all outstanding recommendations and their status.

Figure 3: Status of Recommendations as of March 31, 2015

Recommendations:				
Tracked	Completed	In Progress	Open	Not Accepted
9	3	3	3	0

In tracking recommendations the OCA uses the following designations:

- **Completed:** This designation is used for recommendations that the OCA has determined to be adequately implemented or for recommendations where alternate action is taken that adequately addresses the risk identified.
- **In Progress:** These recommendations have been partially addressed or partial corrective action has been taken. If adequate progress is not being made, it will be noted as such.
- **Open:** This category of recommendations have not yet been addressed. Usually, this designation is used when there has not been adequate time between report issuance and recommendation follow-up.
- **Not Accepted:** This designation is used for recommendations that an auditee does not accept and, therefore, will not implement. This category can represent a failing on the part of the OCA, as all recommendations should be workable and acceptable to the affected departments.

It appears that adequate progress is being made with the majority of recommendations. The OCA will continue its monthly tracking of their status. Specifically, the non-completion of the "In Progress" recommendations should not have a material adverse effect on the Authority.

Non-Audit Activities

Along with the audit activities detailed above, the OCA continues its involvement in several non-audit projects and activities. Specifically, the OCA was involved in the following:

Audit Committee:

The Audit Committee met on February 9, 2015. During that meeting, the Committee received an overview of the Authority's bond covenants and a forecast of net income; an update on the Construction Audit activity; the OCAs FY15 Second Quarter Activity Report; and an overview of the OCAs performance auditing procedures. The next Audit Committee meeting is May 4, 2015.

Construction Audit Activity:

For the third quarter of Fiscal Year 2015, the OCA continued its Construction Audit activity separate from its Annual Audit Plan. The OCA Construction Auditor completed the audit testwork of the PCL Construction Services, Inc. agreement as part of the FY15 OCA Audit Plan. This agreement was for the refurbishment of the concessions support infrastructure. Due to the unanticipated issues encountered in the work performed, the knowledge gained in observing the corroboration between Authority personnel and the contractor in addressing these issues, and the resulting changes needed to the agreement, is currently being used in our review of other Facilities Development Department projects.

A review of capitalized costs assigned to the Green Build project subsequent to the date the building was put in service has been initiated. The review of project management costs included in several Authority projects is on-going. Through attendance at the Capital Improvement Committee meetings, Development Program meetings, and other construction planning related meetings, the OCA Construction Auditor continues to provide assistance in ensuring the Authority is meeting compliance requirements for ongoing and planned projects.

Additionally, the OCA Construction Auditor remains involved with issues identified by the Airport Design and Construction team, Facilities Development, and Authority Management, giving assistance and attending meetings specific to the aspects of the Authority's construction activity. A formal update is presented to the Audit Committee during most regularly scheduled meetings and will be presented to the Capital Improvement Program Oversight Committee as determined necessary.

Ethics Compliance Program:

The OCA continues to run the Authority Ethics Program and confidential hotline system. See Appendix B, Ethics Hotline Call Summary, for a complete summation of calls received during the quarter.

Training:

During the third quarter, OCA staff participated in several Internet-based and self-paced training seminars. Of note were sessions regarding using data analytics to uncover fraud, IT auditing, and cyber security.

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Performance Measures

The OCA establishes performance measures each year to provide a benchmark to gauge its success. The five (5) performance measures for FY15, along with their current status, are detailed below in Figure 4.

Figure 4: Status of Performance Measures as of March 31, 2015

Performance Measure	Goal	Progress as of March 31, 2015
Percentage of the audit plan completed annually	100%	59%
Additional revenue/cost savings identified through audits	n/a	\$160,640
Percentage of staff time spent on audit activities	80% ¹	82%
Percentage of audits completed within budgeted time	80%	81%
Implementation of Recommendations	90%	79%

Percentage of the audit plan completed annually: This measure provides information on what has been accomplished regarding the planned audit projects for the year. To date the OCA has completed 59% of the plan and an additional 36% of the audit plan is currently in-progress. We also have established quarterly goals for the completion of our audit plan. For the third quarter, we had a completion goal of 68% of the audit plan. Regardless, we should be able to meet our annual goal of completing the entire plan by the end of the fiscal year.

Additional revenue/cost savings identified: While the value of an audit cannot be adequately assessed by this performance measure, it does provide quantifiable values for completed audits. During the first three quarters of FY15 we have identified a net total of \$160,640 as shown in Figure 5 below. To date, we have not identified any soft cost savings through our auditing activities.

Figure 5: Additional Revenue and Cost Savings Identified through Audit Activity

Audit Report	Title	Amount Identified
15017	Avis Rent A Car Systems	\$133,955
14032	Emergency Medical Technician-Paramedic Services	6,984
15018	Enterprise Holdings Inc.	45,427
15021	EZ Rent A Car	<40,220>
15019	Fox Rent A Car	12,775
15026	Gate Gourmet Inc.	1,719
Total		\$160,640

¹ This percentage is the percentage of time staff spends on audit projects, construction audit activities, training, and the Ethics Program, vs. total staff time worked.

Percentage of staff time spent on audit activities: This measure helps ensure that the OCA spends an adequate amount of time on audit activities rather than administrative activities. To date, the OCA is over its current goal of 80%.

Percentage of audits completed within budgeted time: This category monitors how efficient audit staff is in performing their audits. Specifically, audit staff is held accountable to the internally prepared audit budgets for each project. However, it recognizes that budgets may need adjustment(s) as additional facts become known during an audit. For the fiscal year to date, the OCA is over its goal of completing 80% of its projects within the budgeted amount of time.

Implementation of Recommendations: This goal measures the value that the OCA is providing to the Authority by measuring how audit recommendations have impacted the Authority. For the fiscal year, 26 of 33 recommendations were implemented. Additionally, one (1) recommendation was not accepted by management. While the percentage of implemented recommendations is under our goal, we are on track to achieve the goal, with an aim to have 90% of our recommendations implemented within the year.

Going Forward

For completion during the fourth quarter of FY15, the OCA has targeted all of the audits currently in progress, as well as the two (2) remaining audits on the FY14 Audit Plan. The completion of these audits will result in the accomplishment of 100% of the FY15 Audit Plan. Any additional time will be utilized by beginning work on the Committee Approved FY16 Audit Plan. Figure 6 identifies the audits scheduled for completion in the fourth quarter.

Figure 6: Audits Scheduled for Completion in the Fourth Quarter of Fiscal Year 2015

Audit	Type of Audit
Ace Parking	Revenue Contract
Aircraft Rescue & Fire Fighting (ARFF) Expense Billings	Expense Contract
Business and Travel Expenses	Internal Process
Emergency Medical Technician & Paramedic Services	Expense Contract
Granite Construction Company	Expense Contract
Hatch Mott MacDonald, LLC	Expense Contract
High Flying Foods San Diego (FSP 7)	Revenue Contract
Hudson Group, Concourse Ventures Inc., Epicure and Martinez (RP 7)	Revenue Contract
Merriwether Williams Insurance Services	Expense Contract
PCL Construction Services, Inc.	Expense Contract
Procurement Card Spending	Internal Process
Public Records Management	Internal Process
Rental Car Center Fund Review	Internal Process
Serco Management Services, Inc.	Expense Contract
SSP America Inc. (FSP 5)	Revenue Contract
The Hertz Corporation	Revenue Contract

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Enterprise Holdings, Inc.
Report Number 15018, March 2015

Background

Enterprise Holdings, Inc. (EHI) d/b/a Enterprise Rent-A-Car (Enterprise), Alamo Rent-A-Car (Alamo), and National Rent-A-Car (National) operates at San Diego International Airport (SDIA) under three (3) Nonexclusive Airport Car Rental License Agreements (License) with a five (5) year term from January 1, 2011, to December 31, 2015. The License grants EHI the right to provide rental car services and use courtesy vehicles to provide pickup and drop-off services at SDIA. In exchange for offering its service at SDIA, the License requires EHI to remit a license fee calculated and based on airport customers. Total gross revenue reported and fees remitted to the Authority are shown below:

	Enterprise	Alamo	National
Gross Revenue Reported	\$ 50,893,625	\$ 39,862,045	\$ 50,263,894
Concession Fees Paid	5,089,363	3,986,204	5,026,389
Consolidated Facilities Charges (CFC)	4,545,585	3,833,872	4,832,905
Total Fees Collected	9,634,948	7,820,076	9,859,294

The objective of this audit was to determine if gross revenue reported by EHI was accurate and that the license fees due were calculated in accordance with the terms of the Agreements and to verify the accuracy of revenues received related to CFC.

Finding #1: *Enterprise and Alamo Did Not Comply with Section 4(b) of the License*

Section 4(b) of the License provides for specific requirements of the Licensee for the proper documentation of local or "non-airport" customers to be classified as such. A "Non-Airport Customer" is defined as a customer that provides the customer's home address, which must be located within a radius of ten statute miles of the Airport; customer's home telephone number, California driver's license number; and, customer's initials immediately adjacent to the following statement, "I certify under penalty of perjury that I did not exit the Airport via a shuttle, bus, tram, taxi, courtesy vehicle service, or other vehicle."

Audit work determined that not all Enterprise customers initialed the statement. Specifically, of the 30 rental contracts reviewed, four (4) customers or 13.33% did not sign the statement. Audit work also determined one (1) of 30 or 3.33% of Enterprise's Non-Airport customers and two (2) of 30 or 6.66% of Alamo's Non-Airport customers did not have a California driver's license. As a result of customers not properly initialing the non-airport clause or not having a valid California driver's license, we determined that Enterprise had a combined error rate of 16.66% and Alamo had an error rate of 6.66%. Therefore, 16.66% of the Non-Airport customers as identified by Enterprise and 6.66% of Alamo's Non-Airport customers should be re-classified as Airport customers. This amounts to additional license fees due of \$32,172 and \$9,032, respectively.

Finding #2: *Enterprise Underreported Gross Revenue*

The license fees are the greater of a monthly Minimum License Fee of \$100, or a 10 percent monthly fee based on the total gross revenues from "Airport Customers". Our review found that

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Enterprise did not include all gross revenue when determining total concessionable revenue as required by the License. Specifically, Enterprise omitted \$51,928 of concessionable revenue from an account called "One Way" during several months within the audit period. As a result, Enterprise underpaid license fees in the amount of \$5,193.

Finding #3: *Enterprise Underpaid Customer Facility Charges during October 2013*

Enterprise's transactional records detail the number of unique rental transactions, including the number of days rented for each Airport Customer on a monthly basis. Utilizing this data, we calculated the corresponding CFC funds due the Authority based on the rental days. Our review found that Enterprise underpaid CFC funds in the amount of \$6,880 during October 2013.

Finding #4: *Enterprise Overpaid License Fees during July 2013*

As noted above, license fees are based on the total gross revenues from "Airport Customers". Our review of license fees found that Enterprise included revenue from local customers during the month of July 2013 when calculating concessionable revenues. Subsequently, Enterprise overpaid license fees during July 2013 in the amount of \$7,851.

As a result of all of our audit findings, EHI underpaid license fees and CFC in the gross amount of \$45,427 during the audit period as calculated in Figure 1:

Figure 1: Calculation of Additional License Fees & CFC Due

Description	Amount
Enterprise Non-Airport Underpayment from Finding #1	\$ 32,173
Alamo Non-Airport Underpayment from Finding #1	9,032
Enterprise Underpayment from Finding #2	5,193
Enterprise CFC Underpayment from Finding #3	6,880
Enterprise Overpayment from Finding #4	(7,851)
Total License Fee & CFC Due	\$ 45,427

Recommendation: The Business & Financial Management Department should request that the Accounting Department issue an invoice to EHI in the amount of \$45,427 for the underpayment of license fees and CFCs.

Recommendation Status: Open

000135

Gate Gourmet, Inc.
Report Number 15026, March 2015

Background

Gate Gourmet, Inc. (Gate Gourmet) provides catering services to passenger airlines, charters, and others at San Diego International Airport (SDIA) under an In-Flight Catering License (License). The current License has a term of four (4) years from January 1, 2014, through December 31, 2017, and was an extension of the prior License Agreement. Gate Gourmet is the primary supplier of in-flight food service for airline catering and provided service to twenty-eight (28) airlines in the audit period.

In exchange for being able to offer their services at SDIA, Gate Gourmet is required to pay a licensing fee. The concession is calculated as the greater of a monthly minimum of \$60,000 or eight percent (8%) of gross income of all Gate Gourmet operations within or from SDIA from January 1, 2014 through December 31, 2014.

The License Agreement with the San Diego County Regional Airport Authority (Authority) allows sales or excise taxes, received gratuities or refunds for goods returned to be excluded from gross revenue and the corresponding calculation of monthly concession fees. Gross income includes all other revenue derived from operations at SDIA and is not reduced for bad debts expense. During the audit period of April 1, 2013, through December 31, 2014, Gate Gourmet reported \$23,978,776 in total gross income and paid a total sum of \$1,818,839 in license fees to the Authority.

Finding #1: Gate Gourmet Underpaid Concession Fees

A review of paid concession fees revealed that Gate Gourmet had incorrectly omitted revenue from SCIS Air Security Corporation (SCIS) from their monthly concession calculations. During the audit period, SCIS paid Gate Gourmet \$26,599, but Gate Gourmet only reported \$3,575 as gross revenue to the Authority and only paid \$250.25 in concession fees. This resulted in an underpayment of concession fees of \$1,719.

Recommendation #1: We recommend that the Business and Financial Management Department request the Accounting Department to issue an invoice to Gate Gourmet in the amount of \$1,719.16 for underpaid concession fees. Also, the department should introduce controls to ensure that revenue from all Gate Gourmet customers is included in monthly concession calculations.

Recommendation Status: Open

000136

Board Member and Executive Expenses

Report Number 15035, March 2015

Background

The 2015 Audit Plan included an audit of Board Member and Executive Business Expenses and Board Member compensation as an annual audit item. Authority Policy 3.30, Business Expense Reimbursement Policy, requires that the Office of the Chief Auditor (OCA) conduct an annual audit of expenses related to Board Members, the President/CEO, General Counsel, and the Chief Auditor.

California legislation Assembly Bill 1234 requires that members of a legislative body submit an expense report in a timely manner for all meals, lodging, travel, and other business related expenses. Cal. Public Utilities Code (PUC) §170017 sets the compensation amount for board members, and provides the regulations and rules related to compensation.

The requirements set forth in PUC § 170017 were adopted into the Authority's policies in Policy 1.10, Appointment, Term, Succession, and Compensation of the Board of Directors. Resolution No. 2009-0149R provides pre-approval for various meetings Board Members may attend. Authority Policy 1.20, Formation of Board Committees, provides detail on compensation for Committee Members, including the Audit Committee public members. Business and travel expense reimbursement is set forth in Policy 3.30, Business Expense Reimbursement Policy, and Policy 3.40, Travel and Lodging Expense Reimbursement.

Summary of Findings/Observations

Audit work performed determined that Board Member and Executive expenses and Board Member compensation substantially complied with Authority policy. The audit did not identify any issues or observations.

000137

Aztec Landscaping, Inc.
Report Number 15011, March 2015

Background

Aztec Landscaping, Inc., (Aztec) operates at San Diego International Airport (SDIA) under professional services Agreements to provide both landscaping maintenance and tree maintenance services on San Diego County Regional Airport Authority (Authority) property.

The current landscaping Agreement has a term of three (3) years from July 15, 2013, to July 14, 2016, with a maximum amount not to exceed of \$2,175,000, and the current tree maintenance agreement has a term of three (3) years from June 1, 2013, to May 31, 2016, and a maximum amount not to exceed of \$821,000. During the audit period of September 1, 2010, to December 31, 2014, Aztec also operated at the Authority under two previous agreements. A landscaping agreement with a term of August 1, 2009, to July 31, 2012, and a maximum not to exceed of \$997,916 was amended one time on February 21, 2012, increasing the maximum payable to \$1,097,707. Additionally, Aztec provided tree maintenance services under an agreement with a term of May 1, 2010, to April 30, 2013, with a maximum not to exceed of \$236,384.

The Facilities Management Department (FMD) manages the Aztec agreements and is responsible for monitoring the services and reviewing and approving all expenses incurred. During the audit period the Authority paid Aztec in aggregate, \$2,294,894 for landscaping and tree maintenance services under the four (4) agreements.

The objective of the audit was to determine whether the expenditures paid to Aztec complied with Agreement terms, and to evaluate the monitoring of Aztec services provided. Additionally, we ensured that all Authority policies were followed in the procurement of the Agreement.

Audit Results

Our review of the Aztec payment applications indicates that Authority payments to Aztec generally comply with the terms of the Agreements, including the charged rates for on-call and landscape services provided at the Authority. Additionally, we found Aztec invoices to be accurate and in receipt of adequate review and approval by Authority staff prior to payment. Our review determined that Authority policies were adhered to during the procurement of the Agreements with Aztec. Finally, we found that required Aztec deliverables were documented and appeared to be complete and appropriate.

000138

Aircraft Service International, Inc.
Report Number 15025, March 2015

Background

Aircraft Services International, Inc. (ASI) operates at San Diego International Airport (SDIA) under a Non-Exclusive License Agreement to conduct Commercial Aviation Ground Handling and Support Services (Ground Handling Agreement) that has a term of four (4) years from January 1, 2013, to December 31, 2017. The Ground Handling Agreement provides ASI the right to provide commercial aviation services to airlines, tenants, and the Authority.

In exchange for offering its services at SDIA, the Ground Handling Agreement requires ASI to remit a license fee to the Authority. The license fee is the greater of a monthly minimum of \$250 or 8% of total gross revenues from all operations at SDIA. Total gross revenue for ASI does not include sales of petroleum products. The sale of petroleum products is subject to a fuel flowage fee of \$.05 per gallon reported and paid monthly. Additionally, ASI has a Use and Occupancy Permit requiring monthly payments. During the audit period from January 1, 2013, to January 31, 2015, ASI paid remitted a total of \$990,273.

The objective of the audit was to ensure that ASI was properly reporting, calculating, and remitting, the correct license and fuel flowage fees to the Authority, as required by the Ground Handling Agreement.

Audit Results

Audit work showed that ASI correctly calculated concession and fuel flowage fees monthly in compliance with the terms of the Ground Handling Agreement for the audit period. Further, audit review confirmed that the revenues reported and fuel dispensed matched internal records and are accurate. ASI correctly remitted Use and Occupancy fees monthly as specified in their Agreement.

000139

Stellar Partners, Inc.
Report Number 15033, March 2015

Background

Stellar Partners, Inc. is one of twelve concessionaires that were selected by the San Diego County Regional Airport Authority (Authority) in September 2011 as part of the Concession Development Program. Currently known as the Concessions Program, the program was created to promote various San Diego based vendors (food & beverage and retail) at the San Diego International Airport (SDIA). During Fiscal Year 2014, the Concessions Program has generated \$86,616,665 in total sales and provided the Authority with an economic return of \$15,774,247 (based on rent payments and cost recovery fees).

Currently, Concession Lease LE-0648 (Lease) is the primary contract between Stellar Partners and the Authority. In addition, Stellar Partners maintains a sublease agreement to the concession Lease. The sublease agreement is for a sole concession, Brookstone, Inc. The Lease is managed by the Authority's Business & Financial Management Department. The Lease contains a distinct retail "package" that details terms of a fixed Minimum Annual Guarantee (MAG) and of percentage rents of gross sales within a specified range. Stellar Partners maintains one package that includes seven (7) individual retail stores at SDIA.

In addition to the percentage rent, Stellar Partners pays the Authority for miscellaneous expenses incurred under a Cost Recovery Program. These expenses include, but are not limited to, Trash Collection, Janitorial Services, Receiving & Distribution Center, and Pest Control. The concessionaire is charged a late fee if any payment is received after the 20th of the month for expenses incurred in the preceding month.

For Fiscal Year 2014, Stellar Partners reported gross sales of \$10,323,796 and paid \$852,269 in rent (includes Minimum Annual Guarantee and Percentage Rent).

Scope and Methodology

The objective of this audit was to assess the accuracy of the sales generated by Stellar Partners during the audit period to ensure that the revenue received by the Authority was aligned with the terms of the Lease. In addition, management controls related to sales reporting, adequacy of business operations, and compliance with federal guidelines, were reviewed to ensure that the Authority was performing adequate oversight over the concessionaire.

Audit Results

In general, we found that the Business & Financial Management Department is adequately monitoring Stellar Partners to ensure that the concessionaire is in compliance with the contract requirements that were reviewed. Management controls to ensure that Stellar Partners is accurately reporting sales and paying revenue to the Authority were in place and operating effectively, as well. In addition, the testwork performed indicated that sales reported during the audit period and revenue received by the Authority was accurate. However areas for improvement were identified and are detailed below:

Finding #1: Annual Gross Receipts and Rent Report Should Have Been Provided

There is no evidence to suggest that the concessionaire provided the Authority with its Annual Gross Receipts and Rent Report for Fiscal Year 2014. In addition, it appears that only three of

twelve concessionaires in the Concessions Program provided this report to the Authority. Our criteria for the Finding are:

- Per the Lease, Section 4.05 D - Reports and Payments to the Authority, it states that within 90 days after the conclusion of each Lease Year during the term of the lease, the Concessionaire shall provide a written statement to the Authority, from an Independent Certified Public Accountant or authorized Corporate Officer, stating the amounts of Concessionaire's Gross Receipts and the amounts paid to the Authority as rent for the Lease Year, or part thereof, and certifying that in the Accountant's or Corporate Officer's opinion, the Gross Receipts reported and the rent paid by the Concessionaire to Authority during the preceding Lease Year were made in accordance with the terms of the Lease.
- Per the Government Accountability Office (GAO) Financial Audit Manual, Section 395 B - Financial Statement Assertions, Potential Misstatements, and Control Objectives: A potential misstatement could occur if revenues and expenses included in the financial statements are measured improperly.

Recommendation #1: The Business & Financial Management Department should consider following up with the remaining nine concessionaires in the Concessions Program to ensure that the Authority receives the Annual Gross Receipts and Rent Report for Fiscal Year 2014 to determine if any variance in payments owed to the Authority exists. In addition, we recommend that the Business & Financial Management Department add a procedure to ensure that proactive monitoring is performed prior to the end of each fiscal year to have better assurance that the Concessionaires will comply with the requirement in a timely manner.

Recommendation Status: Open

000141

Ethics Hotline
January – March 2015

	Number of Reports Received	Number Received Anonymously	Details Support Potential Code Violation (Ethics or Workplace)	Investigation of Concern	Response (email or phone to non-anonymous reports)
Code of Ethics Concerns					
Potential Misuse of Public Funds					
<i>Advertising</i>	9	5	0	n/a	4
<i>Construction/Car Rental</i>	8	7	0	n/a	1
Potential Misuse of Resources					
<i>Departmental Holiday Parties</i>	6	5	0	n/a	1
Conflict of Interest	2	0	2	Y(1)	2
Non Ethics Related Concerns					
TSA Practices and Behavior	12	4	0	n/a	8
ATO Practices and Behavior	7	5	0	n/a	2
Aircraft Noise	6	5	0	n/a	1
Workplace Concerns					
Volunteer Opportunity Emails	11	9	0	n/a	2
Workplace Equitability	9	4	0	n/a	5
Workplace Practices/Behavior	7	3	0	n/a	4

(1) Issue is currently being investigated

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2015	OCA's Assessment	Estimated Completion Date
11-10	GROUND TRANSPORTATION DEPARTMENT	Audit Report #11032 dated February 4, 2011, Taxicab Cost Recovery Program	20	Impact: 10 Probability: 10	To ensure the accurate recording of all ground transportation activities at SDIA, the Ground Transportation Department should upgrade or replace the Automated Vehicle Identification (AVI) system. Once the AVI system is updated or replaced, the trip fee payment process should be automated. The AVI system data would be uploaded daily to a website accessible to the taxicab operators to allow them to track and download the trip data per taxicab. Monthly, the Ground Transportation Department would lump sum bill the activity to the taxicab companies. This would eliminate an unnecessary risk of misappropriation of Authority assets and the reliance on LPI employees to properly record and account for the collections.	The AVI system is scheduled for completion in June 2016. Completion has been delayed due to delays in the construction of the new taxi hold lot.	In Progress	June 2016
15-08	AIRPORT DESIGN AND CONSTRUCTION DEPARTMENT	Audit Report #15013, dated November 26, 2014, Demattei Wong Architecture, Inc.	17	Impact: 9 Probability: 8	The Development Division needs to take steps to ensure that properly developed and comprehensive agreements are used for all future project specific professional design service procurements.	The Development Division is aware of the unique challenges resulting from this contract. As a result, it will ensure that future project specific professional design service agreements are properly developed and sufficiently detailed.	Completed	N/A

000142

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2015	OCA's Assessment	Estimated Completion Date
14-36	GROUND TRANSPORTATION DEPARTMENT	Audit Report #14011, dated June 10, 2014, Ace Parking Management, Inc.	15	Impact: 8 Probability: 7	The Ground Transportation Department should develop a process to verify shuttle hours charged through a comparison of personnel time sheets and shuttle operational hours to in-service reports. In addition, Ground Transportation should improve procedures to conduct a more thorough analysis of the hours charged to identify potential deviations and shuttle usage by parking lot.	Ground Transportation developed a process to verify the shuttle hours and identify potential deviations.	In Progress - The OCA needs to review the process in place prior to closing out this recommendation. The review will be done during the OCA's audit of Ace Parking this Fiscal Year.	4th Quarter FY15
15-01	FACILITIES MAINTENANCE DEPARTMENT	Audit Report #14005, dated July 18, 2014, Timekeeping Payroll Processing	13	Impact: 7 Probability: 6	We recommend that Facilities Maintenance Department (FMD) strengthen internal controls within their current Timekeeping system. As the Computer Maintenance Management System (CMMS) is implemented, FMD should seek to include increased automation where possible as well as capture actual time worked on specific work orders, which can then be used to build a knowledge base for assigning expected completion times to work orders and more accurate work scheduling.	Since the last update we have had a change in vendor to assist us in the CMMS activation. Through IT research it was discovered that E1 had incorporated new programs to support a CMMS data base. After reviewing the E1 criteria it was decided to cancel the identified program (Asset Works) and use the Authorities own E1 system. This is a very recent change which will push us to a date later in the year for implementation. However please note after the audit was performed, FMD strengthened their tracking procedures as it pertains to actual time worked on specific work orders.	In Progress	Unknown

00143

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2015	OCA's Assessment	Estimated Completion Date
15-10	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #15018, dated March 12, 2015, Enterprise Holdings Inc.	13	Impact: 7 Probability: 6	The Business and Financial Management Department should request that the Accounting Department issue an invoice to Enterprise Holdings Inc. in the amount of \$45,427 for the underpayment of license fees and CFCs.	This audit was completed during the month, so no follow-up was performed.	Open	
15-03	TALENT, CULTURE AND CAPABILITY DEPARTMENT	Audit Report #14005, dated July 18, 2014, Timekeeping Payroll Processing	11	Impact: 6 Probability: 5	We recommend that Authority Management work to develop a consistent process for employees to obtain and document prior approval of overtime before such hours are incurred or paid.	The TCC department has drafted a revised standard on Timekeeping (B-01 – Timekeeping), incorporating the expectation that all departments with hourly staff have written timekeeping procedures. This revised standard has been submitted to the General Counsel's office for review. Once the standard has been finalized, TCC will work with Departments to confirm their current practices are consistent with the updated standard. In addition, TCC will provide guidance to any Department needing assistance in updating the written procedures.	Completed	N/A

000144

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2015	OCA's Assessment	Estimated Completion Date
15-12	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #15033, dated March 30, 2015, Stellar Partners, Inc.	11	Impact: 6 Probability: 5	The Business and Financial Management Department should consider following up with the remaining nine concessionaires in the Concessions Program, to ensure that the Authority receives the Annual Gross Receipts and Rent Report for Fiscal Year 2014 to determine if any variance in payments owed to the Authority exists. In addition, we recommend that the Business and Financial Management Department add a procedure to ensure that proactive monitoring is performed prior to the end of each fiscal year to have better assurance that the Concessionaires will comply with the requirement in a timely manner.	This audit was completed during the month, so no follow-up was performed.	Open	
15-02	TALENT, CULTURE AND CAPABILITY DEPARTMENT	Audit Report #14005, dated July 18, 2014, Timekeeping Payroll Processing	10	Impact: 5 Probability: 5	We recommend that all Authority departments with hourly staff develop written timekeeping procedures that have controls for the recording and reviewing of time to ensure accuracy. Those procedures should be reviewed with all current hourly staff and used as training resources for any new hourly staff.	The TCC department has drafted a revised standard on Timekeeping (B-01 – Timekeeping), incorporating the expectation that all departments with hourly staff have written timekeeping procedures. This revised standard has been submitted to the General Counsel's office for review. Once the standard has been finalized, TCC will work with Departments to confirm their current practices are consistent with the updated standard. In addition, TCC will provide guidance to any Department needing assistance in updating the written procedures.	Completed	N/A

06014

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2015	OCA's Assessment	Estimated Completion Date
15-11	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #15026, dated March 18, 2015, Gate Gourmet Inc.	10	Impact: 5 Probability: 5	We recommend that the Business and Financial Management Department request the Accounting Department to issue an invoice to Gate Gourmet in the amount of \$1,719.16 for underpaid concession fees. Also, the department should introduce controls to ensure that revenue from all Gate Gourmet customers is included in monthly concession calculations.	This audit was completed during the month, so no follow-up was performed.	Open	

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NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
15**

Meeting Date: **MAY 21, 2015**

Subject:

Fiscal Year 2016 Proposed Audit Plan of the Office of the Chief Auditor

Recommendation:

Adopt Resolution No. 2015-0044, approving the Fiscal Year 2016 Proposed Audit Plan of the Office of the Chief Auditor.

Background/Justification:

As directed by the California Public Utilities Code §170018(g) and the Charter of the Office of the Chief Auditor, a one-year audit plan shall be submitted at the beginning of each fiscal year by the Chief Auditor to the Audit Committee for its review and approval.

The Fiscal Year 2016 Proposed Audit Plan was prepared by the Chief Auditor based upon the following key elements: a comprehensive risk assessment methodology and analysis; input from the Board; input from Authority management; and, on the basis of staff resources available, as detailed in "Attachment A".

During the Audit Committee's May 4, 2015, meeting, the Proposed Fiscal Year 2016 Audit Plan (Attachment A) was presented to the Committee for its review and acceptance. Following a discussion regarding the Proposed Audit Plan, the Audit Committee voted unanimously to forward this item to the Board for approval.

Fiscal Impact:

The proposed FY16 budget for the Office of the Chief Auditor to carry out the proposed Audit Plan is \$1,217,606.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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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:

Not applicable

Prepared by:

MARK A. BURCHYETT
CHIEF AUDITOR

RESOLUTION NO. 2015-0044

A RESOLUTION OF THE BOARD OF THE SAN
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
APPROVING THE FISCAL YEAR 2016 PROPOSED
AUDIT PLAN OF THE OFFICE OF THE CHIEF
AUDITOR

WHEREAS, California Public Utilities Code §170018 specifies the membership (consisting of board members and public members), the terms, and the responsibilities of the Audit Committee; and

WHEREAS, §170018(g) of the California Public Utilities Code and the Authority Charter of the Office of the Chief Auditor require the Audit Committee to approve the annual internal and external audits, including the auditor's annual audit plan, for each fiscal year and submit the same to the Board for approval; and

WHEREAS, at its regular meeting on May 4, 2015, the Audit Committee was presented with the Fiscal Year 2016 Proposed Audit Plan and voted to accept the plan and forward it for Board approval.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Fiscal Year 2016 Proposed Audit Plan of the Office of the Chief Auditor (Attachment A); and

BE IT FURTHER RESOLVED the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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PROPOSED FISCAL YEAR 2016 AUDIT PLAN

Introduction

This document is for the purpose of communicating to the San Diego County Regional Airport Authority (Authority) Board the process used for constructing the Office of the Chief Auditor's (OCA) Annual Audit Plan (Audit Plan) for Fiscal Year 2016.

The Audit Plan was developed utilizing a risk assessment methodology that considered specific impact and probability risks. Impact risk evaluates the effect resulting from a breakdown in an operation's environment, processes, and/or controls. Probability risk evaluates the likelihood that an incident will occur.

Utilizing a structured risk assessment methodology enables the OCA to quantify the level of risk related to the Authority's processes and business activities. On the basis of the risk scoring, the OCA can develop an appropriate audit schedule that will ensure adequate review of the Authority's operations.

The risk assessment methodology utilized by the OCA to construct the Fiscal Year 2016 Audit Plan is a five-part process consisting of:

1. Developing the risk assessment model;
2. Understanding department activities;
3. Scoring the process and business activity risks;
4. Ranking the auditable areas; and,
5. Developing the audit plan.

Developing the Risk Assessment Model

We have inventoried all Authority activities, segregating them into the following categories:

- Annual Ongoing Audits and Support
- Internal Business Process Audits
- Expense Contract Audits
- Car Rental Contracts Audits¹
- Other Lease Contract Audits¹
- Concession Contract Audits¹

These categories were segregated into auditable units, and estimated audit hours were then assigned to each auditable unit. Each audit unit's risk was scored using the impact and probability risk criteria, and then ranked based on the auditable unit's risk score. The final risk score for each auditable unit are detailed in Attachments 3, 4, 5, 6 and 7.

To determine the annual amount of staff time available to complete audits, we estimated the amount of time each audit staff member would have to devote to audit projects, taking into consideration administrative, vacation, training, sick, and holiday hours. We estimated that a total of 10,192 staff hours are available during Fiscal Year 2016 to conduct assigned audits.

The next step was to determine the net hours available for non-annual audits that relate to business processes, expense contracts, and revenue contracts. This amount was calculated by

¹ Car Rental, Other Lease and Concession are combined in Revenue Contract Audits in the Audit Plan.

PROPOSED FISCAL YEAR 2016 AUDIT PLAN

subtracting the hours required to conduct annual ongoing audits, ethics program activities, and construction audit activities, from the total available hours. Table 1 below details this calculation.

TABLE 1
Staff Hours Available to Conduct Non-Annual Audits

Total Available Staff Hours Per Year (See Attachment 1)	10,192
Annual Ongoing Audits	(1,330)
Ethics Program Activity	(375)
Construction Audit and Monitoring Activity	(1,300)
Available Hours for Non-Annual Audits	7,187

The final step was to develop the Fiscal Year 2016 audit plan based on the available resources and risk scores. For each of the audit categories (business processes, expense contracts, and revenue contracts) we selected audit units with higher risk scores, taking into account the amount of resources that would be required of the internal audit staff and the amount of audit time required by applicable Authority Departments.

The proposed Audit Plan for Fiscal Year 2016 is presented in Attachment 1. The expense contracts selected for review account for 43.3% of the total actual expenses over a 12-month period. Car rental revenue contracts selected account for 24.7% of the total collected revenues over a 12-month period. Other lease revenue contracts selected account for 27.9% of the total collected revenues over a 12-month period. Concession revenue contracts selected account for 37.5% of the total collected revenues over a 12-month period.

Further explanation of each of the audit units included in the Audit Plan is provided in Attachment 2.

Subsequent attachments summarize the risk score details:

- Attachment 3: Business Processes – Descending Risk Scores
- Attachment 4: Expense Contracts – Descending Risk Scores
- Attachment 5: Car Rental Contracts – Descending Risk Scores
- Attachment 6: Other Lease and Concession Contracts – Descending Risk Scores
- Attachment 7: Concession Contracts – Descending Risk Scores

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San Diego County Regional Airport Authority
Proposed FY 2016 Audit Plan

BUSINESS PROCESS AUDITS (Attachment 3)		
1	Contract Management	300
2	Airport Security Management	300
3	Environmental Compliance	300
4	Grant and Non-Airline Revenue Management	250
5	Information Technology Monitoring and Evaluation	300
	TOTAL BUSINESS PROCESS AUDIT HOURS	1,450 14.2%
EXPENSE CONTRACT AUDITS (Attachment 4)		
6	Ocean Blue Environmental Services	150
7	Hazard Construction Company	150
8	Kimley-Horn and Associates Inc.	150
9	Abadjis Systems, Ltd.	150
10	Ricondo and Associates	150
11	Nuera Contracting & Consulting LP	150
12	ThyssenKrupp Airport Systems, Inc.	150
13	VA Consulting, Inc.	150
14	Ace Parking Management, Inc.	350
15	Helix Electric, Inc.	150
	TOTAL EXPENSE CONTRACT AUDIT HOURS	1,700 16.7%
REVENUE CONTRACT AUDITS (Attachments 5 and 6)		
16	BW - Budget - SDA, LLC	250
17	Nevada Lease and Rental Inc dba Payless Car Rental System	250
18	DTG Operations Inc dba Thrifty & Dollar	300
19	Simply Wheelz LLC dba Advantage Rent-A-Car	250
20	Midway Rent A Car, Inc.	200
21	Airport Terminal Services Inc.	150
22	Landmark Aviation GSO-SAN, LLC	150
23	Sky Chef Inc. dba LSG Sky Chefs	150
24	Smarte Carte Inc.	150
25	Host International Inc. (FSP 2)	200
26	SSP America Inc. (FSP 6R)	200
27	SSP America Inc. (FSP 3)	200
28	Duty Free Americans San Diego LLC	200
29	InMotion Entertainment (RP 8)	200
30	New Zoom Inc. dba ZoomSystems (RP 6)	200
31	Hudson Group - CV - Epicure - Martinez San Diego (RP 2)	200
	TOTAL REVENUE AUDIT HOURS	3,250 31.9%
ANNUAL ONGOING AUDITS AND SUPPORT		
32	Aircraft Rescue & Fire Fighting (ARFF)	150
33	Board Member and Executive Business Expenses	50
34	Rental Car Center Fund Review	50
35	Procurement Card Spending	150
36	Agreements with Expenditure Limits not to Exceed \$100,000	100
37	Biennial Airline Landing Fees	250
38	Transportation Network Company Reviews and Assistance	250
39	Emergency Medical Technician & Paramedic Services	80
40	San Diego Unified Port District Billings	250
	ANNUAL ONGOING AUDIT AND SUPPORT HOURS	1,330
41	Special Request Audits	787
	TOTAL ANNUAL ONGOING AUDIT AND SUPPORT HOURS	2,117 20.8%
42	ETHICS PROGRAM ACTIVITY	375 3.7%
43	CONSTRUCTION AUDIT AND MONITORING ACTIVITY	1,300 12.8%
	TOTAL HOURS	10,192 100.0%
	AVAILABLE AUDIT HOURS FROM OFFICE STAFF	10,192
	DIFFERENCE	0

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**Fiscal Year 2016 Audit Plan
Audit Unit Definitions**

ATTACHMENT 2

#	Audit Unit	Explanation
<i>Business Process Audits</i>		
1	Contract Management	Evaluate the effectiveness of governance, risk management and controls supporting the contracting activities, including assessing oversight of contracting activities; processes for soliciting bids and awarding contracts; and, management of contracts in accordance with agreed terms and conditions.
2	Airport Security Management	Assess the adequacy of controls to ensure and monitor compliance with the Airport Security Program.
3	Environmental Compliance	Evaluate the controls in place, and operating effectively, to ensure compliance with Federal, State and Local environmental compliance and reporting.
4	Grant and Non-Airline Revenue and Management	Review controls and compliance related to grant and non-airline revenue procurement and management.
5	Information Technology Monitoring and Evaluation	Assess the effectiveness of establishing an internal control program monitoring information technology processes, reporting of control exceptions, and evaluating operations and compliance with applicable laws and regulations.
<i>Expense Contract Audits</i>		
6	Ocean Blue Environmental Services	Review contract expenditures related to hazardous waste management and emergency response services, with a maximum contract amount of \$3,180,000 over a five year period.
7	Hazard Construction Company	Review contract expenditures related to performing construction and repair services, with a maximum contract amount of \$27,630,186 over various contracts.
8	Kimley-Horn and Associates	Review contract expenditures related to management and support services in support of CIP and major maintenance programs, with a maximum contract amount of \$18,000,000 over a three year period.
9	Abadjis Systems, Ltd.	Review contract expenditures related to management and support services in support of CIP and major maintenance programs, with a maximum contract amount of \$18,000,000 over a three year period.
10	Ricondo and Associates	Review contract expenditures related to providing professional consulting services supporting a variety of programs and initiatives in Airport Planning, with a maximum contract price of \$3,000,000 over a three year period.

**Fiscal Year 2016 Audit Plan
Audit Unit Definitions**

ATTACHMENT 2

#	Audit Unit	Explanation
11	Nuera Contracting & Consulting LP	Review expenditures related to construction and consulting services for the Quieter Home Program, with estimated maximum contract amounts of \$2,638,473 annually.
12	ThyssenKrupp Airport Systems, Inc.	Review contract expenditures related to replacing passenger boarding bridges in Terminal 1, with a maximum contract amount of \$1,929,571.
13	VA Consulting, Inc.	Review expenditures related to airside/landside architect and engineering services for the capital improvement program, with estimated maximum contract amounts of \$5,000,000 over a three year period.
14	ACE Parking Management, Inc.	Review contract expenditures related to providing parking and shuttle service for SDIA, with a maximum contract amount of \$28,800,000 over three years.
15	Helix Electric, Inc.	Review contract expenditures related to Construct an airport electrical distribution system, with estimated maximum contract amounts of \$13,000,000 over a three year.
Revenue Contract Audits		
16	BW – Budget – SDA, LLC	Review the accuracy of revenues received from a car rental company.
17	Nevada Lease and Rental Inc dba Payless Car Rental System	Review the accuracy of revenues received from a car rental company.
18	DTG Operations Inc dba Advantage Rent-A-Car	Review the accuracy of revenues received from a car rental company.
19	Simply Wheelz LLC dba Advantage Rent-A-Car	Review the accuracy of revenues received from a car rental company.
20	Midway Rent A Car, Inc.	Review the accuracy of revenues received from a car rental company.
21	Airport Terminal Services, Inc.	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.
22	Landmark Aviation GSO-SAN, LLC	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.
23	Sky Chef Inc. dba LSG Sky Chefs	Review the accuracy of revenues received from providing in-flight catering at SDIA.
24	Smarte Carte, Inc.	Review the accuracy of revenues and related expenditures for providing baggage cart rentals at SDIA.
25	Host International Inc. (FSP 2)	Review the accuracy of revenues and related expenditures for concession services at SDIA.

**Fiscal Year 2016 Audit Plan
Audit Unit Definitions**

ATTACHMENT 2

#	Audit Unit	Explanation
26	SSP America Inc. (FSP6R)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
27	SSP America Inc. (FSP3)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
28	Duty Free Americans San Diego LLC	Review the accuracy of revenues and related expenditures for concession services at SDIA.
29	InMotion Entertainment (RP 8)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
30	New Zoom Inc. dba ZoomSystems (RP 6)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
31	Hudson Group – CV – Epicure – Martinez San Diego (RP2)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
Annual Ongoing Audits & Support		
32	Aircraft Rescue & Fire Fighting (ARFF) Billing	Ensure that the Authority is reimbursing the City for actual costs incurred to provide ARFF services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
33	Board Member and Executive Business Expenses	Review the appropriateness of Board Member expenditures, and compliance of these expenditures with Authority policy.
34	Rental Car Center Fund Review	Review Rental Car Center Fund for compliance with Authority policies and State regulations.
35	Procurement Card Program	Review controls related to P-cards and appropriateness of expenditures.
36	Agreements with Expenditure Limits Not to Exceed \$100,000	Review sample of expenditures of contracts that are less than \$100,000 per year.
37	Biennial Airline Landing Fees	Review the accuracy of revenues for commercial and cargo airline service from all air carriers servicing SDIA.
38	Transportation Network Company (TNC) Reviews and Assistance	Working with the Ground Transportation Department, review TNC operations and assist with sample selection of TNC operators for background checks.
39	Emergency Medical Technician-Paramedic Services	Ensure that the Authority only reimburses the City for the actual costs of providing the emergency medical technician-paramedic services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
40	San Diego Unified Port District Billings	Determine that payments made to the Port are reflective of the actual expenses incurred to provide those services, so that the Authority is in compliance with the FAA's revenue diversion requirements.

Fiscal Year 2016 Audit Plan
Audit Unit Definitions

ATTACHMENT 2

#	Audit Unit	Explanation
41	Special Request Audits	Perform close out audits (audits of vendors that terminate operations at SDIA) and audits requested by Board Members and/or management that were not included in the audit plan.
<i>Other Audit Activity</i>		
42	Ethics Program Activity	Develop and amend ethics policies, provide training, and investigate reported incidents.
43	Construction Audit and Monitoring Activity	Perform audits of construction activities related to the Capital Improvement Program and the Terminal Development Program.

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**Fiscal Year 2016 Audit Plan
Business Processes – Descending Risk Scores**

ATTACHMENT 3

Business Processes	Risk Score	Estimated Hours
Procurement Management	4.80	300
Contract Management	4.60	300
Property Management	4.40	250
Grant Revenue Procurement and Management	4.30	250
Information Technology Monitoring and Evaluation	4.00	350
Airport Security Management	4.00	300
Airline Services Management	3.80	300
Budget Management and Analysis	3.80	300
Organizational Performance Measures	3.80	250
Public Parking Management	3.80	350
Revenue and Business Development Management	3.80	300
Treasury/Cash Management	3.80	300
Airline Route Sales and Management	3.70	250
Capital and Maintenance Project Selection and Planning	3.70	300
Environmental Compliance	3.70	300
Information Technology Performance	3.70	350
Information Technology Acquisition and Implementation	3.70	350
Information Technology Delivery and Support	3.70	350
Marketing and Public Communications	3.70	350
Risk Service Management	3.70	250
Consortium Agreement Compliance	3.60	250
Energy Usage	3.60	300
Restricted Fund Accountability	3.60	150
Sustainability Management	3.60	250
Debt Service Management	3.50	250
Enterprise Risk Management	3.50	350
Small Business Development Management	3.50	300
Timekeeping Payroll Compliance	3.50	250
Transportation and Traffic Services Management	3.50	300
Vehicle Fleet Management	3.50	300
Airport Land Use Management	3.40	300
Concessionaire Management	3.40	250
Airport Lost and Found	3.30	200
Attorney General MOU on Greenhouse Gases Compliance	3.30	200
Business Continuity Management	3.30	300
Human Resources Services	3.20	350
Social Media Control	3.20	250
Special Event Management	3.20	200
Airport Noise Management	3.10	200
Business and Travel Expenses	3.10	300
Cloud Management	3.10	300
Public Records Management	2.90	250

11,850

000158

**Fiscal Year 2016 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Estimated Hours
Ocean Blue Environmental Services	4.30	150
Hazard Construction Company	4.20	150
Kimley-Horn and Associates Inc.	4.20	150
Abadjis Systems, Ltd.	4.20	150
Jones Payne Group	4.20	150
Ricondo and Associates	4.20	150
CH2M Hill	4.20	150
Nuera Contracting & Consulting LP	4.10	150
ThyssenKrupp Airport Systems, Inc.	4.10	150
VA Consulting, Inc.	4.10	150
Neal Electric Corporation dba Neal Electric Inc.	4.10	150
KONE, Inc.	4.10	150
Statewide Stripes, Inc.	4.10	150
West Coast General Corporation/ PK Mechanical Systems Inc. a Joint Venture	4.10	150
RAL Investment Corporation dba Silverstrand Construction	4.10	150
Frasca & Associates Inc.	4.10	150
Helix Electric, Inc.	4.00	150
G & G Specialty Contractors, Inc.	4.00	150
Dynamic Contracting Services, Inc.	4.00	150
RJC Architects, Inc.	4.00	150
Serco Management Services, Inc.	4.00	150
DuWright Construction Inc.	4.00	150
SITA Information Networking Computing USA	4.00	150
M.W. Vasquez Construction Company, Inc. dba Vasquez Construction Company	4.00	150
Jacobs Project Management Co.	4.00	150
ACRO Service Corporation	4.00	150
Ensley Electric, Inc.	4.00	150
Westgroup Designs, Inc.	4.00	150
Siemens Industry Inc.	4.00	150
Merriwether and Williams Insurance Services Inc.	4.00	150
RGC Construction, Inc.	4.00	150
HSS, Inc.	3.90	150
Porter Novelli Inc.	3.90	150
Greenhaus Inc.	3.90	150
AssetWorks	3.90	150
Christian Moeller and Amy Landesberg Partnership	3.90	150
Project Team Solutions, Inc. (PTSI)	3.90	150
Traveler's Aid Society of San Diego	3.90	150
Ace Parking Management, Inc.	3.80	350
S&L Specialty Contracting, Inc.	3.80	150
Pacific Rim Mechanical	3.80	150
Network Security Electronics, Inc.	3.80	150
Velocity Technology Solutions, Inc.	3.80	150

**Fiscal Year 2016 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Estimated Hours
General Networks Corporation	3.80	150
Service Tec International, Inc.	3.80	150
Sign Age Identity Systems Inc.	3.80	150
Willis Insurance Services of California, Inc.	3.80	150
The Christmas Light Company	3.80	150
Profit Concepts International	3.80	150
Xerox Corporation	3.70	150
GovConnection	3.70	150
Hearne Corporation	3.70	150
DFS Flooring	3.70	150
CompuCom Systems Inc.	3.70	150
Koch-Armstrong General Engineering, Inc.	3.70	150
Airport Concession Consultants, Inc.	3.70	150
Inland Flooring Contractors, Inc.	3.70	150
SOLPAC Construction, Inc., dba Soltek Pacific Construction Company	3.60	150
Bradford Airport Logistics	3.60	150
AMEC Environmental and Infrastructure, Inc.	3.60	150
Leigh Fisher & Associates	3.60	150
Allied Waste Systems, Inc. dba Republic Services	3.60	150
Jacobsen/Daniels Associates LLC	3.60	150
Insight Public Sector	3.60	150
Abhe & Svoboda, Inc.	3.60	150
AGBW Corporation, dba BPI Plumbing	3.60	150
Campbell-Hill Aviation Group	3.60	150
Western Bay Sheet Metal, Inc.	3.60	150
PBS Engineers, Inc.	3.60	150
Dell Marketing Services	3.60	150
PMWeb, Inc.	3.60	150
Miki Iwasaki dba MI-Workshop	3.60	150
Wirtz Quality Installations, Inc.	3.60	150
SSI, Inc.	3.60	150
Gordon-Prill San Diego, Inc.	3.60	150
24 Hour Fire Protection, Inc.	3.60	150
Zoological Society of San Diego	3.60	150
Simon Wong Engineering, Inc.	3.60	150
Aon Consulting and Insurance Services, Inc.	3.60	150
American Steel Builders	3.60	150
Demattei Wong Architecture, Inc.	3.50	200
Manatt, Phelps & Phillips LLP	3.50	150
Kleinfelder West Inc.	3.50	150
Bruel & Kjeear EMS	3.50	150
AT&T, CALNET 2 Contract	3.50	150
Jason Bruges Studio Limited	3.50	150

**Fiscal Year 2016 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Estimated Hours
PFM Asset Management	3.50	150
McBee Strategic Consulting	3.50	150
Cannon Pacific Services Inc.	3.50	150
URS, Inc.	3.50	150
Diamond Environmental Services LP	3.50	150
Ameri-Mex Plumbing Inc.	3.50	150
Stanley Access, Inc.	3.50	150
Borrego Solar System, Inc.	3.50	150
Granite Construction Company	3.40	150
PCL Construction Services, Inc.	3.40	150
Ninyo & Moore Geotechnical Consultants	3.40	150
Serco, Inc.	3.40	150
Aztec Landscaping	3.40	150
JRM Consultants & Investigations Company	3.40	150
Verizon Wireless	3.40	150
Research Horizons LLC, dba Phoenix Marketing International	3.40	150
Riskconnect, Inc.	3.40	150
Best Best Krieger LLP	3.40	150
A-Team Contractors, Inc.	3.40	150
Flagship Sweeping Services, Inc.	3.40	150
A-Advanced Locksmiths	3.40	150
A Good Roofer, Inc.	3.40	150
Aurora Industrial Hygiene, Inc.	3.40	150
EC Constructors, Inc.	3.40	150
Loren Smith Productions	3.40	150
EHMCKE Sheet Metal	3.40	150
Downstream Services, Inc.	3.40	150
LCPTTracker, Inc.	3.40	150
Passur Aerospace Inc.	3.40	150
Mary Stathoulis dba Modern Painting	3.40	150
UniFirst Corporation	3.40	150
C&S Engineering, Inc.	3.40	150
Apex Lighting & Electric, Inc.	3.40	150
Morrison & Foerster LLP	3.40	150
On the Spot Flooring	3.40	150
County of San Diego Sheriff's Department, Regional Communications System	3.40	150
Best Contracting Services	3.40	150
CDW - Government	3.30	150
Nolte Associates Inc.	3.30	150
Strong Tower Construction dba Koch Corporation	3.30	150
Tom Mascanrenak dba Ground Equipment Services	3.30	150
Atkins North America, Inc.	3.30	150
David Brush Consulting	3.20	150

**Fiscal Year 2016 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Estimated Hours
Haley and Aldrich, Inc.	3.20	150
Paul Plevin Sullivan & Connaughton LLP	3.20	150
William Nicholas Bodouva + Associates	3.20	150
Planetbids, Inc.	3.20	150
Bear Fence	3.20	150
M.B. Oliver Inc. dba Agricultural Pest Control Services	3.20	150
Tetra Tech Inc.	3.20	150
Southern California Fleet Services, Inc.	3.20	150
Xtreme Floor Covering Specialists Inc.	3.20	150
Discount Glass & Mirror Inc.	3.20	150
Audio Associates of San Diego	3.20	150
Paul Hobson	3.20	150
Hawthorne Machinery Co.	3.20	150
Marcon Engineering, Inc.	3.20	150
Meyers Nave	3.20	150
Location Matters	3.20	150
Clark Telecom and Electric (CTE) Inc.	3.20	150
Commercial & Industrial Roofing Company, Inc.	3.20	150
Stutz Artiano Shinoff & Holtz APC	3.20	150
APEX Contracting & Restoration, Inc.	3.20	150
Chula Vista Electric Company	3.20	150
Hellman, Obata & Kassabaum (HOK), Inc.	3.20	150
United States Department of Agriculture	3.20	150
Hatch Mott MacDonald, LLC	3.10	150
Cartwright Termite & Pest Control	3.10	150
Seasonal Innovations Inc. dba Greenleaf Plant Solutions	3.10	150
Kutak Rock LLP	3.10	150
Calderon Builders Inc.	3.10	150
COR Security, Inc.	3.10	150
GTSI dba Government Technology Service Inc.	3.10	150
Marsh USA Inc.	3.10	150
SP Plus Corporation	3.10	150
TruGreen Landcare LLC	3.10	150
USDA - Animal and Plant Health Inspection Services	3.00	150
Gatzke, Dillon & Balance LLP	3.00	150
All County Fire, Inc.	3.00	150
Vector Resources, Inc.	3.00	150
The Glass Company, Inc. dba C & C Glass	3.00	150
Packet Telecom Solution, Inc.	3.00	150
AB Engineering, Inc.	3.00	150
Alliant Insurance Services, Inc.	3.00	150
Built Pacific, Inc.	3.00	150
Can-Do Electric, Inc.	3.00	150

**Fiscal Year 2016 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Estimated Hours
Denovo Ventures LLC	3.00	150
DIIO, LLC formally Aviation Data Group, LLC	3.00	150
EMS Construction, Inc.	3.00	150
Epoch Universal, Inc.	3.00	150
General Ledger Resources	3.00	150
Gilbert Angundaz Concrete	3.00	150
Helix Mechanical, Inc.	3.00	150
HPS Mechanical, Inc.	3.00	150
J.P. Witherow Roofing Company, Inc.	3.00	150
KPFF, Inc. dba KPFF Consulting Engineers	3.00	150
Laser Electric Inc.	3.00	150
Mags Harries & Lajos Heder Collaborative	3.00	150
Microsoft Licensing, GP	3.00	150
PAL General Engineering, Inc.	3.00	150
Phillips Painting, Inc.	3.00	150
Plumbright, Inc.	3.00	150
San Diego Office Interiors	3.00	150
SIGMAnet, Inc.	3.00	150
Sun Pacific Glazing, Inc.	3.00	150
Tabizi Incorporated dba Raider Painting Company	3.00	150
Tower Glass, Inc.	3.00	150
Ueberall International LLC	3.00	150
Visionary Painting Services Corporation	3.00	150
Windco Painting Inc.	3.00	150
WTS, Inc.	3.00	150
U.S. Bank National Association	2.90	150
CDM Smith, Inc.	2.90	150
Endless Summer Heating and Cooling, Inc.	2.90	150
Are & R Plumbing Inc.	2.90	150
Epic Pest Control	2.90	150
KRS, Inc., dba Kings Glass and Screen	2.90	150
MW Construction	2.90	150
Quateman LLP	2.90	150
Allsup Corporation	2.80	150
Accurate Engineering Integrated Construction Services, Inc.	2.80	150
Apex Consulting Group Inc.	2.80	150
CPS Human Resources	2.80	150
Creative Nerve	2.80	150
Flatiron West, Inc.	2.80	150
McKenna, Long & Aldridge LLP	2.80	150
Quality Fence Co. Inc.	2.80	150
Robert Half International	2.80	150
Roger Buma	2.80	150

**Fiscal Year 2016 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Estimated Hours
SkillStorm Commercial Services, LLC	2.80	150
SOS Staffing Services, dba TOPS Staffing	2.80	150
The Bernard Johnson Group, Inc.	2.80	150
TLC Staffing	2.80	150
United Storm Water Inc.	2.80	150
Zuheir Inc., dba Comprehensive Glassworks	2.80	150
Barney & Barney, LLC	2.70	150
Carter & Burgess, Inc.	2.70	150
Idea Integration Corp. dba Idea	2.70	150
Law Management Inc. dba Designer Glass & Shower	2.70	150
PC Specialists, Inc. dba Technology Integration Group (TIG)	2.70	150
Sheryl Oring	2.60	150
Erik J. Carlson	2.60	150
Drain Medic Plumbing	2.60	150
Advantage Performance Group LLC	2.50	150
Aircraft Service International, Inc.	2.50	150
Sadler Electric, Inc.	2.50	150
Marsh Risk & Insurance Service	2.40	150
Mactec Engineering and Consulting	2.20	150
		35,350

**Fiscal Year 2016 Audit Plan
Car Rental Contracts – Descending Risk Scores**

ATTACHMENT 5

Company	Risk Score	Estimated Hours
BW - Budget - SDA, LLC	4.50	250
Nevada Lease and Rental Inc dba Payless Car Rental System	4.50	250
DTG Operations Inc dba Thrifty & Dollar	4.17	300
Simply Wheelz LLC dba Advantage Rent-A-Car	4.17	250
Midway Rent A Car, Inc.	3.67	200
Enterprise Rent A Car Company (Enterprise, Alamo, National)	<u>3.33</u>	400
Pneuma Enterprises Inc. dba TravCar	3.33	150
Gitibin dba Go Rental	3.33	150
Coronado Transportation System	3.33	250
Avis Rent A Car Systems LLC	3.17	300
The Hertz Corporation	3.17	300
Fox Rent A Car	3.00	300
Airport Van Rental, Inc.	3.00	150
RLZ Corporation dba Pacific Rent-A-Car	2.67	150
South CA A1 Car Rental dba A1 Rent a Car	2.67	150
American Car Rental	2.67	150
EZ Rent A Car	2.50	250
		<u>3,950</u>

**Fiscal Year 2016 Audit Plan
Other Lease Contracts – Descending Risk Scores**

ATTACHMENT 6

Company	Risk Score	Estimated Hours
Ace Parking	5.00	350
Airport Terminal Services Inc.	4.50	150
Landmark Aviation GSO-SAN, LLC	4.50	150
US General Services Administration	4.50	250
ABX Air Inc.	4.00	150
Advanced Wireless Group LLC	4.00	150
Bank of America NA a National Banking Association	4.00	300
Cargo Airport Services USA LLC	4.00	150
Certified Aviation Services LLC	4.00	150
Flying Food Group LLC	4.00	150
GGTW	4.00	150
Huntleigh USA Corporation	4.00	150
Integrated Airline Services Inc.	4.00	150
Sky Chef Inc. dba LSG Sky Chefs	4.00	150
Smarte Carte Inc.	4.00	150
Aviation Port Services	3.83	150
DAL Global Services LLC	3.83	150
G2 Secure Staff, LLC	3.83	150
GAT Airline Ground Support Inc.	3.83	150
Ground Equipment Services	3.83	150
Travelex America	3.83	150
San Diego Air and Space Technology	3.67	150
SLB, Inc dba Goodfellows Shoeshine	3.67	150
ABM Services dba OneSource	3.50	150
Coronado Transportation	3.50	150
Elite Line Services Inc.	3.50	150
Injai Corporation dba Stevie's Catering	3.50	150
Jetstream Ground Services Inc.	3.50	150
SCIS Air Security Corporation	3.50	150
Worldwide Flight Services	3.50	150
Aircraft Services International Inc.	3.33	150
Airline & Others (Ogden Aviation)	3.33	150
Gate Gourmet Inc.	3.33	150
Jaroth, Inc. dba Pacific Telemanagement Services	3.33	150
US Aviation Services Corporation	3.33	150
Primeflight Aviation Services	3.17	150
Accufleet International	3.00	150
Certified Folder Display Services Inc.	3.00	150
Clean Before Flight Inc.	3.00	150
Gate Safe	3.00	150
Hallmark Aviation Services	3.00	150
Immaculate Flight Inc.	3.00	150

**Fiscal Year 2016 Audit Plan
Other Lease Contracts – Descending Risk Scores**

ATTACHMENT 6

Company	Risk Score	Estimated Hours
JCDecaux, Inc.	3.00	250
LGSTX Services Inc.	3.00	150
Master Lightning Security Services	3.00	150
Pacific Aircraft Maintenance	3.00	150
Pristine Fleet LLC	3.00	150
Rainbow Concessions	3.00	150
Security Point Media LLC	3.00	150
AC Holding, Inc.	2.67	150
Aeronautical Radio	2.67	150
Air Transport International, LLC	2.67	150
Arinwine Aircraft Maintenance LLC dba F&E Aircraft	2.67	150
Bags of California, LLC	2.67	150
Hope Investments LLC dba Jerusalem Grill	2.67	150
Jet Wash Inc.	2.67	150
Moody's Lunch Services	2.67	150
RAC & Associates dba SpecialCare	2.67	150
Southwest Air Dynamics, Inc.	2.67	150
Traveler's Aid Society of San Diego	2.67	150
San Diego Convention Center	2.33	150
		9,700

**Fiscal Year 2016 Audit Plan
Concession Contracts – Descending Risk Scores**

ATTACHMENT 7

Company	Risk Score	Estimated Hours
Host International Inc. (FSP 2)	4.4	200
SSP America Inc. (FSP 6R)	4.3	200
SSP America Inc. (FSP 3)	4.3	200
Duty Free Americans San Diego LLC	4.2	200
Hudson Group - CV - Epicure - Martinez San Diego (RP 2)	4.1	<u>200</u>
InMotion Entertainment (RP 8)	4.0	<u>200</u>
New Zoom Inc. dba ZoomSystems (RP 6)	4.0	200
Spa Didacus Inc. (RP 5)	3.9	200
Swissport Lounge LLC	3.9	200
Paradies - San Diego LLC (RP1)	3.6	200
High Flying Foods San Diego (FSP 8)	3.6	200
Host International Inc. (FSP 1)	3.6	200
High Flying Foods San Diego (FSP 7)	3.5	<u>200</u>
Pacific Gateway Concessions and Procurement Concepts San Diego LLC (RP 3)	3.5	<u>200</u>
SSP America Inc. (FSP 5)	3.5	<u>200</u>
Stellar Partners Inc. (RP 4)	3.5	200
Hudson Group, Concourse Ventures Inc., Epicure and Martinez San Diego JV (RP 7)	3.2	200
Mission Yogurt Inc. (FSP 4)	3.2	200
		<u>3,600</u>



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
16**

Meeting Date: **MAY 21, 2015**

Subject:

Approve and Authorize the President/CEO to Execute a First Amendment to the Legal Services Agreement with Best Best & Krieger, LLP

Recommendation:

Adopt Resolution No. 2015-0046, approving and authorizing the President/CEO to execute a First Amendment to the Agreement with Best Best & Krieger LLP, increasing the contract amount by \$300,000 for a total contract amount not-to-exceed \$600,000.

Background/Justification:

In July 2012 the Authority entered into a legal services agreement with Best Best & Krieger LLP ("Law Firm") to provide professional legal services and advice at the direction of and with the aid and input of the Authority's General Counsel on legal issues that may affect or may potentially affect the Authority. Law Firm is currently engaged in representing the Authority in the ongoing matter of DCG v. San Diego County Regional Airport Authority, et al. The case is scheduled for trial on May 15, 2015. The justification for this request to amend the Agreement to increase the amount of available funds is that additional funds will be needed to allow law firm to continue representing the Authority in the DCG matter through its conclusion as well as other ongoing issues at the Authority as requested by the General Counsel.

The term of the Agreement began on July 15, 2012, and terminates on July 14, 2015, with two one-year options to extend the term of the contract through July 14, 2017. Additional work has been requested by the Authority with ongoing legal services relating to DCG and other issues at the Authority and the current funds are exhausted.

Fiscal Impact:

Adequate funds for the increase to the agreement with Best Best & Krieger LLP are included in the adopted FY 2015 Operating Expense Budget within the General Counsel department Services – Legal line item. Expenses that will impact budget years that have not been adopted by the Board will be included in future year budget requests.

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Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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 underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

Due to the specialized nature of the above-described legal services, no preference was applied.

Prepared by:

SUZIE JOHNSON
GENERAL COUNSEL, PARALEGAL

RESOLUTION NO. 2015-0046

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH BEST BEST & KRIEGER LLP, INCREASING THE CONTRACT AMOUNT BY \$300,000 FOR A TOTAL CONTRACT AMOUNT NOT-TO-EXCEED \$600,000

WHEREAS, the Authority has a continuing need for professional legal services in matters pertaining to general legal services; and

WHEREAS, the Authority released a Request for Proposals ("RFP") on April 12, 2012, to obtain the services of one or more qualified law firms to work in conjunction with and at the direction of the General Counsel to provide general legal services as needed; and

WHEREAS, the RFP specified that the Authority intended to enter an agreement with one or more law firms where said agreement would have a term of three (3) years with two (2) options, exercisable at the discretion of the General Counsel and President/CEO, to extend the agreement's term for one (1) additional year each and that the maximum amount payable under the agreement would be Three Hundred Thousand Dollars (\$300,000); and

WHEREAS, the Authority received eleven proposals in response to the RFP and the Authority's evaluation panel, after reviewing the proposals and interviewing four of the law firms, recommended awarding an agreement to Best Best & Krieger, LLP; and

WHEREAS, on July 12, 2012, the Board approved the award of an agreement to Best Best & Krieger LLP and authorized the President/CEO to take the necessary actions to execute the agreement for general legal services; and

WHEREAS, on July 15, 2012, the Authority entered into a Legal Services Agreement with a term of three (3) years, with two (2) options that are exercisable at the discretion of the General Counsel and President/CEO to extend the term of the agreement for one additional (1) year each and where the compensation shall not exceed \$300,000; and

WHEREAS, Best Best & Krieger LLP represents the Authority in current active litigation and will require additional funding to continue this representation.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and authorizes the President/CEO to execute a first amendment to the agreement with Best Best & Krieger LLP, increasing the contract amount by \$300,000 for a total contract amount not-to-exceed \$600,000; and

BE IT FURTHER RESOLVED the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000172



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
17

Meeting Date: **MAY 21, 2015**

Subject:

Approve and Authorize the President/CEO to Execute a Consent to Assignment With Advantage Opco, LLC

Recommendation:

Adopt Resolution No. 2015-0047, approving and authorizing the President/CEO to execute a Consent to Assignment with Advantage Opco, LLC.

Background/Justification:

On February 6, 2015, E-Z Rent A Car, Inc. ("E-Z") and E-Z Rent-A-Car Group Holding LLC ("E-Z Holding"), the parent company of E-Z, entered into a Purchase Agreement with Advantage Opco, LLC ("Advantage") for the sale of all of E-Z Holding's issued and outstanding stock.

In accordance with San Diego County Regional Airport Authority ("Authority") Leasing Policy, Section 6.01, the Authority's Executive Director shall bring all proposed assignments of leasehold interests with a remaining term exceeding five years in duration to the Board for its prior consent.

The Authority has two separate agreements with E-Z whose remaining terms exceeds five-years in duration. A Non-Exclusive On-Airport Rental Car Concession Agreement dated November 20, 2013, that has a remaining term of 13 years and a Rental Car Facility Lease Agreement dated November 20, 2013, that has a remaining term of 33 years ("Agreements"). The Authority also has a Non-Exclusive Airport Car Rental License ("License") with E-Z that is scheduled to terminate December 31, 2015. The Agreements and the License will be assigned to Advantage when the Consent to Assignment is executed.

The ownership change of E-Z merely adjusts ownership of the company. The E-Z and Advantage brands will still both operate independently within the small market operator area at the Rental Car Center.

Fiscal Impact:

The proposed Consent to Assignment does not provide for monetary consideration to be paid to or by the Authority. Therefore, there is no direct fiscal impact.

000173

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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 Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

ERIC PODNIEKS
PROGRAM MANAGER, CONCESSIONS & REAL PROPERTY

RESOLUTION NO. 2015-0047

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A CONSENT TO ASSIGNMENT WITH ADVANTAGE OPCO, LLC

WHEREAS, on February 6, 2015, E-Z Rent A Car, Inc. ("E-Z") and E-Z Rent-A-Car Group Holding LLC ("E-Z Holdings"), the parent company of E-Z, entered into a Purchase Agreement with Advantage Opco, LLC ("Advantage") for the sale of all of E-Z Holdings' issued and outstanding stock to Advantage; and

WHEREAS, in accordance to San Diego County Regional Airport Authority ("Authority") Lease Policy, Section 6.1, the Authority's Executive Director shall bring all proposed assignments of leasehold interest with a remaining term exceeding five years in duration to the Board for its prior consent; and

WHEREAS, the Authority has entered into a Non-Exclusive On-Airport Rental Car Concession Agreement (LE-0762) that has a remaining term of 13 years and a Rental Car Facility Lease Agreement (LE-0763) that has a remaining term of 33 years ("Agreements") with E-Z; and

WHEREAS, the Authority entered into a Non-Exclusive Car Rental License ("License") with E-Z that is scheduled to terminate on December 31, 2015; and

WHEREAS, the Agreements and the License will be assigned to Advantage when the Consent to Assignment has been executed.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute a Consent to Assignment with Advantage Opco LLC; and

BE IT FURTHER RESOLVED the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000176



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
18**

Meeting Date: **MAY 21, 2015**

Subject:

Approve and Authorize the President/CEO to Execute a Public Improvement Maintenance Agreement with the City of San Diego

Recommendation:

Adopt Resolution No. 2015-0048, approving and authorizing the President/CEO to negotiate and execute a Public Improvement Maintenance Agreement with the City of San Diego in support of the Rental Car Center Wayfinding Signage project.

Background/Justification:

In June of 2014, the Capital Improvement Committee approved the Rental Car Center Wayfinding Signage project ("Wayfinding Signs") that will implement overhead and roadway signs at the main and secondary approach paths for motorists destined for the Rental Car Center ("RCC") and the San Diego International Airport ("Airport"). There will be approximately 55 Wayfinding Signs installed in the public right-of-way ("ROW") as shown in Exhibit "A".

The San Diego County Regional Airport Authority ("Authority") must obtain a Right of Way Permit ("Permit") from the City of San Diego ("City") to install the Wayfinding Signs within the ROW. As part of the Permit process, the Authority must execute a Public Improvement Maintenance Agreement ("Agreement") with the City.

Pursuant to the the Agreement, the Authority must maintain the Wayfinding Signs in a safe and sanitary condition at the sole cost of the Authority. Furthermore, the Authority must defend, indemnify, protect and hold harmless the City if any claims or liabilities arise as a result of the installation and existence of the Wayfinding Signs, with the exception of claims arising from the sole negligence or sole willful misconduct of the City. Although the Wayfinding Signs benefit the public at-large, the City only maintains City owned facilities. Consequently, the installation and maintenance costs are the sole responsibility of the Authority. The Authority currently maintains the existing Airport wayfinding signs along North Harbor Drive.

000177

Fiscal Impact:

Adequate funding for the maintenance of the approximately 55 Wayfinding Signs is included in the adopted FY 2015 and conceptually approved FY 2016 Operating Expense Budgets within the Facilities Management Department - Maintenance line item. Expenses that will impact budget years that have not been adopted or approved by the Board will be included in future year budget requests.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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 Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

SUSAN C. DIEKMAN
REAL ESTATE MANAGER

RESOLUTION NO. 2015-0048

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A PUBLIC IMPROVEMENT MAINTENANCE AGREEMENT WITH THE CITY OF SAN DIEGO IN SUPPORT OF THE RENTAL CAR CENTER WAYFINDING SIGNAGE PROJECT

WHEREAS, in June of 2014, the Capital Improvement Committee approved the Rental Car Center Wayfinding Signage project ("Wayfinding Signs"); and

WHEREAS, the Wayfinding Signs will implement approximately 55 wayfinding overhead or roadway signs that will be installed in the public right-of-way ("ROW") for motorists destined for the Rental Car Center or the San Diego International Airport; and

WHEREAS, the San Diego County Regional Airport Authority ("Authority") must obtain a Right of Way Permit ("Permit") from the City of San Diego ("City") to install the Wayfinding Signs in the ROW; and

WHEREAS, as part of the Permit process, the Authority must execute a Public Improvement Maintenance Agreement ("Agreement") with the City; and

WHEREAS, the Agreement states the Authority must maintain the Wayfinding Signs in a safe and sanitary condition at the sole cost of the Authority and defend, indemnify, protect and hold harmless the City; and

WHEREAS, adequate funding for the maintenance of the approximately 55 Wayfinding Signs is included in the adopted FY 2015 and conceptually approved FY 2016 Operating Expense Budgets within the Facilities Management Department - Maintenance line item. Expenses that will impact budget years that have not been adopted or approved by the Board will be included in future year budget requests.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to negotiate and execute a Public Improvement Maintenance Agreement with the City of San Diego in support of the Rental Car Center Wayfinding Signage Project; and

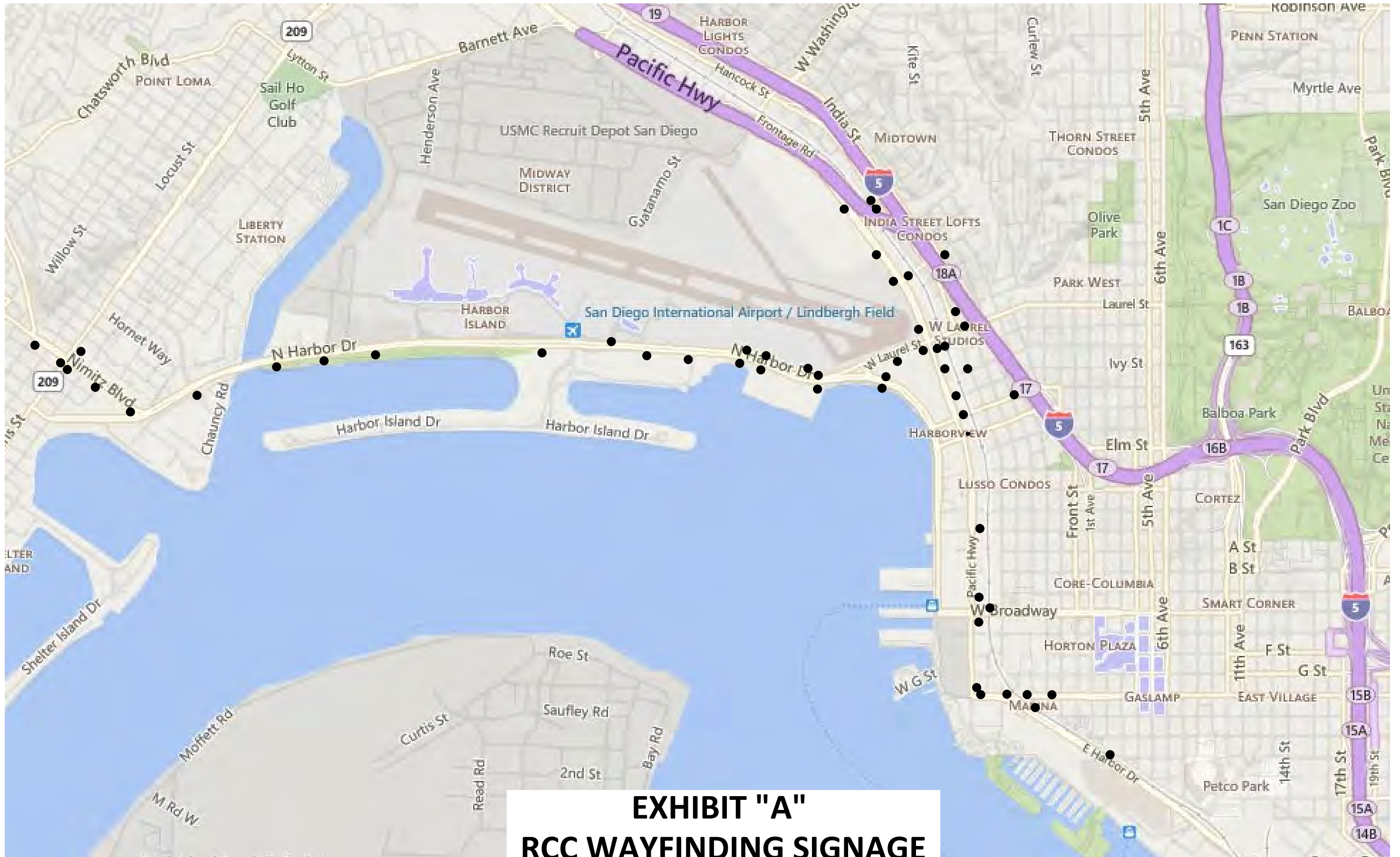


EXHIBIT "A"
RCC WAYFINDING SIGNAGE

BE IT FURTHER RESOLVED by the Board that it finds that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000181



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
19**

Meeting Date: **MAY 21, 2015**

Subject:

Authorize the President/CEO to Execute a Letter of Intent with the San Diego Unified Port District and the City of San Diego Regarding World Trade Center San Diego:

Recommendation:

Adopt Resolution 2015-0053, authorizing the President/CEO to execute a Letter of Intent with the San Diego Unified Port District and the City of San Diego regarding World Trade Center San Diego, and authorizing related actions necessary to complete the formation of a legal entity to manage the World Trade Center San Diego consistent with the Letter of Intent.

Background/Justification:

In 1993, the San Diego Unified Port District (SDUPD) and the City of San Diego (City) jointly acquired a license from the World Trade Centers Association (WTCA), with each entity owning 50% of the license. In 2008, the San Diego County Regional Airport Authority acquired 40% of the license. Currently, the Airport owns 40% of the license, the SDUPD owns 40% and the City 20%. The license holders have decided to reconstitute the World Trade Center San Diego as a new 501(c)3 legal entity (Attachment A). As part of the agreement, the license holders will subcontract with the Economic Development Corporation to operate the World Trade Center San Diego.

Fiscal Impact:

Adequate funding for the operation of the World Trade Center San Diego (WTCSA) is included in the adopted FY 2015 and conceptually approved FY 2016 Operating Expense Budget within the Vision, Voice and Engagement department Services – Other Professional line item. Expenses that will impact budget years not yet adopted by the Board will be included in future year budget requests.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

000182

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:

Not applicable.

Prepared by:

HAMPTON BROWN
DIRECTOR, AIR SERVICE DEVELOPMENT

RESOLUTION NO. 2015-0053

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A LETTER OF INTENT WITH THE SAN DIEGO UNIFIED PORT DISTRICT AND THE CITY OF SAN DIEGO REGARDING WORLD TRADE CENTER SAN DIEGO AND AUTHORIZING RELATED ACTIONS NECESSARY TO COMPLETE THE FORMATION OF A LEGAL ENTITY TO MANAGE THE WORLD TRADE CENTER SAN DIEGO CONSISTENT WITH THE LETTER OF INTENT

WHEREAS, in 1993, the San Diego Unified Port District ("SDUPD") and City of San Diego purchased a non-exclusive license from the World Trade Centers Association ("WTCA") for the geographical area of San Diego, which entitled them to membership in the WTCA and the use of all trade and service marks with each entity owning fifty percent (50%) of the license; and

WHEREAS, in 2008, the San Diego County Regional Airport Authority ("SDCRAA") acquired a forty percent (40%) interest in the WTCA license, consisting of ten percent (10%) of the SDUPD interest and thirty percent (30%) of the City's interest; and

WHEREAS, the license holders have decided to reconstitute the World Trade Center San Diego (WTCSD) as a new 501(c)(3) legal entity and as part of the plan, the license holders will subcontract with the San Diego Regional Economic Development Corporation ("SDREDC") to operate the WTCSD; and

WHEREAS, a structure to govern the principles under which the license holders would manage the reconstituted WTCSD is necessary; and

WHEREAS, this structure is outlined in a Letter of Intent (LOI) (Attachment A) with the SDUPD and the City which would allow each body the flexibility to obtain necessary approvals; and

WHEREAS, should the Board approve the proposed LOI further discussions will commence on formation of a legal entity, such as a 501(c)(3) non-profit, between the license holders; and

WHEREAS, SDCRAA staff will work with the General Counsel to complete the necessary legal documents and agreements to carry out the provisions of the LOI; and

WHEREAS, SDCRAA staff further recommends that the Board authorize the President/CEO to complete and approve all documents for the formation of the 501(c)(3) consistent with the LOI.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President/CEO to execute a Letter of Intent (Attachment A) with the SDUPD and the City of San Diego regarding World Trade Center San Diego; and

BE IT FURTHER RESOLVED that the President/CEO is hereby authorized to take such further related actions as are necessary to complete formation of a legal entity to manage the World Trade Center San Diego consistent with the Letter of Intent.

BE IT FURTHER RESOLVED the Board finds this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

Attachment A

World Trade Center License Holders' Letter of Intent

This Letter of Intent is entered into by and between the City of San Diego ("City"), the San Diego Unified Port District ("SDUPD"), and the San Diego County Regional Airport Authority ("SDCRAA") for the purpose of memorializing and expressing the intent of the parties to work together to manage the World Trade Center License ("License").

Although this Letter of Intent is not a legally binding agreement, or an amendment to any existing agreement, it does contain some of the essential principles that for the working relationship between the License Holders as it pertains to the License.

For twenty years, the San Diego region has had the benefit of a World Trade Center License as it worked to advance global trade in the region. The License held by the City (20%), SDUPD (40%), and SDCRAA (40%) known as the "License Holders" is a valuable asset as these partners promote trade and investment in the region.

The License Holders have entered into a new License Agreement ("Agreement") with the World Trade Centers Association ("WTCA") the association that serves as an international ecosystem of global connections, iconic properties, and integrated trade services. WTCA and World Trade Center ("WTC") branded properties and trade service organizations are located in more than 90 countries and supported by 15,000 WTC professionals. The Agreement outlines new requirements of the WTCA regarding trade-related services and measurements of performance.

On March 11, 2015 the City, SDUPD, SDCRAA, the San Diego Regional Economic Development Corporation ("SDREDC") along with thirty other partners include businesses, trade organizations and universities launched "Go Global: San Diego's Global Trade and Investment Initiative" a strategy to create a global brand, boost exports and attract Foreign Direct Investment (FDI). A key component of that strategy is the creation of a Global Competitiveness Council made up of partners throughout the region engaged in trade and FDI.

The License Holders agree to the following:

1. **Liaison.** The License Holders agree to designate one member of their respective operational staff to serve as the liaison for the purpose of coordinating the use of the License within the terms agreed upon in the License with the WTCA and this Letter of Intent.
2. **Meeting.** The License Holders agree that their liaisons will meet no less than twice a year to discuss the ongoing management of the License.
3. **Non-Profit Formation.** The License Holders may, in the future, form a 501(c) (3) non-profit membership corporation, to oversee the management of the License. An outline of potential formation of such an entity is attached (ATTACHMENT 1).

4. **Management.** Until such time as a non-profit is formed, the License Holders may contract with SDREDC to manage the License and to ensure compliance with the provisions and conditions of the licensing provisions of World Trade Centers Association consistent with the terms specified here:
 - a. It is expected that the Contract will be of a length that will ensure the ability for the SDREDC to reasonably carry out the duties required of the Contract.
 - b. The CEO of the SDREDC shall be the principal point of contact with the License Holders and will directly supervise all operations of the License.
 - c. The SDREDC shall designate a program manager, subject to reasonable prior review by individual members of the License Holders.
 - d. The SDREDC may employ such other paid staff as set forth in the annual budget, subject to the oversight and approval of the SDREDC.
 - e. The SDREDC shall provide an annual report to each of the License Holders at an open public meeting subject to the Ralph M. Brown Act that provides a summary of activities and projects completed throughout the year. The annual report must include information concerning those activities necessary for the maintenance of the License, including:
 - i. Income statements;
 - ii. Business Management and Professional Services;
 - iii. Group Trade Missions;
 - iv. Education and Knowledge Creations;
 - v. Trade Counseling; and
 - vi. Trade Information.
5. **Global Competitiveness Council.** The License Holders authorize SDREDC to form and manage the "Global Competitiveness Council" to implement the "Go Global" plan and any subsequent plans including providing advice on increasing global awareness of the San Diego Region as a valuable and desirable place to do business, promoting trade in goods and services through the Port of San Diego and San Diego International Airport, and fostering greater foreign direct investment in San Diego County. The "Global Competitiveness Council" shall be formed according to the following guidelines:
 - a. The quantity, classifications, and qualifications of the members of the Global Competitiveness Council will be determined in consultation with License Holders respective liaisons and the SDREDC.
 - b. Mandatory members shall include representatives of the following entities:
 - i. South County Economic Development Council;
 - ii. San Diego Tourism Authority;
 - iii. San Diego Diplomacy Council; and
 - iv. A non-voting staff member for each License Holder to be selected by its Chief Executive Officer.
 - c. Other entities represented may include:
 - i. Former members of the former World Trade Center San Diego ("WTCS D"), a 501(c)6 corporation ;
 - ii. SDREDC corporate members;
 - iii. Other regional Economic Development Councils;
 - iv. Regional trade associations (e.g., BIOC OM, CONN ECT, etc.);
 - v. Local universities and university programs;
 - vi. Local organizations involved in international commerce (e.g., DEC, etc.); and
 - vii. Other organizations deemed appropriate to further the mission of WTCS D.

- d. The Global Competitiveness Council shall have a chair and such other officers as SDREDC deems appropriate. License Holders, SDREDC, or the Global Competitiveness Council shall submit nominations for officers in writing and shall be elected by majority vote of the Global Competitiveness Council.
- 6. **Funding.** The License Holders commit to providing a total of \$150,000 for the initial term of the Contract beginning in Fiscal Year 2016.

The parties are in agreement with the foregoing as indicated by their signatures below. The parties agree that any modifications from the principles expressed herein will be in writing and signed by the parties.

Dated: _____

San Diego Unified Port District

Dated: _____

City of San Diego

Dated: _____

San Diego Regional Airport Authority

ATTACHMENT 1 TO LETTER OF INTENT

WORLD TRADE CENTER SAN DIEGO ("WTCS D")

DRAFT: April 20, 2015

Mission

To increase global awareness of the San Diego Region as a valuable and desirable place to do business, promote trade in goods and services through the Port of San Diego and San Diego International Airport, and foster greater foreign direct investment in San Diego County.

Definitions

"World Trade Center San Diego": A 501(c)(3) non-profit membership corporation, ("WTCS D"), to be formed at the direction of two or more entities that jointly hold a license issued by the World Trade Centers Association ("License"): the City of San Diego ("City"), the San Diego Unified Port District ("SDUPD") and the San Diego County Regional Airport Authority ("SDCRAA"), known together as "License Holders."

Formation

1. An Incorporator shall file Articles of Incorporation for WTCS D with the California Secretary of State, adopt an initial set of Bylaws under the laws of the State of California, and shall apply for non-profit status from the Internal Revenue Service as a membership organization pursuant to Revenue Code Section 501(c)(3). License Holders may be but are not required to be a Member of the WTCS D, but only License Holders may be members of the corporation.
2. Each of the License Holders' Member votes will be weighted according to their respective percentage interest in the License.
3. A majority share of License Holders shall grant a sublicense to WTCS D and authorize it to act on behalf of the License Holders.
4. At such time as at least two Directors have been nominated, the Incorporator shall resign, and the remaining Directors shall elect officers and conduct other business as they deem fit.

Governance

1. Persons nominated by License Holders to be WTCS D Directors must be an elected official or other person appointed by the governing body or elected executive of that License Holder.
2. WTCS D Directors shall be appointed to serve each calendar year, and are authorized to serve until the designation of a replacement.
3. There is no term limit for service on the WTCS D Board.
4. A quorum shall consist of all Directors.
5. The WTCS D Board of Directors shall conduct its meetings in accordance with the Ralph M. Brown Act and *Roberts Rules of Order*.
6. WTCS D shall:
 - a. Contract with an organization such as the San Diego Regional Economic Development Corporation or such other entity as WTCS D may choose (in either event, hereafter "SDREDC") to manage WTCS D in accordance with the provisions of the License granted by World Trade Centers Association, as further outlined below;

- b. Meet periodically (at least twice annually and more frequently upon concurrence of the WTCS D Board);
 - c. Review the annual budget for operation of the WTCS D as submitted by the SDREDC and approve an annual work plan budget;
 - d. Review and approve the strategic plan, annual work plan, programs, budget, and operations of SDREDC under its Contract with WTCS D;
 - e. Receive periodic reports from the SDREDC and the Global Competitiveness Council concerning the management and activities of WTCS D; and
 - f. Receive and approve the annual report outlined below submitted by the SDREDC; and
 - g. Receive prior approval/authorization from the License Holders for any advertising, public endorsement, and/or marketing whether in print, web, social media, television or radio.
7. WTCS D shall not be authorized to represent the public agencies or use the public agencies names in speeches, campaigns, press releases, web content or any other form of public endorsement or communication without prior permission as the License Holders and their respective government agencies each have their own marketing, public communications, and business development campaign.

Management and Operations of WTCS D

WTCS D shall Contract with SDREDC to manage WTCS D and to ensure compliance with the provisions and conditions of the licensing provisions of World Trade Centers Association.

1. The Contract shall be for a minimum term of 24 months, with a termination date coinciding with the conclusion of the fiscal years of the Member entities.
2. No later than 12 months prior to the conclusion of the Contract term, the WTCS D shall consider and take action on the renewal of the Contract for a new 24-month period, with the intention that the remaining term of the Contract never be fewer than 12 months.
3. Notwithstanding the aforementioned renewal, either party may terminate the agreement for reasonable cause with 60 days prior notice.
4. The CEO of the SDREDC shall be the principal point of contact with the WTCS D Board and members and will directly supervise all operations of WTCS D.
5. The SDREDC shall designate a program manager for WTCS D, subject to reasonable prior review by individual members of the WTCS D Board and members.
6. The SDREDC may employ such other paid staff as set forth in the annual WTCS D budget, subject to the oversight and approval of the SDREDC.
7. The SDREDC shall provide an annual report to the WTCS D Board at an open public meeting subject to the Ralph M. Brown Act that provides a summary of activities and projects completed throughout the year. The annual report must include information concerning those activities necessary for the maintenance of the License, including:
 - a. Income statements;
 - b. Business Management and Professional Services;
 - c. Event Management;
 - d. Group Trade Missions;
 - e. Education and Knowledge Creations;
 - f. Trade Counseling; and
 - g. Trade Information.

WTCS D Global Competitiveness Council

WTCS D shall authorize SDREDC to form and manage the “Global Competitiveness Council of World Trade Center San Diego” to provide advice concerning the day-to-day activities and operations of WTCS D in furtherance of its mission.

1. The quantity, classifications, and qualifications of the members of the WTCS D Global Competitiveness Council will be determined by WTCS D in consultation with SDREDC.
2. Mandatory members shall include representatives of the following entities:
 - a. South County Economic Development Council;
 - b. San Diego Tourism Authority;
 - c. San Diego Diplomacy Council; and
 - d. A non-voting staff member for each License Holder to be selected by its Chief Executive Officer.
3. Other entities represented may include:
 - a. Former members of the former WTCS D, a 501(c)(6) corporation ;
 - b. SDREDC corporate members interested in the mission of WTCS D;
 - c. Other regional Economic Development Corporations;
 - d. Regional trade associations (e.g., BIOCUM, CONNECT, etc.);
 - e. Local universities and university programs;
 - f. Local organizations involved in international commerce (e.g., DEC, Diplomacy Council, etc.); and
 - g. Other organizations deemed appropriate to further the mission of WTCS D. Members of the Global Competitiveness Council shall be nominated by SDREDC subject to approval by WTCS D.
4. The Global Competitiveness Council shall have a chair and such other officers as SDREDC deems appropriate. License Holders, SDREDC, or the Global Competitiveness Council shall submit nominations for officers in writing and shall be elected by majority vote of the Global Competitiveness Council.

Financing

During its formative years, License Holders will primarily fund WTCS D through independent fee-for-service agreements and grants.

1. WTCS D Board shall play no role in separate fee-for-service agreements or grants. The License Holders at their discretion may independently engage the SDREDC in additional fee-for-service agreements solely for the benefit of their respective organization.
2. SDREDC shall retain the ability to engage with other private corporations/entities in fee-for-service agreements to the extent such engagements do not present a legal or business conflict with the members. Except as authorized by WTCS D, any such other agreements will not bear the name of WTCS D or the Global Competitiveness Council or unless substantially all of the revenues therefrom are used to offset the costs of or to expand programs of WTCS D.
3. WTCS D members shall endeavor to annually provide an aggregate minimum of \$150,000 in fee-for-service agreements, grants or other payments to the SDREDC.
4. WTCS D members agree to share in the annual license fee payable to the World Trade Centers Association.



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
20

Meeting Date: **MAY 21, 2015**

Subject:

Approve and Authorize the President/CEO to Execute an Agreement with Haley and Aldrich, Incorporated, for On-call Environmental Program Management Services

Recommendation:

Adopt Resolution No. 2015-0045, approving and authorizing the President/CEO to execute an Agreement with Haley and Aldrich, Incorporated, for On-call Environmental Program Management Services for a term of three years, with the option for two, one-year extensions, in an amount not-to-exceed \$4,750,000.

Background/Justification:

The Authority is required by statute, regulation, permits, the Attorney General Memorandum of Understanding (AG MOU), policies, goals, and commitments to properly manage its environmental footprint in a sustainable manner. The Authority's environmental footprint ranges from stormwater pollution prevention to water conservation, from the use of alternative fuels to energy conservation, from air pollution controls to limiting greenhouse gas emissions, and from sustainable infrastructure design and management to long-term climate-change resiliency. In light of the growing number of such concerns and the need to address them properly, and given the severity of penalties and fines potentially resulting from the lack of adequate management, staff recommends that professional services be obtained for on-call environmental program management.

The On-call Environmental Program Management Services Agreement allows for immediate access to highly skilled individuals for performance of specialized environmental program management services to support Authority staff. The ability to mobilize and demobilize consultants when needed, based on the program demands, is the most cost effective and expedient (time sensitive) approach for implementing environmental programs while maintaining flexibility and optimizing the use of resources, and supports the Authority's operational and financial strategies.

The Environmental Affairs Department (EAD) currently leads the Authority's efforts to manage programs related to the Authority's environmental footprint. EAD finds considerable benefits and utility to such an on-call service agreement and has modeled this agreement on similar efforts by the Facilities Development Department and the Airport Design and Construction Department. The Agreement will result in a reduction of administrative cost of staff hours and resources to manage multiple agreements for individual environmental concerns. The Agreement will streamline administrative

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processes and consolidate the responsibility for program management and support services into a single firm.

The Authority maintains a fulltime core staff, which provides the base line bench strength and the capability to manage and oversee environmental programs. The Authority continuously evaluates the cost benefit of hiring fulltime Authority staff versus utilizing consultants. Hiring these long term staff positions could reduce the amount paid to consultants, thereby reducing the Authority's program management costs. However, hiring fulltime Authority staff commits the Authority to the long term costs of salary, benefits (i.e. health, etc.), overhead, burden, and retirement benefits when many of the varied skill sets needed to support the implementation of the environmental programs are short term and periodic. The use of professional on-call environmental program management services is the most cost effective approach to meet these short term needs.

The Authority staff will identify and monitor program/project staffing needs to ensure timely mobilization and demobilization of team members. And the Authority staff will closely manage and monitor the scope, budget, and schedule for the individual tasks identified under the Agreement to ensure integration with program/project schedules.

On January 9, 2015, the Authority issued a Request for Proposals (RFP) from qualified firms to provide environmental program management and support services. Notice of the RFP was advertised in the San Diego Daily Transcript and on the Authority's website. There were 88 prospective firms that viewed the opportunity through the Authority's website, 46 of which are local firms.

The Authority received four proposals on February 10, 2015, one of which was determined to be non-responsive. The qualified Respondents were:

1. Haley and Aldrich, Incorporated
2. Ninyo & Moore Geotechnical and Environmental Sciences Consultants
3. Tetra Tech, Incorporated

An Evaluation Panel ("Panel") was established which included key representatives from the Authority which included:

- Director, Environmental Affairs
- Director, Facilities Development Department
- Director, Airport Design and Construction Department
- Manager, Environmental Affairs

The Panel conducted a thorough review of the three proposals and invited each Respondent to interview on April 7, 2015. The Respondents were asked to provide responses to a specific list of questions, prepared by the evaluation panel, which targeted the evaluation criteria presented in the RFP.

The Evaluation Criteria used to rank the qualified firms considered the Respondents' Program Managers' qualifications, project team and prior experience, proposed work plan and approach/methodology, inclusionary approach and outreach efforts, sustainability, and proposed fees/cost.

A brief background of these firms is provided below:

Haley and Aldrich, Incorporated

Haley & Aldrich, Incorporated, is an employee-owned company with headquarters in Burlington, Massachusetts, founded in 1957. Haley & Aldrich, Incorporated has more than 25 offices across the United States, including one in San Diego. They have provided various environmental consulting services to the Authority for the past 11 years, including: environmental compliance, site assessment and remediation, and sustainability.

The Authority will benefit from the experience that Haley and Aldrich, Incorporated brings through more than 30 local staff and more than 600 professionals nationally who collectively have the environmental compliance and sustainability qualifications, experience, requisite licenses, certifications, and training required to support the Authority's environmental programs. Haley and Aldrich, Incorporated, can deliver environmental program managers and subject matter experts upon request and can demobilize them immediately when the assignment is complete.

Haley and Aldrich, Incorporated, proposes to assign Beth Breitenbach as the Program Manager for this Agreement. Ms. Breitenbach is a Registered Professional Geologist (PG) and Environmental Sustainability Professional (ENV SP) with more than 18 years of environmental program management experience, 11 of which have included working with the Authority and other large commercial airports. Ms. Breitenbach will work collaboratively with the Authority staff, providing the combined experience in environmental program management, project delivery excellence, and successful team integration to ensure that all the Authority's program/project needs are met quickly, efficiently and cost-effectively.

Ninyo & Moore Geotechnical and Environmental Sciences Consultants (Ninyo & Moore)

Ninyo & Moore was established in San Diego in 1986, and now has 14 more offices located in the western United States including California, Arizona, Nevada, Colorado and Texas. They have provided various environmental consulting services to the Authority for the past 12 years, including: environmental compliance, site assessment and remediation.

Ninyo & Moore has grown to one of the largest firms in the western United States specializing in materials testing and inspection, geotechnical engineering, and environmental engineering services. The company has more than 400 experienced professional staff. Ninyo & Moore can also deliver environmental program managers and subject matter experts upon request and can demobilize them immediately when the assignment is complete.

Ninyo & Moore proposes to assign Joohee Sood as the Program Manager for this Agreement. Ms. Sood is a Registered Professional Engineer (PE) and Environmental Sustainability Professional (ENV SP) with 22 years of environmental program management experience, including environmental consulting services to California airports for the last 14 years. As Program Manager, Ms. Sood's responsibilities include assigning qualified, experienced personnel who are familiar with the main elements of

each assignment and have an understanding of the technology required to ensure that all the Authority's program/project needs are met quickly, efficiently and cost-effectively.

Tetra Tech, Incorporated

Tetra Tech, Incorporated, was founded in 1966, is headquartered in Pasadena, California, and has 14,000 employees in 330 offices worldwide, including 3 in San Diego. They have provided various environmental consulting services to the Authority for the past 6 years, including environmental compliance and industrial hygiene.

Tetra Tech, Incorporated, is a full-service engineering consulting firm specializing in environmental, engineering, and sustainability management. They provide environmental management services throughout Southern California and around the world. Tetra Tech, Incorporated, can also deliver environmental program managers and subject matter experts upon request and can demobilize them immediately when the assignment is complete.

Tetra Tech, Incorporated, proposes to assign Rob Manriquez as the Program Manager for this Agreement. Mr. Manriquez is a Registered PG with over 25 years of environmental management experience in San Diego, including 15 years of combined service at San Diego International Airport with both the Port of San Diego and the Authority. As Program Manager, Mr. Manriquez will be responsible for assigning qualified, experienced personnel to ensure that all the Authority's program/project needs are met quickly, efficiently and cost-effectively.

The panelist's final rankings are presented below:

Firms	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Total	Rank
Haley and Aldrich	1	1	1	1	4	1
Ninyo & Moore	2	3	2	2	9	2
Tetra Tech	3	2	3	3	11	3

Combined Scores	Cost / Fees	Program Manager	Project Team and Prior Experience	Work Plan and Approach/ Methodology	Inclusionary Approach and Outreach	Sustainability	Total
Haley and Aldrich	360	1400	540	495	310	175	3280
Ninyo & Moore	240	1280	420	435	320	150	2845
Tetra Tech	600	880	330	330	250	130	2520

Accordingly, Authority staff is recommending that the Board authorize the proposed Agreement with Haley and Aldrich, Incorporated.

Program Management Approach:

The Authority's approach to managing its environmental program is to develop a blended organization that integrates Authority staff and Consultant staff into a single high performing team while at the same time recognizing the contracting consultant relationship. The resulting structure provides a single point of accountability for program/project implementation from conception, to initiation, through implementation and delivery of completed programs/projects.

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Authority staffing levels are set to manage a baseline workload of typical airport environmental management programs and projects. Experienced environmental staff resources are needed to assist Authority staff for management of environmental program workload in excess of the baseline and to support the conception, initiation, and implementation of both expanding program requirements and those programs increasingly in need of specialized subject matter expertise. The Environmental Program Management Consultant ("Consultant") is contracted to provide these resources on an "as-needed" basis.

During the next three-year period, the Authority will continue to implement ongoing environmental programs and to develop and maintain new programs or program elements to address expanding needs. It is anticipated that a number of the Consultant's staff will be assigned responsibility for management of elements within these programs and/or the programs themselves.

The On-call Environmental Program Management Services Agreement identifies the need for the following services:

General Scope Of Services:

- Air quality management service;
- Stormwater management service;
- Brownfield assessment & remediation services;
- Sustainability services, review, and development initiatives;
- Energy management services;
- Water conservation and management services;
- Climate action planning services; and
- Other environmental services as requested.

Research and Analysis Services:

- Environmental and sustainability studies and reports;
- Feasibility analyses;
- Environmental assessments;
- Study of alternatives;
- Project design and implementation plan review; and
- Review of conceptual and/or schematic and/or final policies, procedures, and/or engineering designs.

Meeting Support Services:

- Attendance and/or participation in project/task-related meetings; and
- Assistance in the creation and production of presentation and/or follow-up materials.

Once the Agreement has been executed, the Authority will work with the Consultant to add sub-consultants, based on the Authority's staffing needs for additional expertise. In the selection of those sub-consultants, the Authority will work to maximize opportunities for small, local, and service disabled owned businesses.

Fiscal Impact:

Adequate funding for on-call environmental program management services is included in the adopted FY2015 and conceptually approved FY2016 Operating Expense Budgets within the Professional Services line item. Adequate funds for on-call environmental program management services related to capital projects are included in the Board approved FY2015-2019 Capital Program Budget. Sources of funding will depend on the project(s) utilizing the services and includes, but are not limited to Airport Revenue Bonds, Passenger Facility Charges, Customer Facility Charges, Airport Cash, Special Facility Bonds, and Federal Entitlements and Discretionary Grants.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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 underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

No preferences were applied to the award of the On-Call Environmental Program Management Services Agreement with Haley and Aldrich, Inc., however Haley and Aldrich, Inc. has committed to working with the Airport Authority to maximize participation by small, local, historically underutilized and service disabled veteran owned small businesses on this contract.

Prepared by:

PAUL MANASJAN
ENVIRONMENTAL AFFAIRS, DIRECTOR

RESOLUTION NO. 2015-0045

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH HALEY AND ALDRICH, INCORPORATED FOR ON-CALL ENVIRONMENTAL PROGRAM MANAGEMENT SERVICES FOR A TERM OF THREE YEARS, WITH THE OPTION FOR TWO, ONE-YEAR EXTENSIONS, IN AN AMOUNT NOT-TO-EXCEED \$4,750,000

WHEREAS, the San Diego County Regional Airport Authority issued a Request for Proposals on January 9, 2015 for On-Call Environmental Program Management Services; and

WHEREAS, four proposals were received and three were found to be responsive; and

WHEREAS, a four-person evaluation panel with representatives from the Environmental Affairs Department, Facilities Development Department, and Airport Design and Construction Department, selected and interviewed three respondents to the Request For Proposals; and

WHEREAS, following the interviews, the three respondents were ranked based upon scores received; and

WHEREAS, Haley & Aldrich, Incorporated received the highest ranking for scoring criteria categories that included Costs/Fee, Program Manager, Project Team, Prior Experience, Work Plan, Approach, Outreach, and Sustainability.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute an agreement with Haley and Aldrich, Incorporated, for On-Call Environmental Program Management Services for a term of three years, with the option for two one-year extensions exercisable by the President/CEO, in an amount not- to-exceed \$4,750,000; and

BE IT FURTHER RESOLVED the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at its regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
21**

Meeting Date: **MAY 21, 2015**

Subject:

Award a Contract to G&G Specialty Contractors, Inc., for Quieter Home Program Phase 8, Group 6, Project No. 380806 (43 Historic and Non-Historic Single and Multi-Family Units on 16 Residential Properties Located East and West of the Airport)

Recommendation:

Adopt Resolution No. 2015-0049, awarding a contract to G&G Specialty Contractors, Inc., in the amount of \$1,523,682, for Phase 8, Group 6, Project No. 380806, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

Background/Justification:

The Quieter Home Program ("Program") provides sound attenuation treatment to residences within the highest noise-impacted neighborhoods surrounding San Diego International Airport ("SDIA"). The Phase 8, Group 6, project includes installation of new acoustical windows, doors, insulation, and ventilation improvements to reduce aircraft-related noise levels in 43 historic and non-historic single and multi-family units on 16 residential properties located east and west of the airport (refer to Attachment A).

To date, the Program has completed 3,147 residences, of which 792 are historic and 2,355 are non-historic 2,018 residences are located west of SDIA and 1,129 are located east of SDIA.

Project No. 380806 was advertised on February 24, 2015, and bids were opened on March 26, 2015. The following bids were received (refer to Attachment B):

Company	Total Bid
G&G Specialty Contractors, Inc.	\$1,523,682
S&L Specialty Contracting, Inc.	\$1,585,050

The Engineer's estimate is \$1,482,453.

The low bid of \$1,523,682, is considered responsive, and G&G Specialty Contractors, Inc. is considered responsible. Award to G&G Specialty Contractors, Inc. is, therefore, recommended in the amount of \$1,523,682.

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Fiscal Impact:

Adequate funds for the contract with G&G Specialty Contractors, Inc. are included in the adopted FY 2015 and conceptually approved FY 2016 Operating Expense Budgets within the Quieter Home Program budget line item. Sources of funding include Federal Airport Improvement Program grants and Passenger Facility Charges.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA. This Board action is a "project" subject to the California Environmental Quality Act ("CEQA"), Pub. Res. Code §21065. The individual projects under the Quieter Home Program are part of a class of projects that are categorically exempt from CEQA: 14 Cal. Code Regs. §15301 – "Existing Facilities: Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination."
- B. California Coastal Act. This Board action is a "development" as defined by the California Coastal Act, Cal. Pub. Res. Code §30106. The individual projects under the Quieter Home Program will consist of treatments to single-family and multi-family dwellings. Improvements to single-family homes are exempt from coastal permit requirements under Cal. Pub. Res. Code §30610(a) and 14 Cal. Code Regs. §13250 – "Improvements to Single-Family Residences." The proposed improvements to multi-family residences are exempt from coastal permit requirements under Cal. Pub. Res. Code §30610(b) and 14 Cal. Code Regs. §13253 – "Improvements to Structures Other than Single-Family Residences and Public Works Facilities that Require Permits."

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 underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

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The Authority's DBE Program, as required by the U.S. Department of Transportation, 49 Code of Federal Regulations (CFR) Part 26, calls for the Authority to submit a triennial overall goal for DBE participation on all federally funded projects. When federal funds are utilized, the Authority is prohibited from using a program that provides a preference such as those used in Policies 5.12 and 5.14. Therefore, the Authority must utilize other means as provided in the DBE Plan to achieve participation.

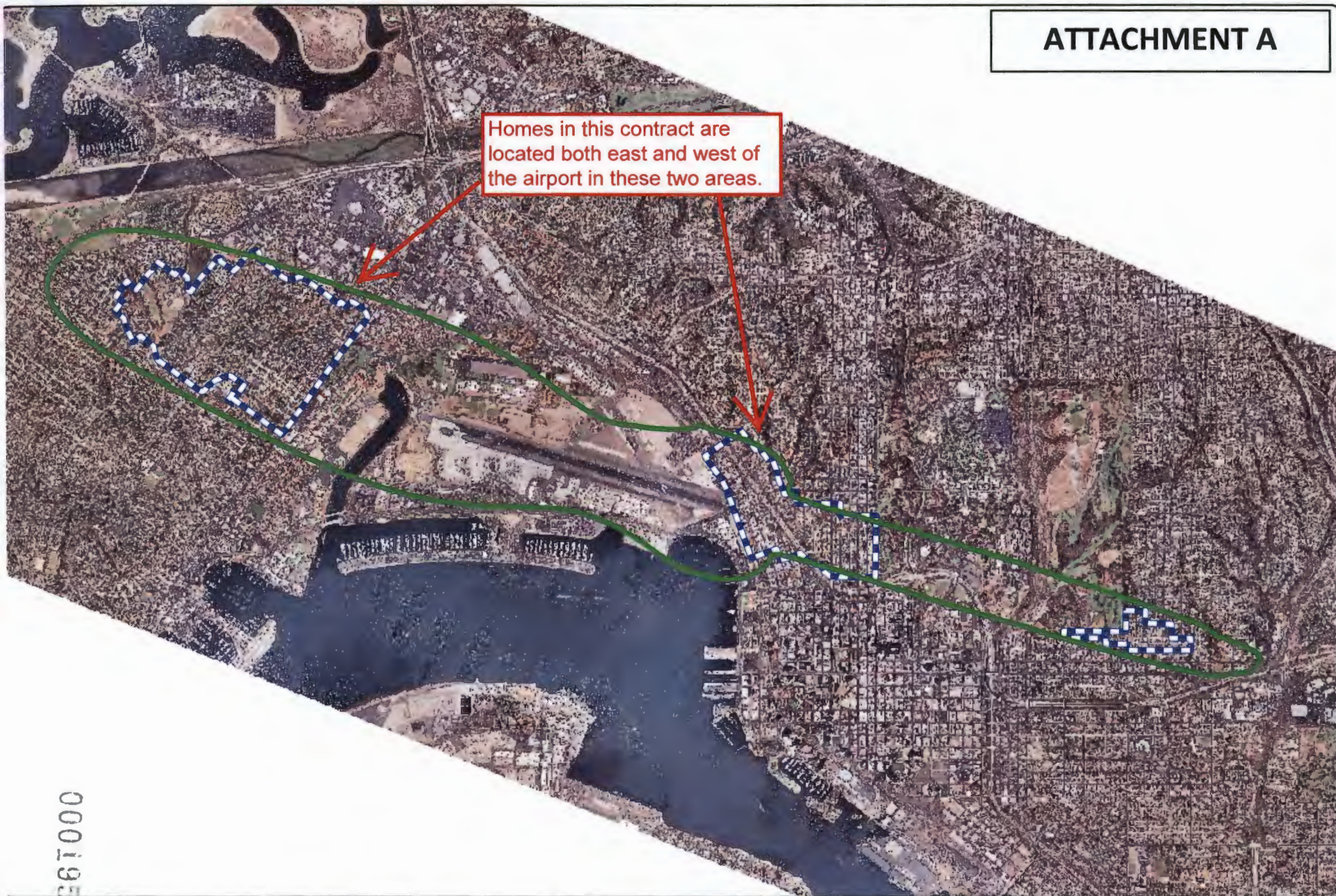
This project utilizes federal funds; therefore, it will be applied toward the Authority's overall DBE goal. G&G Specialty Contractors, Inc. proposed 11% DBE participation on QHP Phase 8, Group 6.

Prepared by:

KEITH WILSCHETZ
DIRECTOR, AIRPORT PLANNING AND NOISE MITIGATION

ATTACHMENT A

Homes in this contract are located both east and west of the airport in these two areas.



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Map Notes:
Staff Report Attachment A

1 Inch = 3,898 feet

Land Use - SanGIS 2/07

- Single-Family Residential
- Multi-Family Residential
- Condominiums

- QHP Completed
- QHP Ineligible
- County Parcel

- 67 dB Boundary
- 65 dB CNEL Contour
- Address Point

San Diego County Regional Airport Authority
Quieter Home Program
Project 380806

TITLE: QUIETER HOME PROGRAM PROJECT NO. 380806
BIDS OPENED: March 26, 2015, 2:00 p.m.
ENGINEER'S ESTIMATE: \$1,482,453.00

CONTRACTOR:				G&G Specialty Contractors, Inc.				S&L Specialty Contracting, Inc.				
ADDRESS:				1221 N. Mondel Drive, Gilbert, AZ 85233				315 S. Franklin Street, Syracuse, NY 13202				
GUARANTEE OF GOOD FAITH:				Hartford Casualty Insurance Company				Hartford Casualty Insurance Company				
Res No.	Bid Item Number	Dwelling Units	Unit of Measure	General Construction (In Figures)	HVAC Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)	General Construction (In Figures)	HVAC Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)	
380806.01	Aumend 2742 A St 110	1	Lump Sum	21,793.00	4,400.00	2,420.00	28,613.00	22,000.00	7,000.00	3,000.00	32,000.00	
380806.02	Behnke 2721 A St	1	Lump Sum	39,684.00	9,375.00	10,148.00	59,207.00	43,000.00	9,000.00	11,000.00	63,000.00	
380806.02	Behnke 2723 A St	1	Lump Sum	23,631.00	9,375.00	5,115.00	38,121.00	21,000.00	9,000.00	6,000.00	36,000.00	
380806.03	Berger & Mulligan 2742 A St, Unit 103	1	Lump Sum	24,500.00	4,400.00	2,750.00	31,650.00	26,000.00	7,000.00	3,000.00	36,000.00	
380806.04	Berger & Mulligan 2742 A St, Unit 104	1	Lump Sum	17,959.00	2,200.00	2,035.00	22,194.00	19,000.00	3,000.00	2,000.00	24,000.00	
380806.05	Berger & Mulligan 2742 A St, Unit 107	1	Lump Sum	16,450.00	2,200.00	1,870.00	20,520.00	15,000.00	3,000.00	2,000.00	20,000.00	
380806.06	Berger & Mulligan 2742 A St, Unit 205	1	Lump Sum	15,347.00	2,200.00	1,870.00	19,417.00	14,000.00	3,000.00	2,000.00	19,000.00	
380806.07	Corsi 3663 Oleander Dr	1	Lump Sum	35,849.00	9,375.00	4,345.00	49,569.00	45,000.00	10,000.00	4,000.00	59,000.00	
380806.08	Flourie 4231 Whittier St, Unit A	1	Lump Sum	25,810.00	2,200.00	3,025.00	31,035.00	30,000.00	4,000.00	4,000.00	38,000.00	
380806.08	Flourie 4231 Whittier St, Unit B	1	Lump Sum	28,204.00	2,200.00	3,025.00	33,429.00	35,000.00	4,000.00	4,000.00	43,000.00	
380806.08	Flourie 4231 Whittier St, Unit C	1	Lump Sum	21,016.00	2,200.00	3,135.00	26,351.00	23,000.00	4,000.00	3,000.00	30,000.00	
380806.08	Flourie 4231 Whittier St, Unit D	1	Lump Sum	23,869.00	2,200.00	3,135.00	29,204.00	28,000.00	4,000.00	4,000.00	36,000.00	
380806.08	Flourie 4231 Whittier St, Unit E	1	Lump Sum	22,079.00	2,200.00	3,135.00	27,414.00	25,000.00	4,000.00	4,000.00	33,000.00	
380806.08	Flourie 4231 Whittier St, Unit F	1	Lump Sum	26,342.00	2,200.00	3,135.00	31,677.00	32,000.00	4,000.00	4,000.00	40,000.00	
380806.08	Flourie 4231 Whittier St, Unit G	1	Lump Sum	14,823.00	2,200.00	2,200.00	19,223.00	13,000.00	3,000.00	3,000.00	19,000.00	
380806.08	Flourie 4231 Whittier St, Unit H	1	Lump Sum	14,376.00	2,200.00	2,200.00	18,776.00	13,000.00	3,000.00	2,000.00	18,000.00	
380806.1	Durovic 4312 Valeta St	1	Lump Sum	27,403.00	9,375.00	4,510.00	41,288.00	24,000.00	10,000.00	5,000.00	39,000.00	
380806.11	English 1445 28Th St	1	Lump Sum	53,756.00	18,750.00	5,390.00	77,896.00	61,000.00	19,000.00	8,000.00	88,000.00	
380806.12	Gianquinto 2742 A St 102	1	Lump Sum	14,689.00	2,200.00	2,035.00	18,924.00	15,000.00	3,000.00	2,000.00	20,000.00	
380806.13	Grossbard 4243 Mentone St	1	Lump Sum	20,968.00	9,375.00	8,288.00	38,631.00	14,000.00	9,000.00	7,000.00	30,000.00	
380806.13	Grossbard 4245 Mentone St	1	Lump Sum	20,803.00	9,375.00	10,065.00	40,243.00	17,000.00	9,000.00	7,000.00	33,000.00	
380806.13	Grossbard 4247 Mentone St	1	Lump Sum	20,766.00	9,375.00	5,511.00	35,652.00	16,000.00	9,000.00	3,000.00	28,000.00	
380806.13	Grossbard 4249 Mentone St	1	Lump Sum	21,617.00	9,375.00	4,455.00	35,447.00	16,000.00	9,000.00	6,000.00	31,000.00	
380806.13	Grossbard 4251 Mentone St	1	Lump Sum	21,049.00	9,375.00	4,290.00	34,714.00	15,000.00	9,000.00	7,000.00	31,000.00	
380806.13	Grossbard 4253 Mentone St	1	Lump Sum	20,730.00	9,375.00	4,620.00	34,725.00	16,000.00	9,000.00	10,000.00	35,000.00	
380806.14	Hall 3140 Ranleigh Ct	1	Lump Sum	35,953.00	9,375.00	5,005.00	50,333.00	41,000.00	11,000.00	7,000.00	59,000.00	
380806.15	Leone 3210 Lytton St	1	Lump Sum	40,157.00	9,375.00	4,345.00	53,877.00	45,000.00	10,000.00	3,000.00	58,000.00	
380806.26	Lipton 3033 Zola St	1	Lump Sum	28,079.00	9,375.00	6,435.00	43,889.00	26,000.00	9,000.00	5,000.00	40,000.00	
380806.17	McCain 2766 A St	1	Lump Sum	33,232.00	9,375.00	4,180.00	46,787.00	30,000.00	10,000.00	3,000.00	43,000.00	
380806.18	Mills 3448 Larga Cir	1	Lump Sum	51,925.00	9,375.00	4,015.00	65,315.00	64,000.00	9,000.00	5,000.00	78,000.00	
380806.19	Moore 2646 A St, Unit 1	1	Lump Sum	10,623.00	2,200.00	7,095.00	19,918.00	7,000.00	3,000.00	4,000.00	14,000.00	
380806.19	Moore 2646 A St, Unit 2	1	Lump Sum	10,685.00	2,200.00	3,905.00	16,790.00	7,000.00	3,000.00	4,000.00	14,000.00	
380806.19	Moore 2646 A St, Unit 3	1	Lump Sum	11,411.00	2,200.00	3,905.00	17,516.00	9,000.00	3,000.00	4,000.00	16,000.00	
380806.19	Moore 2646 A St, Unit 4	1	Lump Sum	10,439.00	2,200.00	3,905.00	16,544.00	7,000.00	3,000.00	4,000.00	14,000.00	
380806.19	Moore 2646 A St, Unit 5	1	Lump Sum	10,685.00	2,200.00	3,905.00	16,790.00	8,000.00	3,000.00	4,000.00	15,000.00	
380806.19	Moore 2646 A St, Unit 6	1	Lump Sum	10,685.00	2,200.00	3,905.00	16,790.00	8,000.00	3,000.00	4,000.00	15,000.00	
380806.19	Moore 2646 A St, Unit 7	1	Lump Sum	11,411.00	2,200.00	3,905.00	17,516.00	8,000.00	3,000.00	4,000.00	15,000.00	
380806.19	Moore 2646 A St, Unit 8	1	Lump Sum	11,193.00	2,200.00	3,905.00	17,298.00	7,000.00	3,000.00	7,000.00	17,000.00	
380806.2	Robinson 2823 Nipoma St	1	Lump Sum	39,452.00	9,375.00	4,510.00	53,337.00	49,000.00	11,000.00	4,000.00	64,000.00	
380806.21	Wanke 4264 Montalvo St	1	Lump Sum	21,103.00	9,375.00	2,585.00	33,063.00	21,000.00	10,000.00	4,000.00	35,000.00	
380806.21	Wanke 4266 Montalvo St	1	Lump Sum	21,379.00	2,200.00	2,090.00	25,669.00	19,000.00	7,000.00	5,000.00	31,000.00	
380806.21	Wanke 4268 Montalvo St	1	Lump Sum	20,551.00	2,200.00	1,760.00	24,511.00	19,000.00	7,000.00	8,000.00	34,000.00	
380806.22	Keays 2742 A St 204	1	Lump Sum	15,699.00	2,200.00	1,870.00	19,769.00	12,000.00	4,000.00	2,000.00	18,000.00	
							Subtotal	\$1,399,632.00			Subtotal	\$1,461,000.00
							Allowance for Structural, HVAC, Electrical Repairs	81,500.00			Allowance for Structural, HVAC, Electrical Repairs	81,500.00
							Building and Utility Permits and Fees	40,000.00			Building and Utility Permits and Fees	40,000.00
							Allowance for 150 Required T-Shirts	2,550.00			Allowance for 150 Required T-Shirts	2,550.00
							TOTAL BID	\$1,523,682.00			TOTAL BID	\$1,585,050.00

Addenda No. 1 noted

Addenda No. 1 noted

RESOLUTION NO. 2015-0049

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY AWARDING A CONTRACT TO G&G
SPECIALTY CONTRACTORS, INC., IN THE
AMOUNT OF \$1,523,682, FOR PHASE 8, GROUP 6,
PROJECT NO. 380806, OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY'S
QUIETER HOME PROGRAM

WHEREAS, the San Diego County Regional Airport Authority ("Authority") has established a residential sound insulation program, known as the Quieter Home Program ("Program"), to reduce aircraft noise levels in the homes of residents living within the highest noise-impacted neighborhoods surrounding San Diego International Airport ("Airport"); and

WHEREAS, Phase 8, Group 6, of the Program will include installation of new acoustical windows, doors, insulation, and ventilation improvements to reduce aircraft-related noise levels inside 43 historic and non-historic single and multi-family units on 16 residential properties located east and west of the Airport; and

WHEREAS, the Authority issued a Bid Solicitation Package for Phase 8, Group 6, on February 24, 2015; and

WHEREAS, on March 26, 2015, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the low bidder G&G Specialty Contractors, Inc., submitted a bid of \$1,523,682; and the Authority's staff has duly considered the bid and has determined G&G Specialty Contractors, Inc. is responsible and that its bid is responsive in all material respects; and

WHEREAS, the San Diego County Regional Airport Authority Board ("Board") believes that it is in the best interest of the Authority and the public that it serves to award G&G Specialty Contractors, Inc., the lowest bidder, the contract for Phase 8, Group 6, upon the terms and conditions set forth in the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to G&G Specialty Contractors, Inc., in the amount of \$1,523,682, for Phase 8, Group 6, Project No. 380806, of the San Diego County Regional Airport Authority's Quieter Home Program; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee is hereby authorized to execute and deliver such contract to G&G Specialty Contractors, Inc.; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents are hereby authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing; and

BE IT FURTHER RESOLVED that the Board finds that this is a "project" as defined by the California Environmental Quality Act ("CEQA"), Cal. Pub. Res. Code §21065; and is a "development," as defined by the California Coastal Act, Cal. Pub. Res. Code §30106 and that the individual Quieter Home Program projects are categorically exempt from the CEQA under Cal. Code Regs. §15301(f), "Existing Facilities," and are exempt from coastal permit requirements under Cal. Pub. Res. Code §§30610(a) and 30610(b) and 14 Cal. Code Regs. §§13250 and 13253.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
22

Meeting Date: **MAY 21, 2015**

Subject:

Approve and Authorize the President/CEO to Execute First Amendments to the On-Call General Construction Service Agreements with (1) Dynamic Contracting Services, Inc.; (2) The Vasquez Company; (3) EC Constructors, Inc.; (4) Gordon-Prill San Diego, Inc.; and, (5) RAL Investment Corporation dba Silverstrand Construction

Recommendation:

Adopt Resolution No. 2015-0050, approving and authorizing the President/CEO to execute First Amendments to the on-call general construction service agreements with (1) Dynamic Contracting Services, Inc.; (2) The Vasquez Company; (3) EC Constructors, Inc.; (4) Gordon-Prill San Diego, Inc.; and, (5) RAL Investment Corporation dba Silverstrand Construction, increasing the total amount payable by \$2,000,000 for an aggregate total not-to-exceed compensation amount of \$5,000,000 for all five Agreements.

Background/Justification:

In 2013, the Board approved and the Authority entered into Agreements with (1) Dynamic Contracting Services, Inc.; (2) The Vasquez Company; (3) EC Constructors, Inc.; (4) Gordon-Prill San Diego, Inc.; and, (5) RAL Investment dba Silverstrand Construction for the provision of on-call general construction services to support San Diego International Airport's ("SDIA's") major maintenance and capital improvement program (CIP). Each Agreement is for a term of three (3) years, expiring October 15, 2016, with an option for two (2) one-year extensions to be exercised at the discretion of the President/CEO, for an aggregate total not-to-exceed compensation amount of \$3,000,000 (combined) for all five Agreements.

First Amendment Justification

The high volume of airport construction has necessitated the need for on-call general construction contractors to support construction activity. Within the first year and a half of the Agreement, over \$2.4 million in general construction projects and improvements have been completed or are currently ongoing. Of the \$2.4 million, approximately \$1.3 million were for Facilities Development Department ("FDD") Capital Improvement Projects ("CIP").

Following is a summary of expenses to date for FDD CIPs and Facilities Management Department ("FMD") Capital and Major Maintenance projects:

000199

FDD CIPs	
Project/Improvement	Amount
Terminal 1 West Refurbish Concessions Support Infrastructure - CIP #104179	\$ 411,130
Federal Inspection Service Passenger Processing Improvements - CIP #104184	\$ 218,400
Develop Administrative Spaces - CIP #104183	\$ 323,900
Upgrade of Wall Finishes – East Ticket Lobby Terminal 2 East - CIP #104056	\$ 110,800
American Airlines Admirals Club – CIP #107152	\$ 269,970

FMD Capital & Major Maintenance Projects	
Project/Improvement	Amount
Restroom Remodels – Terminal 1 West, Terminal 2 East, and Terminal 2 West – CIP #601018, #601001, & #601013	\$ 575,607
Lactation Rooms – Terminal 1 West and Terminal 2 West - CIP #601026	\$ 70,580
Ground Service Equipment Building Repair	\$ 48,993
Develop Shell Space Former La Salsa Space Terminal 2 East	\$ 197,900
Various Terminal Improvement Projects	\$ 201,700

In FY16, approximately \$500,000 in general construction projects will be undertaken to renovate two sets of men’s and women’s restrooms located on the first floor of Terminal 2 West baggage claim. Upon completion of the project, all non-Green Build public restrooms in Terminal 2 West will have been remodeled.

Staff is recommending First Amendments to each of the five Agreements to increase the total amount payable by \$2,000,000 for an aggregate total not-to-exceed compensation amount of \$5,000,000 for the five Agreements. This will ensure that funds continue to be available for future work through the terms of the Agreements.

Fiscal Impact:

Adequate funding for the five on-call general construction services agreements is included in the adopted FY 2015 and conceptually approved FY 2016 Operating Expense Budgets within the Facilities Management Major Maintenance line item and the Authority’s FY 2015 – FY 2019 Capital Program budget. Expenses that will impact budget years not yet adopted by the Board will be included in future year budget requests.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
- Customer Strategy
- Employee Strategy
- Financial Strategy
- Operations Strategy

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 underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

This contract does not utilize federal funds and provides limited opportunities for sub-contractor participation; 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. At the time of this bid, September 2013, when bid price was the primary selection criteria, the maximum amount of the preference could not exceed \$100,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid.

In accordance to Policy 5.12, the recommended firms Dynamic Contracting Services, Inc., and The Vasquez Company received 5% small business preference. EC Constructors, Inc. and Gordon-Prill San Diego Inc., and Silverstrand Construction did not receive 5% small business preference.

Prepared by:

MURRAY J. BAUER
DIRECTOR, FACILITIES MANAGEMENT

RESOLUTION NO. 2015-0050

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE FIRST AMENDMENTS TO THE ON-CALL GENERAL CONSTRUCTION SERVICE AGREEMENTS WITH (1) DYNAMIC CONTRACTING SERVICES, INC.; (2) THE VASQUEZ COMPANY; (3) EC CONSTRUCTORS, INC.; (4) GORDON-PRILL SAN DIEGO, INC.; AND, (5) RAL INVESTMENT CORPORATION DBA SILVERSTRAND CONSTRUCTION, INCREASING THE TOTAL AMOUNT PAYABLE BY \$2,000,000 FOR AN AGGREGATE TOTAL NOT-TO-EXCEED COMPENSATION AMOUNT OF \$5,000,000 FOR ALL FIVE AGREEMENTS

WHEREAS, in 2013, the Authority entered into Agreements with (1) Dynamic Contracting Services, Inc.; (2) The Vasquez Company; (3) EC Constructors, Inc.; (4) Gordon- Prill San Diego, Inc.; and, (5) RAL Investment dba Silverstrand Construction for the provision of on-call general construction services to support San Diego International Airport's ("SDIA's") major maintenance and capital improvement program (CIP); and

WHEREAS, each Agreement is for a term of three (3) years, expiring October 15, 2016, with an option for two (2) one-year extensions to be exercised at the discretion of the President/CEO, for an aggregate total not-to-exceed compensation amount of \$3,000,000 (combined) for all five Agreements; and

WHEREAS, the high volume of airport construction has necessitated the need for on-call general construction contractors to support construction activity; and

WHEREAS, within the first year and a half of the Agreement, over \$2.4 million in general construction projects and improvements have been completed or are currently ongoing; and

WHEREAS, another estimated \$500,000 in general construction work is planned to start in FY16; and

WHEREAS, additional funds need to be authorized and added for the five Agreements.

000202

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute First Amendments to the Agreements with (1) Dynamic Contracting Services, Inc.; (2) The Vasquez Company; (3) EC Constructors, Inc.; (4) Gordon-Prill San Diego, Inc.; and, (5) RAL Investment Corporation dba Silverstrand Construction, increasing the total amount payable by \$2,000,000 for an aggregate total not-to-exceed compensation amount of \$5,000,000 for all five Agreements; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are authorized to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing; and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a "project" as defined by the California Environmental Quality Act. Pub. Res. Code Section 21065; and is not a "development" as defined by the California Coastal Act. Pub. Res. Code Section 30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000203



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
23

Meeting Date: **MAY 21, 2015**

Subject:

Approve and Authorize the President/CEO to Execute On-Call Apron and Ramp Cleaning Service Agreement with Abhe & Svoboda, Inc.

Recommendation:

Adopt Resolution No. 2015-0051, approving and authorizing the President/CEO to execute an On-Call Apron and Ramp Cleaning Service Agreement with Abhe & Svoboda, Inc., for a term of three years, with the option for two one-year extensions to be exercised at the discretion of the President/CEO, for a total not-to-exceed compensation amount of \$1,200,000, for 5 years, to provide On-Call Apron & Ramp Cleaning Services, at San Diego International Airport ("SDIA").

Background/Justification:

On May 20, 2014, the San Diego County Regional Airport Authority ("Authority") executed and commenced an on-call apron & ramp cleaning service agreement with Flagship Sweeping Services, Inc. ("Flagship") for a term of three-years with two one-year options to renew ("Agreement").

Under the Agreement, Flagship is required to perform on-call apron & ramp cleaning services.

Inspections conducted by the Authority found that Flagship was deficient in performing services. Despite the Authority's attempts to consult with Flagship concerning deficiencies in its performance, Flagship remained deficient through October 30, 2014. On November 6, 2014, the Authority sent Flagship a notice of default and requested written confirmation from Flagship of its intention to remedy its performance deficiencies. On November 14, 2014, Flagship provided written confirmation of their intent to remedy the deficiencies. Despite Flagship's assurances that it would comply with the agreement, Flagship continued to be deficient in the performance of its contractual obligations and on November 21, 2014, the Authority served notice of its intent to terminate the Agreement. The Agreement with Flagship terminated on December 21, 2014.

On January 29, 2015, the Authority issued a Request for Proposal ("RFP") for on-call apron & ramp cleaning services. On March 3, 2015, the Authority received one response to the RFP from Abhe & Svoboda, Inc. ("Abhe").

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Based on the estimated quantities specified in the RFP and Abhe's per unit pricing structure, it is estimated that the cost for 5 years will amount to \$1,200,000.

On March 16, 2015, the Authority's Evaluation Panel ("Panel"), which was comprised of three representatives from Facilities Management, one from Airside Operations, and one from Environmental Affairs, interviewed the sole respondent. The scoring criteria used to evaluate the firm was the firm's organizational experience and structure, qualifications and prior experience of staff, work plan, sustainability, proposed fees, and small business preference under Authority Policy 5.12.

The final combined scoring matrix from the Panel is as follows:

Evaluation Criteria	Abhe	Maximum Score Possible
Organizational Experience & Structure	1410	1500
Qualifications & Prior Experience of Staff	940	1000
Work Plan	1125	1250
Sustainability	225	250
Proposed Fees	1000	1000
Small Business Preference 5.12	0	250
Total	4700	5250

Based on the Panel's evaluation of the sole respondent, staff recommends awarding the SDIA on-call apron & ramp cleaning service agreement to Abhe for a total not-to-exceed compensation amount of \$1,200,000, for 5 years.

Fiscal Impact:

Adequate funding for the on-call apron & ramp cleaning service agreement is included in the adopted FY 2015 and conceptually approved FY 2016 Operating Expense Budgets within the Facilities Management Annual Repair and Service Contracts line item. The expense for this contract that will impact budget years not yet adopted or approved by the Board and will be included in future year budget requests.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
 Customer Strategy
 Employee Strategy
 Financial Strategy
 Operations Strategy

Environmental Review:

- A. California Environmental Quality Act ("CEQA") review: This Board action is not a project that would have a significant effect on the environment as defined by the CEQA, as amended, 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA Pub. Res. Code §21065;
- B. California Coastal Act review: This Board action is not a "development" as defined by the California Coastal Act. 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 underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

This contract does not utilize federal funds and provides limited opportunities for sub-contractor participation; 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. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed \$200,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid.

In accordance to Policy 5.12, the recommended firm Abhe & Svoboda, Inc. did not receive 5% small business preference.

Prepared by:

MURRAY J. BAUER
DIRECTOR, FACILITIES MANAGEMENT

RESOLUTION NO. 2015-0051

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN ON-CALL APRON & RAMP CLEANING SERVICE AGREEMENT WITH ABHE & SVOBODA, INC., FOR A TERM OF THREE YEARS, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS TO BE EXERCISED AT THE DISCRETION OF THE PRESIDENT/CEO, FOR A TOTAL NOT-TO-EXCEED COMPENSATION AMOUNT OF \$1,200,000, FOR 5 YEARS, TO PROVIDE ON-CALL APRON & RAMP CLEANING SERVICES, AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, the Authority issued a Request for Proposals ("RFP") on January 29, 2015, to provide on-call apron & ramp cleaning services; and

WHEREAS, the Authority received one Proposal from Abhe & Svoboda, Inc. on March 3, 2015, in response to the RFP; and

WHEREAS, based on the estimated quantities specified in the RFP and Abhe & Svoboda's per unit pricing structure, it is estimated that the cost for 5 years will amount to \$1,200,000; and

WHEREAS, the Evaluation Panel ("Panel") evaluated the respondent on organizational experience and structure, qualifications & prior experience of staff, work plan, sustainability, proposed fees and small business preference; and

WHEREAS, the Panel's evaluation process determined Abhe & Svoboda, Inc. to be qualified overall to perform on-call apron & ramp cleaning services.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute an on-call Apron & Ramp Cleaning Service Agreement with Abhe & Svoboda, Inc., for a term of three years, with the option for two one-year extensions to be exercised at the discretion of the President/CEO, for a total not-to-exceed compensation amount of \$1,200,000, for 5 years, to provide on-call apron & ramp cleaning services, at San Diego International Airport, and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are authorized to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolution; and

BE IT FURTHER RESOLVED that the Board finds this 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; and is not a "development" as defined by the California Coastal Act. Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000208



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
24

Meeting Date: **May 21, 2015**

Subject:

Approval And Adoption Of The Operating Budget For Fiscal Year 2016, The Capital Program For Fiscal Years 2016-2020, And Conceptual Approval Of The Operating Budget For Fiscal Year 2017

Recommendation:

Adopt Resolution No. 2015-0052, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2016, the Capital Program for Fiscal Years 2016-2020, and conceptually approving the Operating Budget for Fiscal Year 2017.

Background/Justification:

On May 11, 2015 the Board participated in a Board Workshop regarding the proposed FY 2016 and FY 2017 Operating Budgets and FY 2016 – FY 2020 Capital Program. After an in-depth presentation and discussion, the proposed FY 2016 Operating Budget and FY 2016 – FY 2020 Capital Program were forwarded for Board approval and adoption at the May 21, 2015 Board meeting. In addition, the proposed FY 2017 Operating Budget was forwarded for conceptual approval at the May 21, 2015 Board meeting. Per Authority Policy 4.01, the Authority's Board of Directors has determined that the preparation and adoption of an annual budget will assist in (a) determining the Authority's short-term and long-term strategic and financial planning needs, and (b) effectively managing the facilities and airport under the jurisdiction of the Authority.

The proposed FY 2016 Operating Budget ("Budget") of \$245,729,000 marks the Authority's thirteenth fiscal year operating budget. The Budget reflects operational and environmental challenges, and continued economic and industry recovery. It ensures that the Authority can execute major programs and fulfill both its operational requirements and considerable regional responsibilities and expectations.

Once approved and adopted by the Board, the Budget will become the spending plan (and spending limit) for the Authority for FY 2016. Actual revenues and expenditures will be monitored during the year and reported to the Board at least quarterly. The Budget may be modified by the Board to reflect new assumptions or events based on periodic reporting and good cause.

000205

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The FY 2016 Budget Expenses are comprised of the following divisional expenditure levels:

Division	FY 2016
Operations	\$ 102,120,750
Debt Service	72,418,977
Finance & Asset Management	28,046,582
Development	25,122,941
Executive	18,019,750
Total	<u>\$245,729,000</u>

This operating budget reflects a total increase of \$9.36 million, or 4.0%, over the FY 2015 Budget. The increase over the FY 2015 Budget is mostly attributed to a \$7.76 million increase in debt service costs, an increase of \$7.62 million in non-personnel operating expenses, and a decrease of \$6.58 million in personnel costs. A reduction of the non-cash SDCERS Unfunded Actuarial Liability (UAL) of \$7.60 million comprises the majority of the personnel cost decrease.

On the revenue side, the budgeted operating and non-operating revenue of \$326.04 million is an increase of \$18.73 million, or 6.1%, over the FY 2015 Budget. The increase over the FY 2015 Budget reflects an increase of \$5.50 million in airline revenue, an increase of \$6.22 million in non-airline revenue and an increase of \$6.99 million in non-operating revenue.

Total FY 2016 airline revenue is projected to be \$111.19 million as compared to \$105.69 million in the FY 2015 Budget, a \$5.50 million increase. The projected landing fee rate is increasing from \$2.10 to \$2.15 per thousand pound units and the terminal gross rental rate per square feet is increasing from \$130.44 to \$144.00. After development of the budget and the corresponding airlines rates, fees, and charges a meeting was held with the airlines for review, discussion and feedback.

The net increase of \$6.22 million in non-airline revenue predominantly consists of increases of \$2.44 million in ground rentals revenue, \$1.54 million in concession revenue, \$1.27 million in ground transportation permits, and \$1.24 million in rental car license fees. These increases are partially offset by a decrease of \$0.53 million in parking revenue due to construction of the Parking Plaza.

The net increase of \$6.99 million in non-operating revenue consists of increases of \$2.72 million in Customer Facility Charges (CFC), \$2.65 million in Passenger Facility Charges (PFC) and increase of \$1.80 million in Capital Grant contributions.

The projected FY 2016 revenues will cover the FY2016 proposed budgeted expenses and debt service requirements, and will also provide for adequate working capital.

000210

Page 3 of 5

The Capital Program is comprised of 1) the Capital Improvement Program (CIP) which includes the Rental Car Center; and 2) the Green Build/Terminal Development Program (Green Build). The Capital Improvement Program (CIP) is a rolling five year program.

The Capital Program provides for critical improvements and asset preservation for the Authority. The program includes projects that address airfield safety and capacity, environmental protection, terminal enhancements, and landside infrastructure and access improvements.

Funding sources for the projects include Airport Improvement Program (AIP) grants, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), airport cash, airport system revenue bonds, special facility bonds, and may include variable rate debt. The FY 2016 – FY 2020 proposed Capital Program total is \$814.33 million.

Use of Funds (in millions):

Landside	552.10
Terminal	122.92
Airside	117.47
Administrative	<u>21.84</u>
Total Use of Funds	\$814.33

Source of Funds (in millions):

Special Facility Bonds	\$ 244.58
Airport Cash	222.20
CFC Revenues	115.81
Airport System Revenue Bonds	63.30
Variable Rate Debt	59.80
PFC Revenues	57.22
Federal Grants	<u>51.41</u>
Total Use of Funds	\$814.33

In summary, the Operating Budget and Capital Program as presented are consistent with Board policy and were developed under the guidance of the Authority's President/CEO and Chief Financial Officer. The budget reflects the revenues available to the Authority, and how these funds will be spent to support the Authority's strategies and initiatives for FY 2016.

The Authority also embarked on its sixth year of preparing a biennial budget. As such, a budget for FY 2017 was developed and proposed for conceptual approval.

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The proposed FY 2017 Budget Expenses total \$263,330,000 and are comprised of the following divisional expenditure levels:

Division	FY 2017
Operations	\$109,714,833
Debt Service	81,150,715
Finance & Asset Management	28,347,781
Development	25,389,504
Executive	18,727,167
Total	<u>\$263,330,000</u>

This budget reflects a total increase of \$17.60 million, or 7.2%, above the proposed FY 2016 Budget. This increase is mostly attributed to a \$8.73 million increase in debt service costs, an increase of \$6.62 million in non-personnel operating expenses, and an increase of \$2.37 million in personnel costs.

On the revenue side, the budgeted operating and non-operating revenues of \$336.56 million are an increase of \$10.52 million, or 3.2%, over the proposed FY 2016 Budget. This net increase reflects an increase of \$6.37 million in airline revenue, an increase of \$6.34 million in non-airline revenue, an increase of \$3.93 million in Customer Facility Charges, an increase of \$0.67 million in Passenger Facility Charges, and an increase of \$0.20 million in interest income, partially offset by decrease of \$6.98 million in Capital Grant contributions.

The conceptually approved FY 2017 budget will be brought back to the Board next year for review, revisions, and adoption in spring 2016.

Fiscal Impact:

If the proposed FY 2016 Budget is approved and adopted and the proposed FY 2017 Budget is conceptually approved, funding of \$245,729,000 will be authorized for FY 2016 and funding of \$263,330,000 will be established as the framework for the FY 2017 Budget, which will be brought back to the Board next year for review, revisions, and adoption in spring 2016. If the Capital Program is approved, \$814,326,662 will become the authorized spending level.

Environmental Review:

- A. California Environmental Quality Act: 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:

SCOTT M. BRICKNER
VICE PRESIDENT, FINANCE & ASSET MANAGEMENT/TREASURER

RESOLUTION NO. 2015-0052

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND ADOPTING THE AUTHORITY'S ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2016, THE CAPITAL PROGRAM FOR FISCAL YEARS 2016 – 2020, AND CONCEPTUALLY APPROVING THE OPERATING BUDGET FOR FISCAL YEAR 2017.

WHEREAS, Authority management prepared and presented the Proposed Fiscal Year 2016 and 2017 Conceptual Operating Budgets and the Capital Program to the Authority Board for review at a duly noticed public workshop on May 11, 2015; and

WHEREAS, the Board provided opportunities at its meetings for members of the public to comment on and ask questions concerning the Proposed Fiscal Year 2016 and 2017 Operating Budgets and Capital Program; and

WHEREAS, the Proposed Fiscal Year 2016 and 2017 Conceptual Operating Budgets present a financial operating expenditure budget of \$245,729,000 and \$263,330,000, respectively, and a Capital Program for the next five (5) years of \$814,326,662, providing adequate resources to address the operating and infrastructure requirements of San Diego International Airport and the regional responsibilities of the Authority for Fiscal Years 2016 and 2017; and

WHEREAS, the Proposed Fiscal Year 2016 and 2017 Conceptual Operating Budgets present forecasted operating revenues and other funding to meet a balanced budget and other financial requirements as outlined under the Authority's Bond Master Trust Indenture; and

WHEREAS, the Board has reviewed the Proposed Fiscal Year 2016 and 2017 Conceptual Operating Budgets and the Capital Program and believes that the approval and adoption in the forms presented to the Board at the public meetings on May 11, 2015 and May 21, 2015, is in the best interests of the Authority and the public that it serves.

NOW, ~~WHEREFORE~~, ~~BE IT RESOLVED~~ that the Board hereby approves and adopts the Authority's Annual Operating Budget for Fiscal Year 2016, the Capital Program for Fiscal Years 2016-2020, and conceptually approves the Operating Budget for Fiscal Year 2017; and

BE IT FURTHER RESOLVED that the Authority and all of its officers, employees and agents are hereby authorized, empowered and directed to do and perform all such acts as may be necessary or appropriate to implement the Adopted Annual Operating Budget for Fiscal Year 2016 and the Capital Program; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act (CEQA), Cal. Pub. Res. Code §21065; and is not a "development" as defined by the California Coastal Act, Cal. Pub. Res. Code Section §30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 21st day of May, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

San Diego County Regional Airport Authority FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

Presented by:

Scott Brickner, Vice President

Finance & Asset Management/Treasurer





Budget Overview

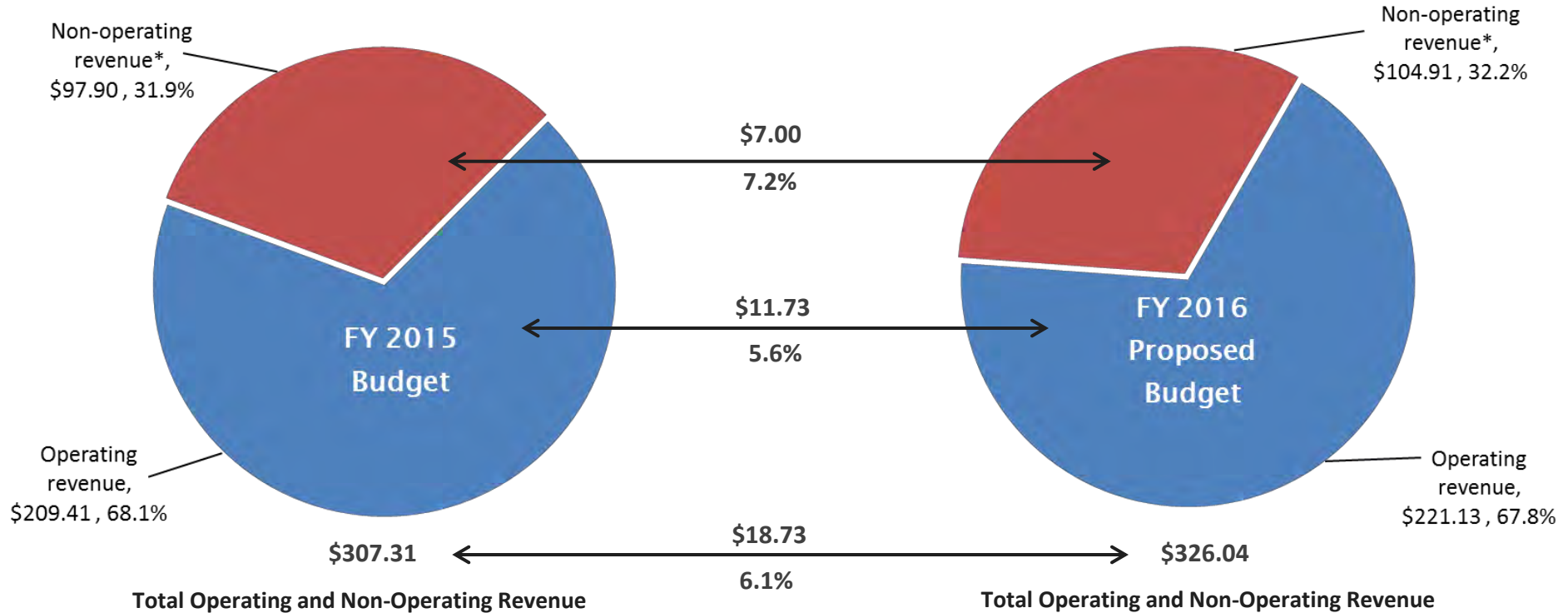


Revenue Budget Overview

FY 2015 Budget vs FY 2016 Budget Proposed

Budget Revenue Comparison

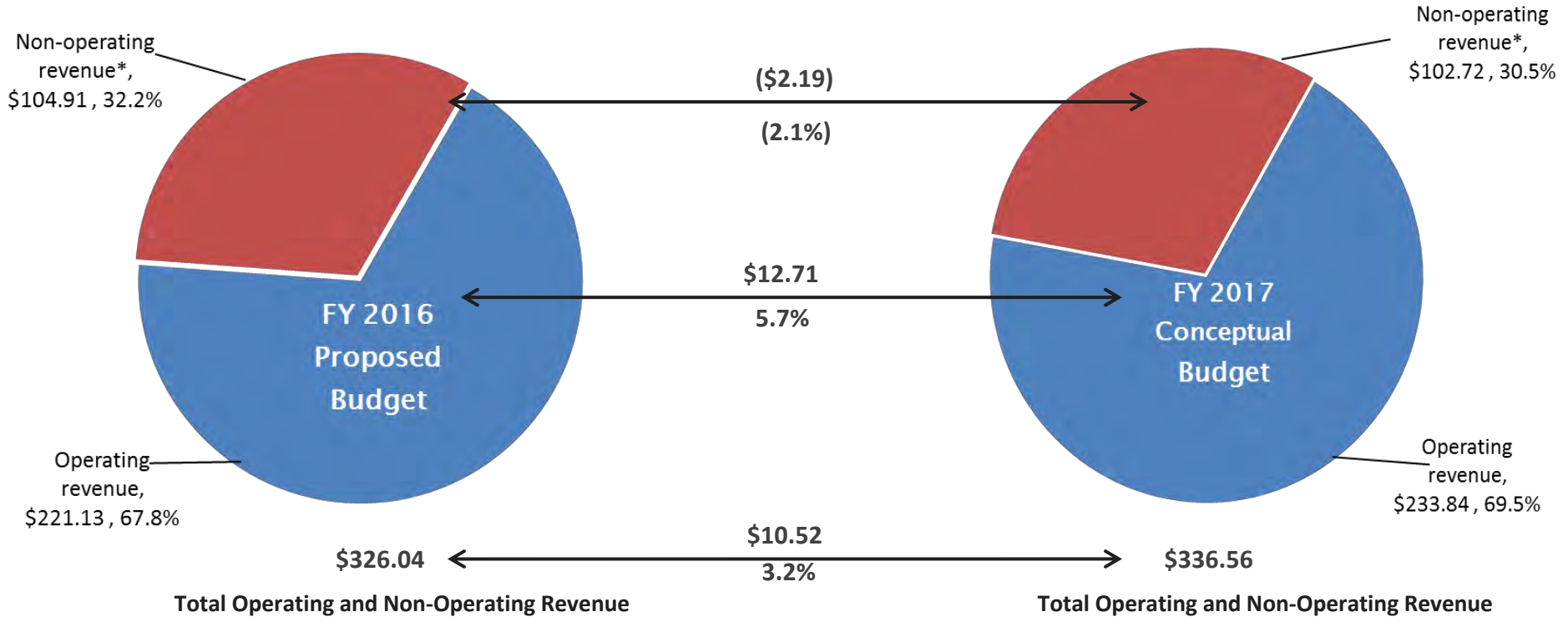
(in Millions)



* Non-Operating revenue includes Interest Income, PFC, CFC, QHP, Capital Grant Contributions and Build America Bonds Interest Rebate

FY 2016 Proposed Budget vs FY 2017 Proposed Conceptual Budget Comparison

(in Millions)



* Non-Operating revenue includes Interest Income, PFC, CFC, QHP, Capital Grant Contributions and Build America Bonds Interest Rebate

FY 2016 Proposed – FY 2017 Proposed Conceptual Revenue Budget Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY2016 Proposed Budget	Inc/(Dec) FY16 Proposed vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Proposed	% Change
Operating Revenue:											
Airline Revenue											
Landing Fees	\$ 19,107,258	\$ 23,704,477	\$ 24,403,943	\$ 24,612,835	\$ 908,358	3.8%	\$ 208,892	0.9%	\$ 26,210,325	\$ 1,597,490	6.5%
Aircraft Parking Fees	2,503,181	2,768,087	2,830,215	2,875,302	107,215	3.9%	45,086	1.6%	3,039,706	164,404	5.7%
Building Rentals	47,761,512	49,969,936	52,306,370	53,222,551	3,252,615	6.5%	916,182	1.8%	56,288,056	3,065,504	5.8%
Common Use System Support Charges	1,133,839	1,124,994	1,145,548	1,206,527	81,533	7.2%	60,979	5.3%	1,206,527	-	0.0%
Other Aviation Revenue	1,593,918	1,589,711	1,592,957	1,587,163	(2,548)	-0.2%	(5,794)	-0.4%	1,590,358	3,195	0.2%
Security Surcharge	25,776,517	26,529,900	27,632,400	27,684,810	1,154,910	4.4%	52,410	0.2%	29,219,841	1,535,031	5.5%
Total Airline Revenue	97,876,224	105,687,106	109,911,434	111,189,189	5,502,083	5.2%	1,277,755	1.2%	117,554,814	6,365,625	5.7%
Non-Airline Revenue											
Terminal rent non-Airline	1,157,565	1,500,586	1,569,133	1,428,694	(71,892)	-4.8%	(140,438)	-9.0%	1,442,961	14,266	1.0%
Terminal concessions	18,798,533	19,783,233	19,870,544	21,323,828	1,540,595	7.8%	1,453,284	7.3%	21,746,728	422,899	2.0%
Rental Car License Fees	24,900,830	24,576,100	24,993,700	25,812,269	1,236,169	5.0%	818,569	3.3%	27,411,065	1,598,796	6.2%
License Fees Other	4,070,505	4,146,700	4,217,100	4,475,900	329,200	7.9%	258,800	6.1%	4,551,800	75,900	1.7%
Parking Revenue	36,424,594	38,688,776	39,324,542	38,161,518	(527,258)	-1.4%	(1,163,024)	-3.0%	37,931,821	(229,697)	-0.6%
Ground Transportation Permits and Citations	2,534,428	2,906,414	3,289,603	4,179,037	1,272,624	43.8%	889,435	27.0%	4,571,791	392,753	9.4%
Ground Rentals	8,445,275	11,356,903	14,139,787	13,798,184	2,441,281	21.5%	(341,603)	-2.4%	17,865,342	4,067,158	29.5%
Grant Reimbursements	368,385	292,000	292,000	292,000	-	0.0%	-	0.0%	292,000	-	0.0%
Other Operating Revenue *	1,160,501	469,744	473,200	473,304	3,560	0.8%	104	0.0%	475,118	1,814	0.4%
Total Non-Airline Revenue	97,860,616	103,720,455	108,169,609	109,944,735	6,224,279	6.0%	1,775,126	1.6%	116,288,625	6,343,890	5.8%
Total Operating Revenue	195,736,841	209,407,562	218,081,043	221,133,924	11,726,362	5.6%	3,052,881	1.4%	233,843,439	12,709,515	5.7%
Interest Income	5,210,854	4,707,690	5,165,382	4,724,296	16,606	0.4%	(441,086)	-8.5%	4,922,502	198,206	4.2%
Non-Operating Revenue											
Passenger facility charges	35,769,515	36,614,900	37,237,200	39,261,900	2,647,000	7.2%	2,024,700	5.4%	39,929,000	667,100	1.7%
Customer facility charges (Rental Car Center)	27,545,001	30,350,379	30,866,210	33,070,709	2,720,331	9.0%	2,204,499	7.1%	36,995,921	3,925,212	11.9%
Quieter Home Program	12,373,861	11,804,573	11,627,849	11,627,849	(176,724)	-1.5%	-	0.0%	11,627,849	-	0.0%
BAB Interest Rebate	4,636,215	4,636,215	4,636,215	4,631,219	(4,996)	-0.1%	(4,996)	-0.1%	4,631,219	-	0.0%
Capital grant contributions	3,924,332	9,786,680	7,201,101	11,592,103	1,805,423	18.4%	4,391,002	61.0%	4,610,070	(6,982,033)	-60.2%
Other Nonoperating Revenue	459,050	-	-	-	-	0.0%	-	-	-	-	0.0%
Total Non-Operating Revenue	84,707,974	93,192,747	91,568,575	100,183,780	6,991,033	7.5%	8,615,205	9.4%	97,794,059	(2,389,721)	-2.4%
Total Revenue	\$ 285,655,669	\$ 307,308,000	\$ 314,815,000	\$ 326,042,000	\$ 18,734,000	6.1%	11,227,000	3.6%	\$ 336,560,000	\$ 10,518,000	3.2%

*Other Operating Revenue includes Finger Printing Fees, Utilities Reimbursements, Service Charges, Equipment Rental and Miscellaneous Revenues

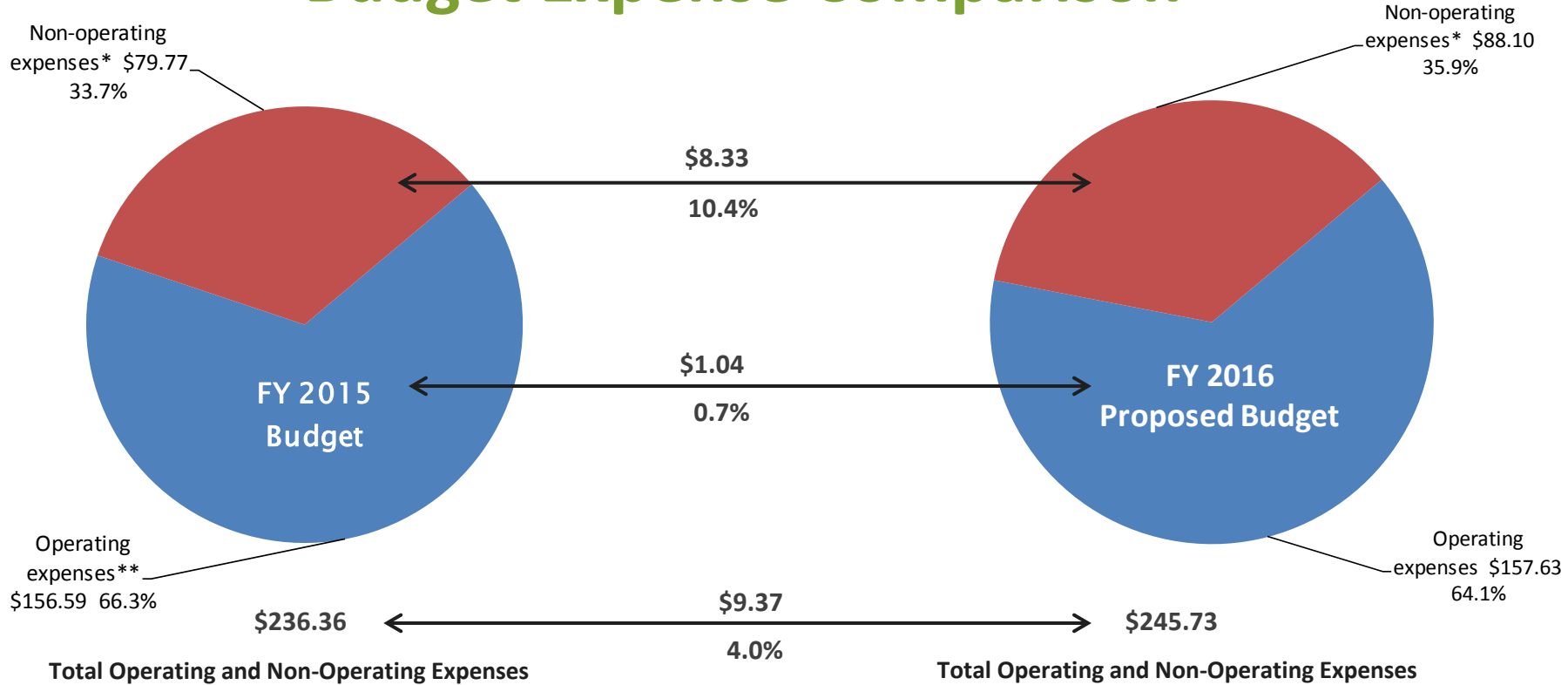


Expense Budget Overview

FY 2015 Budget vs FY 2016 Budget Proposed

Budget Expense Comparison

(in Millions)



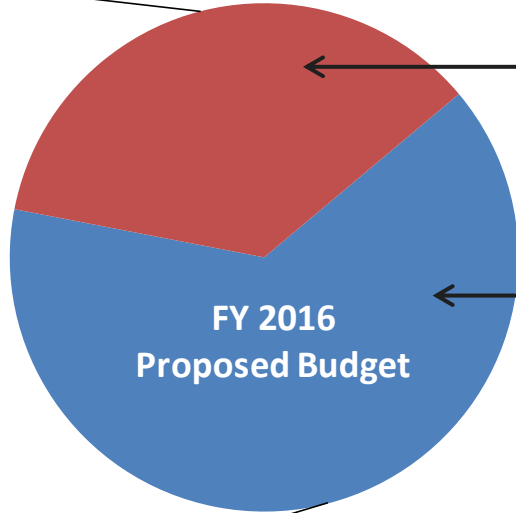
* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

** Includes SDCERS Unfunded Actuarial Liability (GASB Change)

FY 2016 Proposed Budget vs FY 2017 Proposed Conceptual Budget Comparison

(in Millions)

Non-operating expenses* \$88.10
35.9%



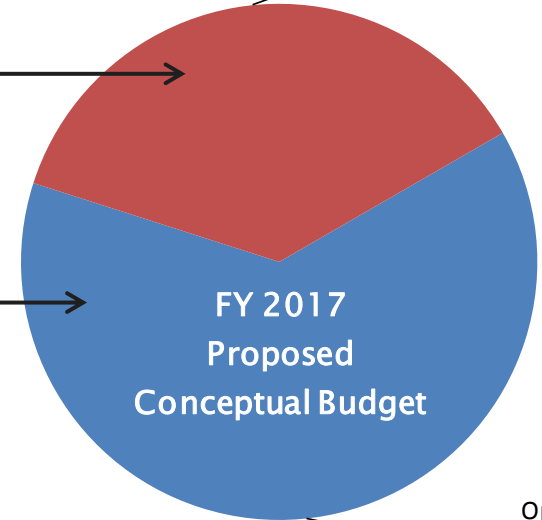
\$245.73

Total Operating and Non-Operating Expenses

\$8.61
9.8%

\$8.99
5.7%

\$17.60
7.2%



\$263.33

Total Operating and Non-Operating Expenses

Non-operating expenses* \$96.71
36.7%

Operating expenses \$166.62
63.3%

* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

FY 2016 Proposed – FY 2017 Proposed

Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 29,241,594	\$ 32,375,837	\$ 33,688,450	\$ 33,804,959	\$ 1,429,122	4.4%	\$ 116,509	0.3%	\$ 35,101,263	\$ 1,296,304	3.8%
Premium Overtime	969,743	841,000	841,000	699,500	(141,500)	-16.8%	(141,500)	-16.8%	701,000	1,500	0.2%
Employee Benefits	14,533,452	25,246,940	18,649,795	17,275,552	(7,971,388)	-31.6%	(1,374,243)	-7.4%	18,508,792	1,233,240	7.1%
Subtotal	44,744,789	58,463,777	53,179,245	51,780,011	(6,683,766)	-11.4%	(1,399,234)	-2.6%	54,311,055	2,531,044	4.9%
Less: Capitalized Labor	(4,924,983)	(6,055,685)	(6,362,450)	(5,936,320)	119,365	-2.0%	426,130	-6.7%	(6,071,838)	(135,517)	2.3%
Less: OHP - Labor/Burden/Labor Overhead	(684,521)	(663,928)	(688,119)	(674,897)	(10,969)	1.7%	13,223	-1.9%	(703,408)	(28,511)	4.2%
Total Personnel Expenses	39,135,284	51,744,164	46,128,675	45,168,794	(6,575,370)	-12.7%	(959,881)	-2.1%	47,535,810	2,367,016	5.2%
Non-Personnel Expenses											
Contractual Services	31,559,243	34,073,655	39,238,419	38,273,668	4,200,012	12.3%	(964,752)	-2.5%	41,307,797	3,034,129	7.9%
Safety and Security	24,150,563	25,001,794	25,794,332	25,704,383	702,589	2.8%	(89,948)	-0.3%	26,399,553	695,170	2.7%
Space Rental	10,478,262	10,450,296	10,424,581	10,428,514	(21,782)	-0.2%	3,933	0.0%	10,191,450	(237,064)	-2.3%
Utilities	8,680,410	9,557,536	10,414,599	13,121,913	3,564,377	37.3%	2,707,314	26.0%	14,804,627	1,682,714	12.8%
Maintenance	13,981,690	16,085,448	15,369,505	14,653,671	(1,431,777)	-8.9%	(715,835)	-4.7%	16,136,099	1,482,428	10.1%
Operating Equipment & Systems	670,237	558,235	682,027	573,065	14,830	2.7%	(108,962)	-16.0%	466,025	(107,040)	-18.7%
Operating Supplies	440,009	409,508	411,380	416,210	6,702	1.6%	4,830	1.2%	420,788	4,578	1.1%
Insurance	988,382	1,071,422	1,239,364	1,322,477	251,055	23.4%	83,113	6.7%	1,405,457	82,980	6.3%
Employee Programs	1,170,551	1,229,248	1,205,323	1,339,274	110,026	9.0%	133,951	11.1%	1,358,810	19,536	1.5%
Business Development	2,661,222	2,685,228	2,726,335	2,777,327	92,099	3.4%	50,992	1.9%	2,766,134	(11,194)	-0.4%
Equipment Rentals & Repairs	2,502,478	2,526,119	2,520,528	2,803,917	277,798	11.0%	283,388	11.2%	2,807,924	4,008	0.1%
Tenant Improvements	402,305	1,200,000	1,200,000	1,050,000	(150,000)	-12.5%	(150,000)	-12.5%	1,020,000	(30,000)	-2.9%
Total Non-Personnel Expenses	97,685,351	104,848,490	111,228,393	112,464,418	7,615,929	7.3%	1,238,025	1.1%	119,084,663	6,620,245	5.9%
Total Operating Expenses	136,820,635	156,592,654	157,355,069	157,633,212	1,040,559	0.7%	278,144	0.2%	166,620,473	8,987,261	5.7%
Non-Operating Expenses:											
Joint Studies/Sound Attenuation	15,275,997	14,955,716	14,734,811	14,734,811	(220,905)	-1.5%	-	0.0%	14,738,811	4,000	0.0%
Debt Service	63,980,316	64,658,631	73,037,120	72,418,977	7,760,346	12.0%	(618,144)	-0.8%	81,150,716	8,731,739	12.1%
Legal Settlements Expense	25,000	10,000	10,000	10,000	0	0.0%	-	0.0%	10,000	-	0.0%
Total Non-Operating Expenses	79,281,313	79,624,347	87,781,931	87,163,788	7,539,441	9.5%	(618,144)	-0.7%	95,899,527	8,735,739	10.0%
Total Expenses	216,101,948	236,217,000	245,137,000	244,797,000	8,580,000	3.6%	(340,000)	-0.1%	262,520,000	17,723,000	7.2%
Equipment Outlay	1,702,225	147,000	284,000	932,000	785,000	534.0%	648,000	228.2%	810,000	(122,000)	-13.1%
Total Authority Expenses incl Equip Outlay	\$ 217,804,173	\$ 236,364,000	\$ 245,421,000	\$ 245,729,000	\$ 9,365,000	4.0%	\$ 308,000	0.1%	\$ 263,330,000	\$ 17,601,000	7.2%



Capital Program Budget Fiscal Years 2016-2020

Capital Program Budget Summary

FY 2015 – 2019 Capital Improvement Program	\$ 530,645,466
Rental Car Center (CIP)	316,124,104
The Green Build	<u>820,000,000</u>
FY 2015 – 2019 Capital Program Budget	\$1,666,769,570
FY 2015 – 2019 CIP Project Closeouts & Adjustments	\$ (127,116,438)
The Green Build Closeout (except roof and PV elements)	<u>(812,821,670)</u>
FY 2015 – 2019 Capital Program Balance	\$ 726,831,462
Proposed FY 2016 – 2020 CIP Projects & Adjustments	<u>87,495,200</u>
Proposed FY 2016-2020 Capital Program Budget	\$ <u>814,326,662</u>

FY 2016 – 2020 Proposed Projects

Project	Budget	Funding Source
Update IT Master Plan	\$ 250,000	Cash
Expand Wi-Fi Coverage	2,839,500	Cash
Terminal Paging System Upgrade	2,330,000	Cash
Ground Transportation Systems Phase 3	1,100,000	Cash
Facilities Condition Assessment	800,000	Cash
Observation Area at Palm Street	2,250,000	Cash
World Trade Center Demolition	1,310,000	Cash
Terminal 2 East Improvements	4,170,000	Cash
Replace 3 ARFF Vehicles	4,080,000	AIP/PFC
Construct McCain Road Parking Lot	650,000	Cash
Widen Sassafras Street Intersection	6,000,000	Cash
T2W Restroom Remodel	1,200,000	Cash
HVAC Modernization in T2E & T2W	16,549,000	Cash
Electrical Modernization in T2W	5,590,000	Cash
Modernise Vertical Convenance - T1 & T2	4,431,700	Cash
Construct Janitorial Wash Areas in Terminals	740,000	Cash

FY 2016 – 2020 Proposed Projects

Project	Budget	Funding Source
Develop Mitigation Plan for Least Terns	\$ 2,000,000	Cash
Fire Suppression System	3,000,000	Cash
T1 & T2E Roof Replacement	15,000,000	Cash
Commuter Terminal 1st Floor Build-out	1,500,000	Cash
CT Roof Replacement	3,000,000	Cash
CT - Replace 2 Boilers	1,500,000	Cash
Capital Project Allowance	5,000,000	Cash
Hazardous Waste Storage Facility	600,000	Cash
NSU - Storm Drain Trunk	1,400,000	AIP/Bonds
Public Art Allowance	<u>205,000</u>	Cash
Total FY 2016 - 2020 Proposed CIP Projects	\$ 87,495,200	



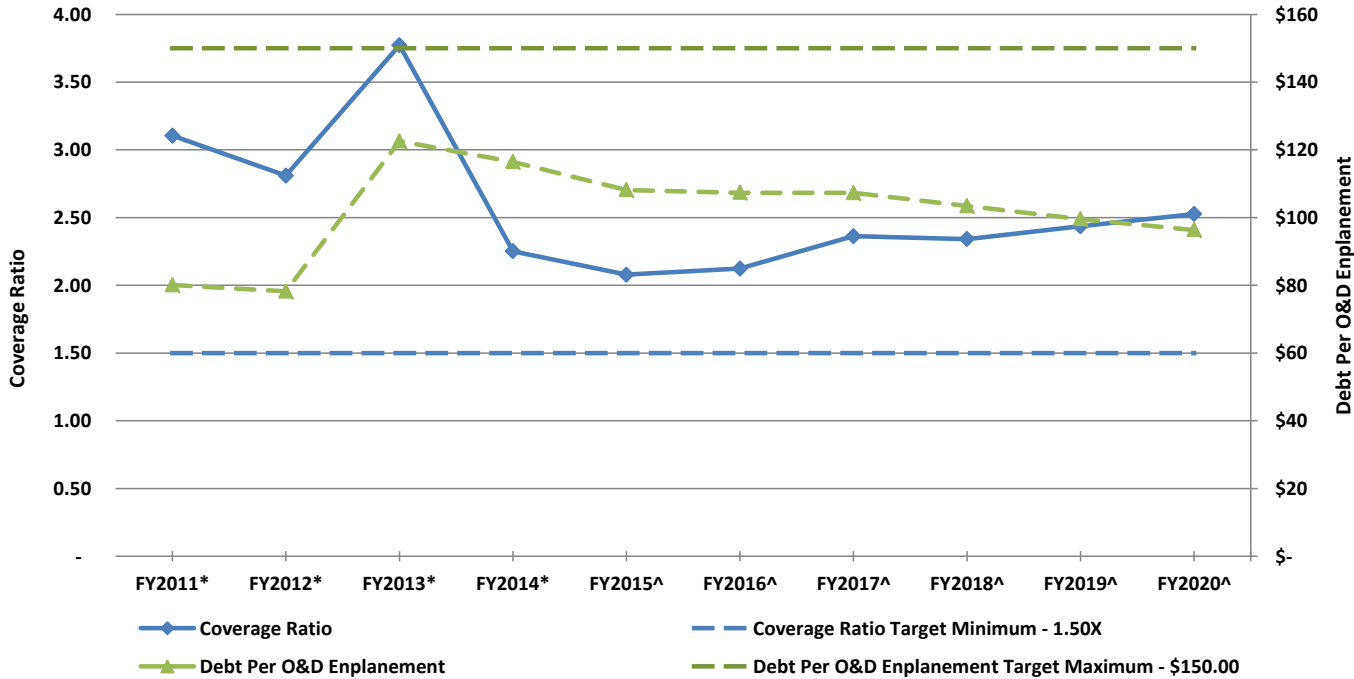
Plan of Finance Fiscal Years 2016-2020

Uses and Sources of Funds

<i>(in thousands)</i>	<u>Total Use of Funds</u>						
	Pre FY2016	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Capital Program	\$ 359,667	\$ 229,160	\$ 99,499	\$ 56,033	\$ 26,940	\$ 43,028	\$814,327
Finance Costs	73,820	-	-	-	-	-	73,820
Total	\$ 433,487	\$ 229,160	\$ 99,499	\$ 56,033	\$ 26,940	\$ 43,028	\$888,147

<i>(in thousands)</i>	<u>Total Sources of Funds</u>						
	Pre FY2016	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Special Facility Bonds	\$ 263,240	\$ 42,639	\$ -	\$ -	\$ -	\$ -	\$305,879
Airport Cash	32,156	54,218	51,060	49,737	23,458	11,575	222,204
Customer Facility Charges	62,918	52,893	-	-	-	-	115,811
Airport Revenue Bonds	66,411	9,412	-	-	-	-	75,823
Variable Rate Debt	-	26,217	33,583	-	-	-	59,800
Passenger Facility Charges	1,194	32,189	10,246	4,360	871	8,357	57,217
Federal Grants	7,567	11,592	4,610	1,936	2,612	23,096	51,413
TOTAL SOURCES OF FUNDS	\$ 433,487	\$ 229,160	\$ 99,499	\$ 56,033	\$ 26,940	\$ 43,028	\$888,147

Coverage Ratio & Debt Per Origin & Destination (O&D) Enplanement



* Actuals
 ^ Forecast



Conclusion

Conclusion

- Honors the Authority's legislative and regulatory mandates
- Provides necessary resources to accomplish the Authority's Strategies and Initiatives
- Enhances the financial position of the Authority through revenue enhancement and cost reduction/ containment
- Demonstrates the conservatism necessary to remain a sustainable enterprise
- Supports regional transportation partnerships and community outreach
- Maintains competitive rates for airline tenants and airport users
- Supports continued efforts to create sustainable Long Term Capital Plan and addresses facility maintenance needs

Questions?






SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: May 15, 2014

To: Board Members

Via: Thella F. Bowens, President/CEO

From: Scott M. Brickner, Vice President, Finance & Asset Management/Treasurer 

Subject: Budget Workshop Follow-up regarding FY 2016 Proposed & FY 2017 Proposed Conceptual Budgets

During the Board Budget Workshop which was held on May 11, 2015, the Board members asked for additional information or clarification on the following items:

1) Provide an explanation of the enplanement forecast.

The enplanement forecast for FY 2015 includes March YTD actual enplanements and three months of published schedules by airlines. Based on this data the forecast of FY 2015 enplanement growth would be 6.6%, however it has been adjusted downward to 6.4% to account for some temporary capacity increases.

The enplanement forecast for FY 2016 takes into account the FAA baseline estimate of 1.9 percent enplanement growth for FY 2016 coupled with a moderation of growth in the local SAN capacity. As the SAN market begins to process the large increase in capacity from FY 2015, it is expected that some, but not all of the capacity to key growth markets will be rationalized. Additionally, there are key economic indicators which continue to point to modest growth in passengers over the next fiscal year including improved local and national unemployment figures and continuing GDP growth.

In summary, we believe the enplanement forecast for FY 2016 of 1.7% is sufficiently conservative.

2) Provide an updated Expense Budget Graph (Budget Workshop Presentation Slide 56) with debt service shown separately.

Please see Attachment A.

3) Provide a cash flow schedule for the Capital Program with cash flow totaled by fiscal year.

Please see Attachment B.

4) Provide the Net Income slide (Budget Workshop Presentation Slide 196).

Please see Attachment C.

5) Provide a sensitivity analysis of our major financial metrics if enplanements were lower than budgeted.

The following revenue reductions would occur if enplanements were to be 1% (98,280) lower than budget:

	FY 2016 Proposed Budget	FY 2016 Budget with 1% enplanement decrease	Variance	% Change
Enplanements	9,828,000	9,729,720	(98,280)	-1.00%
Revenue	\$ 326,042,000	\$ 324,485,000	\$(1,557,000)	-0.48%
CPE	\$ 11.03	\$ 11.14	\$ 0.12	1.05%
Coverage	2.12	2.10	(0.02)	-1.18%
Days cash on hand	643	641	(2)	-0.30%
Debt per O&D Epax	\$ 107.35	\$ 108.44	\$ 1.09	1.02%

The Authority continually reviews local and national leading economic indicators, monitors airline activity and profitability, and industry trends leading to recessions or other shocks to the system (including shocks that may specifically affect SAN). If we see factors that lead us to believe that there will be a sustained negative financial impact, we will implement appropriate cost saving measures, updating the Board monthly regarding how and when these measures will be implemented.

The following are examples of the cost saving measures that would be considered:

- Hiring freeze on vacant and new positions
- Reduction in use of temporary employees and interns
- Reduce discretionary expenditures that have limited operational impact
- Postpone major maintenance/capital projects, new equipment and systems, and capital equipment purchases
- Reduce employee salary increases and benefits
- Reduce the size and scope of our community outreach efforts
- Reduce office supply usage
- Reduce contractual services
- Reduce facilities maintenance expenses

6) Provide additional information on the Salary Adjustment and Pay for Performance line item within the Major Driver sections of the Budget Workshop Presentation.

In the Budget Workshop Presentation Division sections, the salary adjustments, contracted wage increase and pay for performance drivers were combined into one line item. Please see the break-down of these components:

	FY 2016 Budget vs. FY 2015 Budget	FY 2017 Conceptual Budget vs. FY 2016 Budget
Pay for Performance and contracted wage increases	\$ 934,066	\$ 1,070,444
Salary adjustments for current staff	(225,194)	103,144
(Decrease)/Increase in overtime	(141,500)	1,500
Positions hired at rates lower than budget	(77,912)	-
Full year of FY 2017 expenses for FY2016 New Hires	-	107,805
Increase in vacancy savings	(5,782)	(6,161)
Total Salary adjustments, contracted wage increases and pay for performance	\$ 708,872	\$ 1,173,588

As an example, the Finance Division is shown below.

	FY 2016 Budget vs. FY 2015 Budget	FY 2017 Conceptual Budget vs. FY 2016 Budget
Salary adjustments, contracted wage increases and pay for performance	\$ 141,665	\$ 290,553
Pay for Performance	182,712	208,855
Positions hired at rates lower than budget	(41,047)	
Full year of FY 2017 expenses for FY2016 New Hires		81,697

7) Provide an estimated savings for FY 2015 with detail on the savings by category.

The break-down on estimated savings by category and type is as follows:

FY2015 Estimated Savings

(in millions)

Category	Estimated amount	Type	Comments
GASB No. 68	\$2.30	Non-cash	Unfunded actuarial liability
Total estimated non-cash savings	\$2.30		
Health Benefits	\$0.20	Savings	January 2015 renewal rate 0% vs. 9% budgeted
Sharp Copiers	\$0.03	Savings	New contract
AT&T Calnet	\$0.09	Savings	New contract
CISCO - SmartNet	\$0.10	Savings	Changing maintenance model
12kV	\$0.50	Savings	Scope reduction
Marketing Services	\$0.13	Savings	Reduction in consultant services
Total estimated "true" savings	\$1.04		
Salaries	\$1.87	Timing	Recruitments delay (Strategic Workforce Planning)
Benefits (excl. GASB No. 68)	\$0.75	Timing	Savings due to vacancies
ALUCP	\$1.25	Timing	ALUCP postponed to FY 2016
Legal Services	\$0.80	Timing	Timing of litigation
12kV	\$0.10	Timing	Project delay
Total estimated timing savings	\$4.77		
Utilities Expense Overage	(\$1.00)		
Total estimated FY 2015 savings	\$7.11		

8) Provide additional detail on the recoverable costs by cost center.

The break-down on recoverable expenses by cost center is as follows:

Cost Center	FY 2016 Proposed Budget	Recovery Percentage	Source
Terminal Building	\$ 62,506,183	70%	Airlines
Landside	29,834,718	10%	Ground Transportation
Airfield Area	28,464,106	100%	Airlines
Security Surcharge	21,491,542	Airside Security 100% Terminal Security 95%	Airlines
Ancillary	11,176,467	not recovered	
CDP	2,953,669	100%	Concessioners
CUPPS	1,206,527	100%	Airlines
Total Operating Expense Budget	\$ 157,633,212	63%	

9) Provide additional information regarding Other Post Employment Benefits (OPEB).

The Airport Authority provides a single-employer postemployment benefit plan for nonunion employees hired prior to May 1, 2006 and union employees hired prior to October 1, 2008. Because this a closed benefit plan, the number of employees are not increasing and are approximately 260. All employees hired subsequent can participate in a voluntary employee’s beneficiary association plan or VEBA plan.

The OPEB plan provides medical, dental, vision and life insurance benefits. The employees are eligible for these benefits if they retire from active employment after age 55 with 20 years of service or age 62 with five years of service.

The California Employer’s Retiree Benefit Trust fund managed by California Public Employees Retirement System or CalPERS administers the Authority plan. The Authority funds 100% of the annual required contribution on July 1st of each fiscal year as recommended by the actuary. Many agencies either partially fund or do not have a plan and fund through a “pay-go” system, thereby increasing the unfunded liability. Most plans in California are less than 5% funded with municipalities averaging 22% funded and school districts averaging below 10%. As of the actuarial valuation dated July 1, 2013 the plan was funded at 40.1% and the unfunded actuarial accrued liability was \$18.9 million and not the \$24 million mentioned during the Budget Workshop. The actuarial valuation is performed on a biannual basis. The next valuation will be prepared as of July 1, 2015.

10) Provide additional information on how the Transportation Network Company (TNC) pilot program is funded.

During the Budget Workshop reference was made to the start-up costs of the TNC Pilot Program and that TNC companies would prepay for the expenses associated with operating the TNC Pilot Program. These costs are collected at the time the permit is obtained and not included in the calculation of the TNC trip fee for FY 2016.

The following table shows the TNC Pilot Program costs.

TNC Pilot Program costs through June 2016	
Costs for Terminal Car Park Record Keepers	\$ 238,400
Admin costs to compare to TNC records	75,200
Background checks	17,500
Software License	10,000
Pilot Program Costs	\$ 341,100

The TNC Pilot Program costs of \$341,100 represent the total pilot program, \$247,600 are costs allocated to FY 2016 and \$93,500 are allocated to FY 2015. The trip fees that TNCs will pay during FY 2016 are calculated on the proportional share of non-startup expenses allocated to the mode.

The start-up costs shown above are the budgeted costs that will be charged at the beginning of the TNC Pilot Program. At the conclusion of the TNC Pilot Program a reconciliation of actual expenditures versus budgeted costs will be performed and the final amounts will be settled with the TNC permit holders.

11) Comment on the “Off Airport Parking Mode 2016 Annual Permit (Subsidizing)” graph presented by San Diego Airport Parking Company.

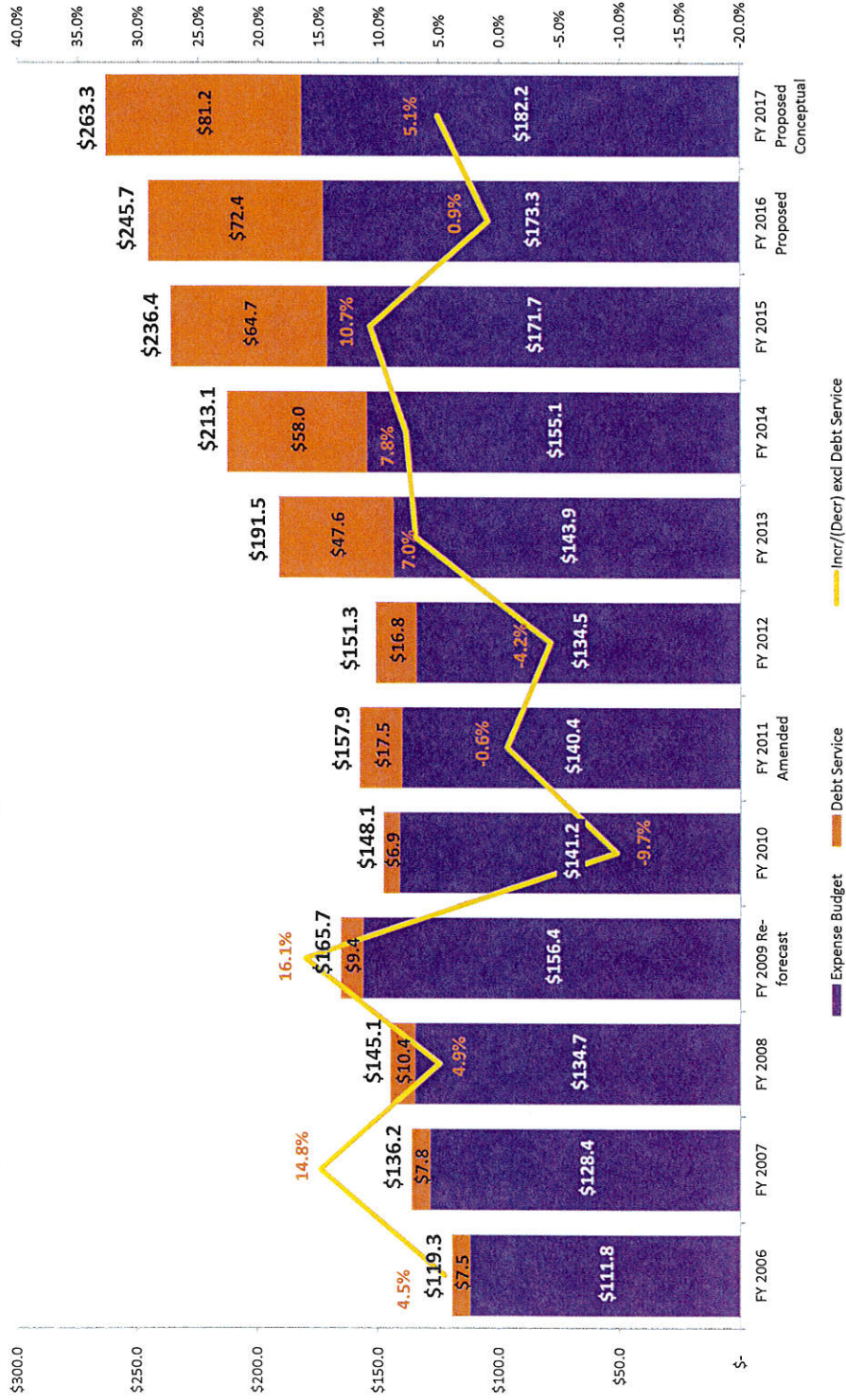
During the Budget Workshop a representative of San Diego Airport Parking Company introduced a graph (see Attachment D) that showed that the smaller operators within the Off Airport Parking mode were subsidizing the larger operators as they were paying a disproportionate share of the annual permit fees. Staff agrees with this representation and to address this inequality recommended to the Board during the October 2, 2014 meeting a plan to transition all commercial permit operators from an annual permit payment to a trip fee payment method.

In FY 2016 due to the delayed implementation date of the trip fees, cost recovery from the off-airport parking modes will be assessed a pro rata permit fee that reflects their estimated trips during the first quarter (this pro rata sharing of the permit fee addresses the subsidizing concern that was introduced by San Diego Airport Parking Company)

Please contact me at (619) 400-2838 if you have questions or need additional information.

Expense Budget FY 2006 – FY 2017

Attachment A



Attachment B

Current CIP Projects

\$ in millions

Project	Status	Budget	Funding Source	Pre 16	FY 16	FY 17	FY 18	FY 19	FY 20
Comprehensive Strategic Master Drainage Plan	Planning	1.1	Bonds	0.4	0.7				
SDIA Airport Development Plan	Planning	6.5	PFC	4.0	1.2	1.3			
Replace & Refurbish Passenger Boarding Bridges	Planning	23.3	Cash / PFC	0.4	7.8	5.3	5.6	4.2	
Pavement Rehab. - Pavement Management Study	Planning	0.5	Cash	0.4	0.1				
FMD Capital Expenditures - Terminal	Planning	3.7	Bonds / Cash		3.7				
Replace Terminal Seating in T1 & T2	Planning	5.4	Cash			2.1	3.3		
Cargo Development Oversight	Planning	1.6	Cash			1.3	0.3		
Cargo Taxiways	Planning	9.6	PFC			4.8	4.8		
Environmental Assessment for Taxiway B Relocation	Planning	0.3	Cash / PFC				0.3		
Rehabilitate Runway 9-27 Wing Pavement	Planning	12.3	AIP / PFC		0.1	2.4	7.1	2.7	
Rehabilitate Cross Taxiways (B4-B7, C3-C6) & CT Apron	Planning	12.3	Cash			1.6	7.8	2.9	
Reconstruct Aprons at Cargo Terminal and T1	Planning	1.2	AIP / PFC				0.2	1.0	
Rehabilitate Runway 9-27 Keel Pavement	Planning	7.3	AIP / PFC				0.4	1.2	5.7
Relocate Taxiway B - Phase II	Planning	30.0	AIP / PFC				2.3	27.7	

Current CIP Projects

\$ in millions

Project	Status	Budget	Funding Source	Pre 16	FY 16	FY 17	FY 18	FY 19	FY 20
Relocate Taxiway B - Phase I	Design	8.9	AIP / PFC	0.3	0.3	8.3			
Upgrade Remaining 12 Remote Noise Monitoring Poles	Design	0.7	PFC / Cash	0.2	0.5				
Update Ground Transportation Systems - Phase II	Design	0.6	Cash	0.4	0.2				
SDIA Wayfinding Signage - Parking	Design	0.7	Cash	0.5	0.2				
SDIA Wayfinding Signage - RCC	Design	1.7	CFC	0.8	0.9				
SDIA Wayfinding Signage - RCC Bus Notification System	Design	0.7	Cash/CFC	0.1	0.6				
Rehabilitate Cross Taxiway B8 and Terminal Aprons	Design	8.5	Cash / PFC	0.8	7.7				
Construct RCC Bus Parking Facility	Design	8.8	CFC	1.3	7.5				
Develop Administrative Space	Design	5.3	Cash	3.1	2.2				
Employee Parking Lot 6 Expansion	Design	6.6	Cash	0.5	6.1				
Construct Taxi Hold Lot	Design	5.7	Cash	0.3	5.4				
Air Freight Buildings Roof Replacement	Design	2.2	Cash	0.3	1.9				
Hazardous Waste Storage Facility	Design	0.6	Cash	0.4	0.2				
Solid Waste Disposal and Recycling Facility	Design	1.1	Cash	0.2	0.9				
Pavement Rehabilitation - Air Freight Bldg.	Design	1.1	Cash	0.1	1.0				
Construct Concessionaire & Janitorial Wash Areas	Design	0.1	Cash	0.1					

Current CIP Projects

\$ in millions

Project	Status	Budget	Funding Source	Pre 16	FY 16	FY 17	FY 18	FY 19	FY 20
East Side Fiber Loop Installation	Design	0.7	Cash	0.1	0.6				
Terminal 2 Parking Plaza	Design	82.1	Cash	6.5	30.0	44.2	1.4		
RCC Small Market-share Build-outs	Design	4.7	Cash	1.0	3.7				
Wind Tunnel South-Facing Wall - Public Art	Design	0.4	Cash		0.4				
Runway 9 Displaced Threshold Relocation	Construction	5.6	AIP / PFC	3.2	2.4				
North Side Utility Infrastructure - Storm Drain Trunk	Construction	14.0	AIP/Bonds/CFC	4.8	9.2				
Terminal Link Road	Construction	14.0	Bonds/Cash/CFC	11.6	2.4				
Construct Airport Electrical Distribution System	Construction	28.6	Bonds/Cash/CFC	28.2	0.4				
Enterprise Content Management System	Construction	1.5	Cash	1.0	0.5				
E-Project Management System	Construction	0.5	Cash	0.4	0.1				
Update Ground Transportation Systems - Phase I	Construction	2.4	Cash	2.0	0.4				
SDIA Wayfinding Signage - Terminals	Construction	1.9	Cash	1.4	0.5				
Acquire RCC Buses	Construction	8.8	CFC	0.8	8.0				
Construct North Side Bypass Taxiway	Construction	10.0	AIP / PFC	3.8	6.2				
Reconfig. Security Chkpt 2/Refurb T1 Rot./Bag. Claim	Construction	8.4	Bonds / Cash	8.4					

Current CIP Projects

\$ in millions

Project	Status	Budget	Funding Source	Pre 16	FY 16	FY 17	FY 18	FY 19	FY 20
T2E CUPPS Expansion	Construction	2.8	Cash	0.9	1.9				
FIS Passenger Processing Improvements	Construction	1.4	Cash	1.4					
Modernize SIEMENS APPOGEE Bldg. Control System	Construction	1.0	Cash	0.5	0.5				
Northside Additional Landscaping	Construction	3.4	Cash / CFC	1.2	2.2				
Restaurant Development at RCC	Construction	6.9	Cash	3.4	3.5				
T2E Ceiling Art Integration - Public Art	Construction	0.3	Cash	0.3					
CT Exterior East-Facing Wall - Public Art	Construction	0.3	Bonds	0.1	0.1	0.1			0.1
Exhibition Display Equipment - Public Art	Construction	0.1	Cash	0.1					
NTC Landfill Remediation Project	Closeout	1.5	Bonds / Cash	1.2	0.3				
TDY Site Demolition (Residual for Phase II)	Closeout	4.0	Bonds / CP	4.0					
Interior North Side Road and Utilities	Closeout	17.8	Bonds/Cash/CFC	17.6	0.2				
TLR - Triturator	Closeout	2.3	Cash	1.7	0.6				
Concession Development Program Support	Closeout	4.4	Bonds / Cash	4.4					
Replace Passenger Boarding Bridges in T1	Closeout	2.8	PFC	2.4	0.4				
Terminal Flight Information Display System Update	Closeout	0.9	PFC	0.9					
Public Art Allowance - Program	Program	<u>1.7</u>	Bonds / Cash		0.4	0.4	0.3	0.4	0.2
Total Current CIP Projects		\$403.5		127.9	124.0	71.8	31.5	14.6	33.7

Budget Workshop Presentation Slide 114

FY 2016 – 2020 Proposed CIP Projects

\$ in millions

Project	Budget	Funding Source	FY 16	FY 17	FY 18	FY 19	FY 20
HVAC Modernization in T2E & T2W	16.5	Cash	0.5	3.0	3.0	3.0	7.0
T1 & T2E Roof Replacement	15.0	Cash		7.5	7.5		
Widen Sasafra Street Intersection	6.0	Cash	0.6	2.9	2.5		
Electrical Modernization in T2W	5.6	Cash	0.3	1.0	1.0	1.0	2.3
Capital Project Allowance	5.0	Cash	5.0				
Modernize Vertical Conveyance - T1 & T2	4.4	Cash	0.3	3.1	1.0		
Terminal 2 East Improvements	4.2	Cash	0.8	3.4			
Replace 3 ARFF Vehicles	4.1	AIP/PFC	0.6	2.1	1.4		
Fire Suppression System	3.0	Cash			3.0		
CT Roof Replacement	3.0	Cash			2.7	0.3	
Expand Wi-Fi Coverage	2.8	Cash	0.2	2.5	0.1		
Terminal Paging System Upgrade	2.3	Cash	0.3	2.0			
Observation Area at Palm Street	2.3	Cash	0.4	1.9			
Develop Mitigation Plan for Least Terns	2.0	Cash		0.4	1.2	0.4	
Commuter Terminal 1st Floor Build-out	1.5	Cash	1.4	0.1			
CT - Replace 2 Boilers	1.5	Cash			1.5		

FY 2016 – 2020 Proposed CIP Projects

\$ in millions

Project	Budget	Funding Source	FY 16	FY 17	FY 18	FY 19	FY 20
NSU - Storm Drain Trunk	1.4	AIP/Bonds		1.4			
World Trade Center Demolition	1.3	Cash		0.3	1.0		
T2W Restroom Remodel	1.2	Cash	1.1	0.1			
Ground Transportation Systems Phase 3	1.1	Cash	0.1	1.0			
Facilities Condition Assessment	0.8	Cash	0.4	0.4			
Construct McCain Road Parking Lot	0.7	Cash	0.7				
Construct Janitorial Wash Areas in Terminals	0.7	Cash	0.7				
Hazardous Waste Storage Facility	0.6	Cash		0.6			
Update IT Master Plan	0.3	Cash	0.3				
Public Art Allowance	<u>0.2</u>	Cash			0.1	0.1	
Total FY 2016 - 2020 Proposed CIP Projects	\$ 87.5		13.7	27.7	24.5	12.3	9.3

FY 2016 – 2020 Capital Program

\$ in millions

Project	Budget	Funding Source	Pre 16	FY 16	FY 17	FY 18	FY 19	FY 20
Total FY 2016 - 2020 CIP Program	\$ 491.0		127.9	137.7	99.5	56	26.9	43.0
Rental Car Center	\$ 316.1	CFC	231.8	84.3				
The Green Build	<u>7.2</u>	Bonds		7.2				
Grand Total FY 2016 - 2020 Capital Program	\$ <u>814.3</u>		359.7	229.2	99.5	56.0	26.9	43.0

Forecast of Net Income and Net Cash Available For Capital Projects

		FY15	FY16	FY17	FY18	FY19
Total Operating Revenue	\$	209,408	\$ 221,134	\$ 233,843	\$ 252,933	\$ 260,039
Total Operating Expenses		(156,593)	(157,633)	(166,620)	(172,930)	(177,800)
Depreciation/Amortization		(73,344)	(76,200)	(78,888)	(78,982)	(79,079)
Operating Income (Loss)		(20,529)	(12,699)	(11,665)	1,021	3,160
Non-Operating Revenue (Expenses)		4,979	10,375	15,414	20,735	23,453
Capital Grant Contributions		9,787	11,592	4,610	1,936	2,612
Net Income	\$	(5,764)	\$ 9,267	\$ 8,360	\$ 23,692	\$ 29,225
<i>Adjustments to Net Income *</i>		34,091	23,431	31,219	23,262	20,998
Net Cash Available for Capital Projects	\$	28,327	\$ 32,698	\$ 39,579	\$ 46,955	\$ 50,222

* Depreciation/Amortization; Non-Operating Revenue/Expenses (e.g. CFCs and PFCs); capital grant contributions; principal and capitalized interest

2011 - 2016 Permits

<u>Permit Year</u>	<u>GT Cost</u>	<u>FY Budget (2 yr. delay)</u>
2011 =	\$9.2 Million	(FY 2009)
2012 =	\$10 Million	(FY 2010)
2013 =	\$9.8 Million	(FY 2011)
2014 =	\$9.5 Million	(FY 2012)
2015 =	\$9.9 Million	(FY 2013)

FY 2014 & FY 2015 budgets are **missing** due to the acceleration of the budget for the 2016 “Trip Fees”

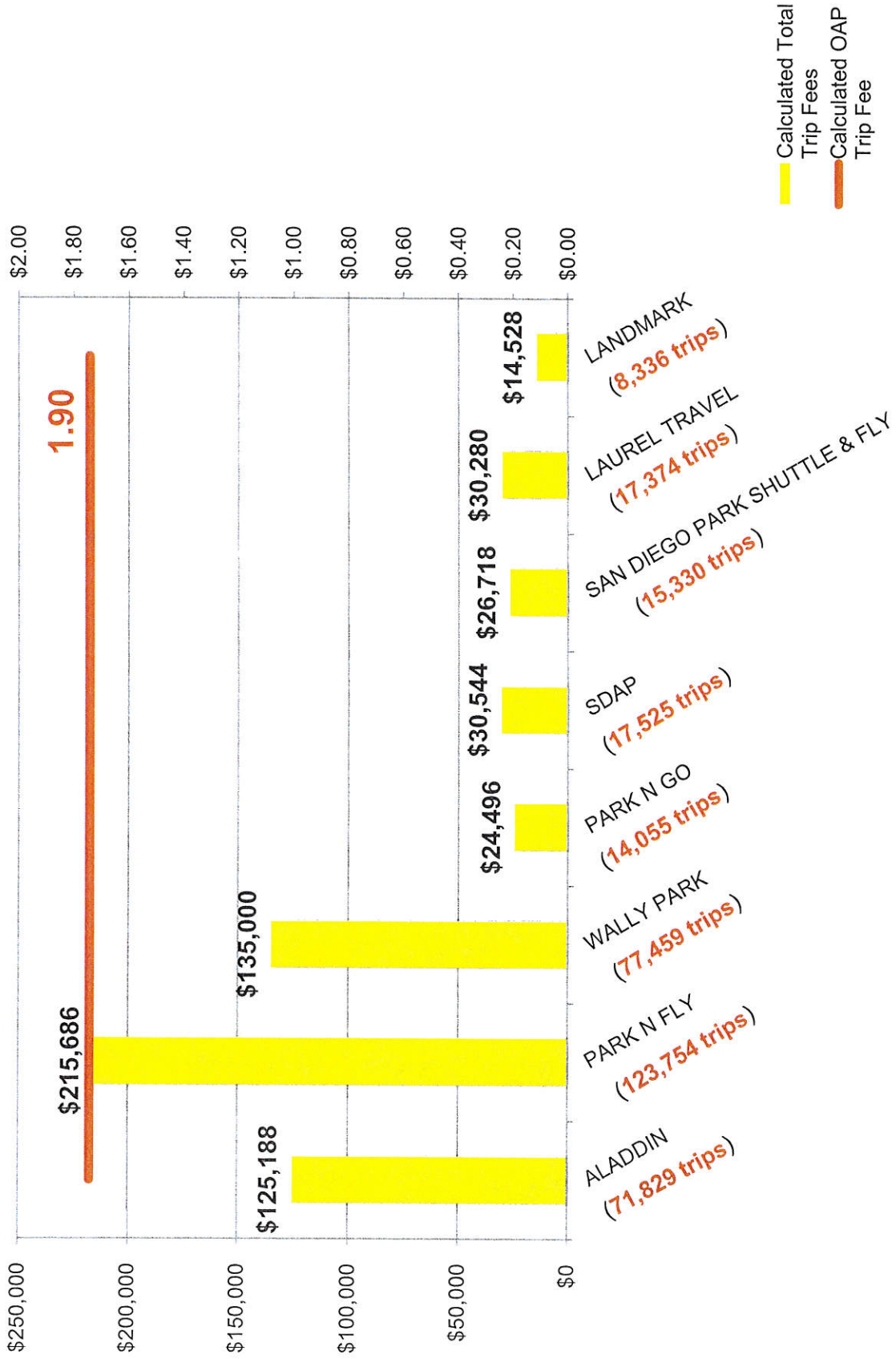
2016 = **\$14.4 Million** (FY 2016 / Current)

2016 Extreme Increases & Subsidizing Large Operators

- (1) A 45 % increase in the GT Cost: from \$10M to \$14.4M
- (2) A 150 % increase in the sum of trips that I do NOT do:
 - Small OAP = 2k trips/mo. -- VS ---
 - Large OAP = 5k to 6k trips/mo.
- (3) This would equate to a 50% increase or more for my 2016 Trip Fees:

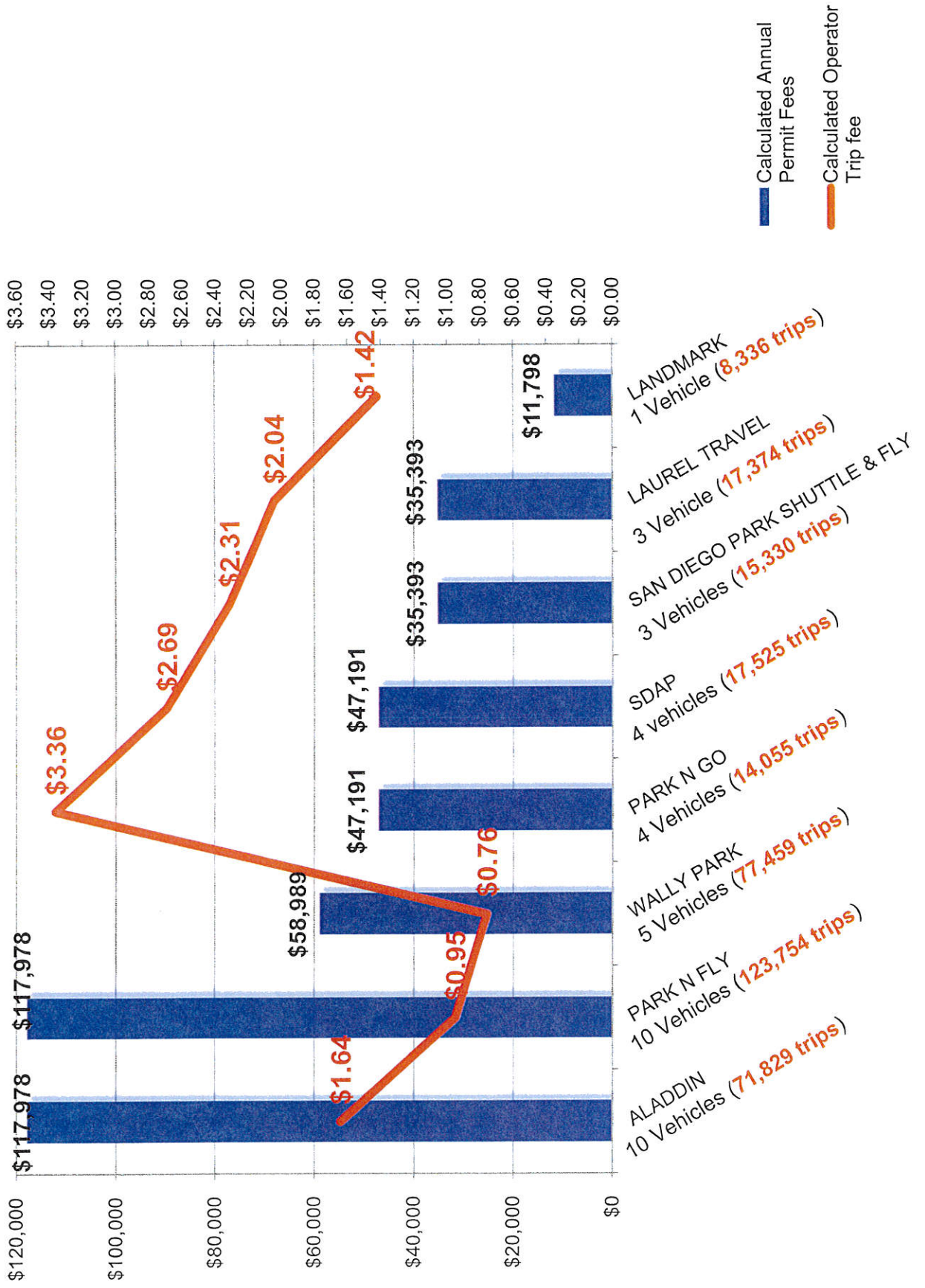
Subsidizing means I end up paying close to a \$2.9 trip VS the \$1.9 fee.

**OAP 2016 TRIP FEE (ACTUAL USE) — \$1.90 PER TRIP
 (243,000 OAP trips at \$1.90 each = \$461K allocated OAP cost)**



OAP 2016 ANNUAL PERMIT (SUBSIDIZING) --- BASE PERMIT FEE: \$11,798

(OAP allocated cost = \$461K, 39 OAP permits = \$461K)



Trip Fee Immediate Benefits

Finance:

1. It eliminates the budgets 2 year delay.
2. The Airport will collect more revenue in a current Budget.
3. Record keeping will be more simple & accurate.
4. Eliminates subsidizing the larger operators trip use.
5. Each Operator will pay for their own actual Trip use.

Air Quality:

1. Trip fees encourage each operator to be more efficient.
2. More Efficiency reduces trips and thereby will reduce Emissions & Congestion.



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
25**

Meeting Date: **MAY 21, 2015**

Subject:

2015 Ground Transportation Update

Recommendation:

Accept the update.

Background/Justification:

Introduction

The Authority's Ground Transportation function oversees and manages 1) airport-permitted commercial vehicle operators and drivers; 2) traffic control and code enforcement; 3) parking and shuttle contracts; and 4) Rental Car Center (RCC) bussing operations. These essential airport passenger services enable convenient airport access, provide readily available and various parking options and the delivery of safe and secure commercial transportation services.

This 2015 Ground Transportation staff report summarizes the status and/or results for:

- a. Taxicab and Vehicle for Hire (VFH) Memorandums of Agreement (MOA)
- b. Vehicle Conversion and Greenhouse Gas (GHG) emissions reductions
- c. Rental Car Center (RCC) bus procurement and operations
- d. Trip fee transition
- e. Commercial Vehicle Regulatory Reform Meeting- April 8, 2015
- f. Transportation Network Company (TNC) permit status

Memorandums of Agreement

The VFH and Taxicab MOAs formalized the working relationships and agreement terms between the Authority and the three VFH and three taxicab consortiums to (1) enhance transportation services provided by the local VFH and Taxicab industry at SDIA, (2) increase airport service provider involvement with developing ground transportation policy and procedures; and (3) establish performance requirements and associated consequences. All parties agree that passenger satisfaction and a more positive perception of the Authority and industry comes about with effective and efficient commercial vehicle travel alternatives and that greater customer satisfaction fosters increased community support for SDIA's ground transportation improvement programs.

000210

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The Authority sought through the MOA to improve the overall ground transportation system performance of:

- SDIA roadway and traffic safety improvements;
- Efficient commercial shuttle/taxicab circulation and passenger access procedures;
- Shuttle/Taxicab and driver/occupant mishap risk reduction programs;
- SDIA ground transportation facility and support system upgrades;
- Upgrades to shuttle/taxicab tracking, customer reservation capabilities and credit card transaction equipment;
- Shuttle/Taxicab availability, particularly during peak hours and late at night;
- Customer service programs designed to enhance the traveler experience through the landside environs;
- Improved ADA service, more convenient accommodations and increased traveling options for the disabled;
- Improved shuttle/taxicab appearance and driver professionalism;
- Uniform compliance with SDIA Rules and Regulations governing commercial ground transportation operations; and
- Environmental leadership program implementation, particularly in air quality improvements and greenhouse gas emission reductions.

In December 2014, the three taxicab consortiums, San Diego Transportation Association (SDTA), San Diego Taxi Association (SDTXA), Independent Cab Owners' Association (ICOA) and the three Vehicle for Hire (VFH) shuttle consortiums, SuperShuttle, San Diego County Airport Shuttle Association (SDCASA) and First Class Transportation (FCT) approved an updated version of the MOA for the next three years. The MOA established the following requirements and associated consequences for:

1. Shuttle/Taxicab Safety, Condition and Appearance
2. Driver Training, Customer Service, and Professionalism
3. Shuttle/Taxicab Availability
4. Passenger Wait Times
- 5.1 Shuttle/Taxicab Modernization- Systems, Equipment and Operations
- 5.2 Shuttle/Taxicab Modernization- Conversion
6. Dispatch Operations and Customer Service Representative ("CSR") Personnel
7. Americans with Disability Act ("ADA") Services
8. Industry Communication and Collaboration

Consortium representatives continue to meet monthly with Airport staff to review operational activities and issues, key performance measures and the related consequences. All parties are committed to improving the collaborative relationships and to work diligently to address common issues and deficiencies.

Vehicle for Hire/Shuttle Van

Since the MOA's January 1, 2015 inception, these requirements are currently underway:

MOA Requirement	Status and/or Result
<p>VFH Modernization- Systems, Equipment and Operations</p> <p>VFH Van Information Display System (Transportation Island Passenger Information Kiosks)</p> <p>Authority to provide VFH fare and vehicle curbside kiosks to provide prospective customers with specific VFH operators and more specific rates of fare. Airport customers will be able to enter their destination (either zone or zip code) and received a list of the available operators and the transportation cost options.</p>	<p>February 1, 2015 (Completed) The Authority is working with a software provider (RideScout) to design and implement the kiosks to provide VFH customers with fare, map and other trip information. The system requirements have been defined and are currently under review. These kiosks will be located adjacent to the VFH curbside booths.</p> <p>February 1, 2015 to June 30, 2015 (In progress) Consortiums shall work with the Authority and the qualified software vendor to define pertinent hardware/equipment and application programming and how each Consortium will generate the needed data and maintain its accuracy.</p> <p>July 1, 2015 - December 31, 2015 Each Consortium will provide the necessary technical resources to test and evaluate with the Authority, the software application, its integration with the Consortium's database and the Authority's kiosk operation.</p>
<p>Credit Card equipment and transaction processing</p> <p>All Consortium shuttles are required to have an operational "back of seat" credit card equipment allowing customers to personally transact the payment (without relinquishing control of their credit card, email address or other personal information) and to obtain a printed receipt or email receipt or both if requested by the customer without driver intercession or preference.</p>	<p>May 15, 2015 (Completed)</p>

MOA Requirement	Status and/or Result
<p>Credit Card equipment and transaction processing (cont.)</p> <p>Permitted shuttle drivers shall use this system for all credit card processing and receipt printing. Shuttle permit holders and drivers shall ensure the shuttle's credit card equipment is operational at all times and that credit card transaction processing is conducted in accordance with the defined requirements</p>	
<p>Shuttle Dispatch Operations and Customer Service Representative ("CSR") Personnel</p> <p>CSR Transition</p> <p>Each Consortium's CSR staff and shuttle drivers shall deliver the highest level of customer service and professional conduct. The Authority expects all Consortiums to provide effective and efficient dispatch functions with fully trained, competent and motivated personnel. The CSR staff shall consistently demonstrate the curbside skills and dispatch proficiencies needed to quickly summon and organize shuttles, manage passenger demand and address customer information requests for fares, travel times and shuttle options.</p> <p>(Authority) to provide an Airport Traffic Officer (ATO) staffing plan to ensure sufficient coverage to improve operational readiness, perform more frequent inspections, and enforce the Airport's Rules and Regulations.</p>	<p>February 1, 2015 (Completed) CSR job descriptions and recruitment notices for Authority approval. Both SDCASA and First Class Transportation have submitted the requisite job descriptions and recruitment notices and obtained Authority approval.</p> <p>March 1, 2015 (Completed) The Authority has provided the current and proposed staffing schedule highlighting the days and times ATO staffing is typically available. The scheduled showed that currently full time staffing is available weekly for 1½ shifts per week. Part time coverage for the remainder of the week</p> <p>April 1, 2015 (Completed) CSR recruitment, hiring, and staffing schedules. Both SDCASA and First Class Transportation have submitted the requisite job descriptions and recruitment notices and obtained Authority approval.</p> <p>May 1, 2015 (Completed) Consortium- approved CSR service contract or agreement or the specific names of hired employee provided to the Authority for review. Prime Time notified the Airport of their willingness to begin the new CSR program any time after May 1.</p>

	Staff is working with PrimeTime and SDCASA on early implementation.
MOA Requirement	Status and/or Result
CSR Transition (cont.)	<p>June 1, 2015 Final staffing plan with the names and work hours for selected CSRs and allow the newly recruited CSRs the opportunity to work and train alongside the current ACE Parking CSR staff.</p> <p>July 1, 2015 CSR staff will be fully trained and qualified to assume all assigned shuttle dispatch, customer service and curbside management duties. Detailed curbside operating plan to the Authority to coordinate and formalize procedures and practices</p>

Taxicabs

Since the MOA's January 1, 2015 inception, these requirements are currently underway:

MOA Requirement	Status and/or Result
<p>Taxicab Availability</p> <p>All taxicab Consortiums, permit holders and their drivers are required to meet customer demand during normal operating hours (from 8:00 a.m. to 12:00 a.m. daily, sixteen (16) operational hours) with sufficient taxicab availability to ensure that no greater than a ten (10) minute wait time is experienced. Taxicab passenger wait times greater than the ten (10) minute standard will be flagged and the available taxicabs for that time period tracked and recorded. From January 1st through December</p>	<p>January 1, 2015 - April 1, 2015</p> <p>Although taxicab availability continues to be problematic, general availability has met the requirement for January- March 2015.</p>

MOA Requirement	Status and/or Result
<p>31st, 2015, all Consortiums will fulfill the availability requirement by ensuring taxicabs are in sufficient supply and responsive to passenger demand within the 10 minute wait time standard for 14.4 or more operational hours per day ("90% taxicab availability") (i.e., sufficient taxicabs are available to meet customer demand within the 10 minute standard for 14.4 hours or more during the operational time).</p>	
<p>Passenger Wait Times</p> <p>All Consortiums, and their permit holders and drivers are required to meet customer demand during normal operating hours (from 8:00 a.m. to 12:00 a.m. daily, sixteen (16) operational hours) with sufficient taxicab availability to ensure that no greater than a ten (10) minute wait time is experienced. Taxicab passenger wait times greater than the ten (10) minute standard will be flagged and the available taxicab for that time period tracked and recorded. From January 1st through December 31st, 2015, all Consortiums will fulfill the passenger wait time requirement by ensuring taxicabs are in sufficient supply and responsive to passenger demand within the ten (10) minute wait time standard to not exceed 1.6 operational hours or 96 minutes per day ("10% passenger wait time") (i.e., customers will wait no more than 10 minutes for no more than 1.6 hours during the operational time period).</p>	<p>January 1, 2015 - April 1, 2015</p> <p>Although passenger wait times continue to be problematic, the wait time requirement has been met for January- March 2015.</p>

MOA Item	Requirement and Update
<p>Taxicab Modernization - Systems, Equipment and Operations</p> <p>Credit Card equipment and transaction processing</p> <p>Global Positioning System (GPS)</p> <p>"On demand" cab hailing system</p>	<p>May 1, 2015 (Completed) Mobile credit card equipment was not available from the distributor in March and April prompting a 30 day extension for compliance. All taxicabs compliant with the Airport's credit card equipment requirements.</p> <p>By July 1, 2015 (In Progress) Permitted taxicabs will have a tested, installed and operational global positioning system ("GPS")</p> <p>September 30, 2015 (In progress) All Consortiums will submit a plan to evaluate the feasibility of equipping taxicabs with the necessary hardware and software to provide an "on demand" passenger pickup service</p>

Vehicle Conversion and Greenhouse Gas (GHG) Emissions reductions

Airport commercial vehicle operators (with the exception of limousines and charter vehicles) continue their fleet conversion from conventional gasoline to more efficient hybrids, natural gas, bio-diesel, electric and propane vehicles. The adoption and use of these more environmentally friendly vehicles and fuel types has been helped substantially by a better understanding of the technologies, expanding fueling infrastructure and more widely available vehicle types. This effort has greatly reduced the GHG emissions and contributed to the reduction of the airport's carbon footprint.

Airport taxicab conversions took a big step forward when the San Diego County Air Pollution Control District (APCD) began offering \$4000 rebates to permit holders to scrap their older Ford Crown Victoria sedans for replacement with hybrid, alternative/clean air fuel and electric vehicles. As of May 1, 2015, 17 of the 80 Crown Victoria vehicles remaining in the airport's taxicab fleet have been converted. Rebate applications are being accepted through May 31, 2015, with all payments being done by June 30.

As of May 1, 2015, permitted vehicle conversions stand at:

Commercial Vehicle Mode	Total vehicles	Vehicles Converted	%
Airport Parking and Terminal Shuttles			
Airport Loop/Red Bus (Diesel) ¹	5	0	0%
Airport Parking Shuttles (Propane)	18	18	100%
Employee Bus (CNG) ²	6 (9)	6 (9)	100%
Taxicabs	354	302	85%
San Diego Transportation Association (SDTA)	218	190	87%
San Diego Taxi Association (SDTXA)	81	71	88%
Independent Cab Owners Association (ICOA)	55	41	75%
Vehicle for Hire	124	62	50%
San Diego County Airport Shuttle Association (SDCASA)	38	18	47%
Prime Time Shuttle	13	9	69%
SuperShuttle	73	35	48%
Courtesy Vehicles	213	55	26%
Off Airport Parking ⁴	40	31	78%
Courtesy (Hotel/Motel)	85	10	12%
Rental Car Shuttles ³	88	14	16%
Limousines⁵	1045	138	13%

¹ The Airport Loop - Red Bus (diesel) will be retired from service when the leases expire (August 2015).

² The Employee Bus fleet (CNG) will be expanded to 9 to accommodate the Employee Lot expansion (December 2015).

³ The existing 85 vehicle rental car fleet will be substantially reduced when the airport assumes the RCC bus operation and 16 CNG buses are placed into service (January 2016).

⁴ Includes one (1) zero emissions vehicle (ZEV).

⁵ Limousines were exempted from the Airport's conversion requirements (October 2014).

The reduction of GHG (CO₂) emissions is a function of: 1) vehicle fuel type (gasoline, diesel, CNG or propane); 2) miles driven by vehicle fuel type; 3) miles per equivalent gallon; and 4) total miles driven. To date the following GHG results have been realized:

Commercial Vehicle Mode	2010 GHG base-line emissions (kg CO ₂)	2014 GHG emissions (kg CO ₂)	% reduction (from 2010)
Airport Shuttle Vehicles	1,974,517	1,860,336 (1,805,436) ¹	5.8% (8.6%) ¹
Taxicabs	13,320,514	6,701,648	50%
Vehicle for Hire	6,925,257	5,175,913	25.3%

¹ After August 1, 2015

Vehicle cost of ownership for converted and unconverted taxicabs

There have been remarks recently that conversion requirements have put undue financial hardship on taxicab permit holders and drivers. After several years of service, taxicab operations and maintenance statistics are more readily available to assess the economic impact (excluding environmental costs) of the airport taxicab fleet conversion.

The following comparison summarizes the key operating costs of the Toyota Prius (Hybrid) with the Ford Crowne Victoria (non-hybrid). Mossy Toyota reported these statistics for the Prius taxicab's operations and repair cost for vehicles with more than 100,000 miles. The comparison shows a major advantage in fuel cost saving.

	Crown Victoria	Prius V (based on Prius)
100k Total Maintenance Costs	\$ 1,714.71	\$2,205.30
Fuel Cost		
Miles:	100,000	100,000
MPG:	15	42
Cost/Gal:	\$4.00	\$4.00
Fuel Cost for 100k	\$ 26,666.67	\$9,523.81
Total Maintenance + Fuel Cost for 100k	\$28,381.38	\$11,729.11
***Not including brake work		Difference \$16,652.27
Cost of 5 brake jobs in 100k @ \$250 each	\$ 1,250.00	1,250.00

Mossy Toyota has been the primary Toyota dealer and repair facility for the Prius vehicles. They have dealt with the following Prius taxicab vehicle issues since the program's start:

- Approximately 7% engine failures at around 170K for head gaskets. Replacing the head gaskets usually requires a cylinder head replacement which is not a cost effective repair (due to the wear on the bottom end of the motor), so used motors have been installed instead.
- Oil consumption issues at around the same mileage or higher (10% of the fleet), for which there is no fix. Toyota Motor Sales has recovered over \$100,000 in parts to determine failure and improve the specific product.
- HV Batteries have performed very well with very few failures. There are no rebuilt batteries available but Toyota is looking into it.

- Headlights and tail lamps fail frequently, mostly on the taxis operating over 3 shifts. Owners have tried aftermarket bulbs resulting in some overheating and fires.
- Mass Air Flow sensors failed early in the fleet's life; most covered under warranty.
- Mossy gives generous discounts for service, front of line privileges, and loaner vehicles if held overnight or a significant repair.
- Some wiring issues caused by the radio/lights installed by outside vendor.
- Taxicab's owned and operated by an individual (permit holder) have the best track record; they are in better condition and have little or no failures. Vehicles that have multiple drivers are run very hard and subject to a higher failure rate.

Two of the larger airport permit holders provided comments regarding their experience with the Prius conversions and the impact on their taxicab operations:

- Vehicle Purchase. A good condition Ford Crown Victoria costs the permit holder between \$5,000 to \$7,000 while a brand new Toyota Prius V is over \$26,000. The initial purchase is almost four times the Crown Vic.
- Extra insurance to finance the new vehicle is an additional \$2,850.00 per year. This cost was not previously incurred with the Crown Vic purchase.
- Prius spare parts costs are much higher and generally only available through the dealer. Prices are as much as four times greater than aftermarket.
- Certain Prius repairs can be only done by dealers at \$104.00 per hour vs. \$45.00 per hour on labor costs for the Crown Vic. Delays getting parts are not uncommon.
- Prius hybrids are not a long term solution; vehicle has a very limited life span.
- Some permit holders have their own shop and the mechanics need special tools and new technology training to repair the Prius, adding additional costs.
- When an accident occurs, Prius hybrids are sustaining greater repair costs due to design features that require more time to repair.
- Currently the highest mileage Prius hybrid vehicle has 171,000 miles with four years of service
- In summary, the permit holder costs have gone up dramatically with the conversion to hybrid vehicles.

Rental Car Center (RCC) Bus Procurement and Operations

The RCC bus contract was awarded by the Board to SP+ Transportation in April 2014. The work scope requires that over the next five year term (starting January 2016), the contractor must procure 16-20 40' compressed natural gas (CNG) buses, operate the RCC passenger transportation service between the rental car center and Airport' terminals 24 hours per day and perform the necessary bus maintenance to ensure the ongoing operation. SP+ has worked closely with the Airport Authority and the rental car agencies to determine their requirements and expectations for not only the bus configuration/layout but also the operational parameters and customer service standards.

Key milestones associated with the RCC bus operations:

- a. June 2015 - Bus delivery for Airport acceptance
- b. July-August 2015 - Driver recruitment and training; SP+ has expressly stated they will interview existing RCC drivers for the available positions.

- c. October 2015 - Bus staging and storage facility activation
- d. January 2016 - RCC bus operations start in conjunction with the facility opening.

Trip Fee transition

An important component of the ground transportation strategy is to transition all commercial permit operators from the annual permit payment to a true "pay for use" or trip fee payment method. Transitioning to this method would allow airport costs and the associated recovery fees to be more equitably allocated thus encouraging operators to optimize the use of the facility and the roadway. The system will provide users with almost real-time trip counts, aggregated trip activity, monthly billing statements and electronic bank payment. The system is composed of several components :

- a. An Automated Vehicle Identification (AVI) roadway installation hardware upgrade to read the vehicle's Radio Frequency Identification (RFID) tags and ensure the commercial operator is authorized to operate at the airport;
- b. The upgrade of the Ground Transportation Department's "back office" system to accurately and reliably track the AVI reads and ensure the operator has designated access to the data;
- c. Software programming to interpret a vehicle "trip" (e.g., a trip charged to a courtesy vehicle would be calculated differently than one charged to a taxicab);
- d. Ability to generate for the permit holder an electronic or hard copy invoice for monthly payment;
- e. The creation of a banking portal for fee collections and airport payments; and
- f. The reconciliation methods for trip activity in the event of a fee payment dispute.

This endeavor has been a significant undertaking with some difficult issues for both the hardware and software integration. These issues were not fully understood when the project requirements were composed and the installation was initiated. The system was scheduled to "go alive" July 1, 2015, which coincided with the start of the annual permit period. Delays in the procurement, contracting, user training and system integration will postpone the implementation date to October 1, 2015.

Commercial Vehicle Regulatory Reform Meeting - April 8, 2015

On Wednesday, April 8, 2015, the Airport Ground Transportation Staff conducted a Commercial Vehicle Regulatory Reform Meeting to address key disparities between existing commercial airport-permitted operators and the Transportation Network Companies (TNCs). This meeting was convened in response to a request from the Transportation Alliance Group (TAG) at the February 2015 Board meeting calling for fair and equitable laws, rules and regulations for taxicab, vehicle for hire, charter/livery operators and TNCs. The meeting was structured to provide representatives and interested public attendees with the opportunity to discuss their commercial vehicle challenges and constraints associated with the current laws, regulations and enforcement methods.

Airport staff recognizes that the current regulatory framework that governs taxicabs, vehicle for hire and charter/livery operators imposes some additional standards, requirements, fees and restrictions that are not levied against the TNCs. The Airport, however, has very limited regulatory capacity to make significant changes since the

Public Utilities Commission and the Metropolitan Transit System have primary oversight of these transit modes. Staff therefore recommends the Airport take the following role and responsibilities:

- a. Will continue working with the California Airports' Council (CAC) and other airports to evaluate and establish best practices for the regulatory oversight of taxicabs, vehicle for hire, charter and TNC operators.
- b. Evaluate and support, when able, the efforts of key groups such as the Greater California Livery Association (GCLA) to reform state laws and regulations.
- c. Through the Authority's Inter-governmental Affairs department, actively communicate with state lawmakers of the impact and issues and advise local commercial operators of the efforts and outcomes.
- d. Continue to advocate for equitable legislative, regulatory and law enforcement reforms while maintaining a key focus on providing passenger safety and security with the customer requested transportation options.

TNC Permit Update

The TNC Permit was released on April 6, 2015. The revised permit reflected the Board's direction to:

- a. Establish a viable Parking Lot Operations' Plan that would afford the TNCs quick and efficient passenger pickup without impacting terminal curbside congestion and safety;
- b. Adopt violations and penalties that would establish appropriate consequences for abuses of the TNC permit or the Airport's rules and regulations;
- c. Extend the TNC Pilot Program through 6/30/16 to allow sufficient data gathering and analysis of the operational viability; and
- d. Require TNC Driver background checks that would provide positive driver identification and background verification.

As of May 1, 2015 only the ride sharing service OPOLI has signed the permit as issued by the Airport. Other TNCs continue offering feedback and revisions, in an effort to substantially modify the Airport's permit's terms and conditions. Staff is working with Opoli to establish a start date for their TNC operation.

California Assembly Bill (AB) 24: Transportation network companies public safety requirements (Attachment A).

Existing law defines a transportation network company (TNC) as an organization, whether a corporation, partnership, sole proprietor, or other form, operating in California that provides prearranged transportation services for compensation using an online-enabled platform to connect passengers with drivers using their personal vehicles.

This bill would prohibit the PUC from issuing or renewing a permit or certificate to a charter-party carrier of passengers unless the applicant, in addition to existing requirements, participates in the Department of Motor Vehicles Vehicles' pull-notice system. This bill would specifically require a TNC to comply with this provision and to provide for a mandatory controlled substance and alcohol testing certification program. The bill would also require a transportation network company to register any vehicle

used in the transportation of passengers for compensation with the PUC and display an identifying decal issued symbol prescribed by the PUC on the vehicle.

The bill would require that drivers hired or initially retained by a TNC on or after January 1, 2016, be subject to mandatory drug and alcohol testing prior to employment or retention and drivers hired or initially retained before January 1, 2016, complete a drug and alcohol test before January 1, 2017.

Other major elements of this legislation are:

- a. Reasonable TNC fitness and financial responsibility to conduct proposed or existing transportation services;
- b. Maintain vehicles in a safe operating condition and in compliance with the Vehicle Code and with regulations contained in Title 13 of the California Code of Regulations and establish a vehicle preventive maintenance program conforming to regulations of the Department of the California Highway Patrol in Title 13 of the California Code of Regulations;
- c. Safety education and training program for all employees;
- d. A mandatory controlled substance and alcohol testing certification program;
- e. Register the vehicles with the PUC and display on the vehicle a suitable decal with an identifying symbol issued prescribed by the PUC.

Fiscal Impact:

OPERATING EXPENSE IMPACT: Adequate funding for the Rental Car Center Bus operation is included in the adopted FY 2015 and conceptually approved FY 2016 Operating Expenses Budgets within the Ground Transportation Department line items. The proposed 2016 and proposed conceptual 2017 Operating Expense Budgets will provide for funding of costs related to the Trip Fee Transition and TNC Permits and these costs will be recovered within ground transportation cost recovery revenue in the year they are incurred. There is no fiscal impact relating to Memorandums of Agreement, Vehicle Conversions and the Commercial Vehicle Regulatory Reform Meetings. Expenses that will impact budget years that have not been adopted or approved by the Board will be included in future year budget requests

CAPITAL PROGRAM IMPACT: Adequate funds for the RCC Bus Procurement and capital components for the Trip Fee Transition are included in the proposed FY 2016 - FY 2020 Capital Program Budget.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
- Customer Strategy
- Employee Strategy
- Financial Strategy
- Operations Strategy

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:

Not Applicable.

Prepared by:

DAVID BOENITZ
DIRECTOR, GROUND TRANSPORTATION

AMENDED IN ASSEMBLY APRIL 22, 2015

AMENDED IN ASSEMBLY APRIL 14, 2015

AMENDED IN ASSEMBLY MARCH 16, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 24

Introduced by Assembly Member Nazarian

December 1, 2014

An act to amend Section 5374 of, and to add Section 5444 to, the Public Utilities Code, and to amend Section 1808.1 of the Vehicle Code, relating to transportation.

LEGISLATIVE COUNSEL’S DIGEST

AB 24, as amended, Nazarian. Transportation network companies: public safety requirements.

The Passenger Charter-party Carriers’ Act, with certain exceptions, prohibits a charter-party carrier of passengers from engaging in transportation services subject to regulation by the Public Utilities Commission without obtaining a specified certificate or permit, as appropriate, from the commission, and imposes various other requirements. Existing law requires, as a condition to obtaining a certificate or permit, that the applicant, among other things, participate in a program to regularly check the driving records of all vehicle operators and provide a mandatory controlled substance and alcohol testing certification program. A violation of the act is generally a misdemeanor. Existing law defines a transportation network company as an organization, whether a corporation, partnership, sole proprietor, or other form, operating in California that provides prearranged

transportation services for compensation using an online-enabled platform to connect passengers with drivers using their personal vehicles.

This bill would prohibit the commission from issuing or renewing a permit or certificate to a charter-party carrier of passengers unless the applicant, in addition to existing requirements, participates in the Department of Motor ~~Vehicles~~ *Vehicles*' pull-notice system. This bill would specifically require a transportation network company to comply with this provision and to provide for a mandatory controlled substance and alcohol testing certification program. The bill would also require a transportation network company to register any vehicle used in the transportation of passengers for compensation with the commission and display an identifying ~~decal issued~~ *symbol prescribed* by the commission on the vehicle.

The bill would require that drivers hired or initially retained by a transportation network company on or after January 1, 2016, be subject to mandatory drug and alcohol testing prior to employment or retention and that drivers hired or initially retained before January 1, 2016, complete a drug and alcohol test before January 1, 2017.

Because a violation of these provisions would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5374 of the Public Utilities Code is
2 amended to read:
3 5374. (a) (1) Before a permit or certificate is issued or
4 renewed, the commission shall require the applicant to establish
5 reasonable fitness and financial responsibility to initiate and
6 conduct or continue to conduct the proposed or existing
7 transportation services. The commission shall not issue or renew
8 a permit or certificate pursuant to this chapter unless the applicant
9 meets all of the following requirements:

1 (A) It is financially and organizationally capable of conducting
2 an operation that complies with the rules and regulations of the
3 Department of the California Highway Patrol governing highway
4 safety.

5 (B) It is committed to observing the hours of service regulations
6 of state and, where applicable, federal law, for all persons, whether
7 employees or subcarriers, operating vehicles in transportation for
8 compensation under the certificate.

9 (C) It has a preventive maintenance program in effect for its
10 vehicles used in transportation for compensation that conforms to
11 regulations of the Department of the California Highway Patrol
12 in Title 13 of the California Code of Regulations.

13 (D) It participates in the pull-notice system pursuant to Section
14 1808.1 of the Vehicle Code to regularly check the driving records
15 of all persons, whether employees or subcarriers, operating vehicles
16 used in transportation for compensation.

17 (E) It has a safety education and training program in effect for
18 all employees or subcarriers operating vehicles used in
19 transportation for compensation.

20 (F) It will maintain its vehicles used in transportation for
21 compensation in a safe operating condition and in compliance with
22 the Vehicle Code and with regulations contained in Title 13 of the
23 California Code of Regulations relative to motor vehicle safety.

24 (G) It has filed with the commission the certificate of workers'
25 compensation insurance coverage or statement required by Section
26 5378.1.

27 (H) It has provided the commission an address of an office or
28 terminal where documents supporting the factual matters specified
29 in the showing required by this subdivision may be inspected by
30 the commission and the Department of the California Highway
31 Patrol.

32 (I) It provides for a mandatory controlled substance and alcohol
33 testing certification program as adopted by the commission
34 pursuant to Section 1032.1.

35 (J) Subparagraphs (C), (F), and (H) do not apply to a
36 charter-party carrier of passengers engaged in the provision of a
37 hired driver service when a rented motor vehicle is being operated
38 by the hired driver.

39 (2) With respect to subparagraphs (B) and (F) of paragraph (1),
40 the commission may base a finding on a certification by the

1 commission that an applicant has filed, with the commission, a
2 sworn declaration of ability to comply and intent to comply.

3 (3) The commission may require, as a precondition to the
4 issuance of a permit or certificate, the procurement of a
5 performance bond sufficient to facilitate the collection of fines,
6 penalties, and restitution related to enforcement actions that can
7 be taken against the applicant.

8 (b) In addition to the requirements in subdivision (a),
9 charter-party carriers shall meet all other state and, where
10 applicable, federal regulations as prescribed.

11 (c) The commission may delegate to its executive director or
12 that executive director's designee the authority to issue, renew, or
13 authorize the transfer of, charter-party carrier permits or certificates
14 and to make the findings specified in subdivision (a) that are
15 necessary to that delegated authority.

16 SEC. 2. Section 5444 is added to the Public Utilities Code, to
17 read:

18 5444. (a) A transportation network company shall do all of
19 the following:

20 (1) Participate in a pull-notice system pursuant to Section 1808.1
21 of the Vehicle Code to regularly check the driving records of all
22 participating drivers.

23 (2) Provide for a mandatory controlled substance and alcohol
24 testing certification program as adopted by the commission
25 pursuant to Section 1032.1.

26 (3) Register any vehicle used in the transportation of passengers
27 for compensation with the commission and display on the vehicle
28 ~~a suitable decal with~~ an identifying symbol ~~issued~~ *prescribed* by
29 ~~the commission.~~ *commission pursuant to Section 5385.*

30 (b) Drivers hired or initially retained by a transportation network
31 company on or after January 1, 2016, shall be subject to mandatory
32 drug and alcohol testing prior to employment or retention. Drivers
33 hired or initially retained before January 1, 2016, shall complete
34 a drug and alcohol test before January 1, 2017.

35 SEC. 3. Section 1808.1 of the Vehicle Code is amended to
36 read:

37 1808.1. (a) The prospective employer of a driver who drives
38 a vehicle specified in subdivision (k) shall obtain a report showing
39 the driver's current public record as recorded by the department.
40 For purposes of this subdivision, a report is current if it was issued

1 less than 30 days prior to the date the employer employs the driver.
2 The report shall be reviewed, signed, and dated by the employer
3 and maintained at the employer's place of business until receipt
4 of the pull-notice system report pursuant to subdivisions (b) and
5 (c). These reports shall be presented upon request to an authorized
6 representative of the Department of the California Highway Patrol
7 during regular business hours.

8 (b) The employer of a driver who drives a vehicle specified in
9 subdivision (k) shall participate in a pull-notice system, which is
10 a process for the purpose of providing the employer with a report
11 showing the driver's current public record as recorded by the
12 department, and any subsequent convictions, failures to appear,
13 accidents, driver's license suspensions, driver's license revocations,
14 or any other actions taken against the driving privilege or
15 certificate, added to the driver's record while the employer's
16 notification request remains valid and uncanceled. As used in this
17 section, participation in the pull-notice system means obtaining a
18 requester code and enrolling all employed drivers who drive a
19 vehicle specified in subdivision (k) under that requester code.

20 (c) The employer of a driver of a vehicle specified in subdivision
21 (k) shall, additionally, obtain a periodic report from the department
22 at least every 12 months. The employer shall verify that each
23 employee's driver's license has not been suspended or revoked,
24 the employee's traffic violation point count, and whether the
25 employee has been convicted of a violation of Section 23152 or
26 23153. The report shall be signed and dated by the employer and
27 maintained at the employer's principal place of business. The
28 report shall be presented upon demand to an authorized
29 representative of the Department of the California Highway Patrol
30 during regular business hours.

31 (d) Upon the termination of a driver's employment, the employer
32 shall notify the department to discontinue the driver's enrollment
33 in the pull-notice system.

34 (e) For the purposes of the pull-notice system and periodic report
35 process required by subdivisions (b) and (c), an owner, other than
36 an owner-operator as defined in Section 34624, and an employer
37 who drives a vehicle described in subdivision (k) shall be enrolled
38 as if he or she were an employee. A family member and a volunteer
39 driver who drives a vehicle described in subdivision (k) shall also
40 be enrolled as if he or she were an employee.

1 (f) An employer who, after receiving a driving record pursuant
2 to this section, employs or continues to employ as a driver a person
3 against whom a disqualifying action has been taken regarding his
4 or her driving privilege or required driver's certificate, is guilty of
5 a public offense, and upon conviction thereof, shall be punished
6 by confinement in a county jail for not more than six months, by
7 a fine of not more than one thousand dollars (\$1,000), or by both
8 that confinement and fine.

9 (g) As part of its inspection of bus maintenance facilities and
10 terminals required at least once every 13 months pursuant to
11 subdivision (c) of Section 34501, the Department of the California
12 Highway Patrol shall determine whether each transit operator, as
13 defined in Section 99210 of the Public Utilities Code, is then in
14 compliance with this section and Section 12804.6, and shall certify
15 each operator found to be in compliance. Funds shall not be
16 allocated pursuant to Chapter 4 (commencing with Section 99200)
17 of Part 11 of Division 10 of the Public Utilities Code to a transit
18 operator that the Department of the California Highway Patrol has
19 not certified pursuant to this section.

20 (h) (1) A request to participate in the pull-notice system
21 established by this section shall be accompanied by a fee
22 determined by the department to be sufficient to defray the entire
23 actual cost to the department for the notification service. For the
24 receipt of subsequent reports, the employer shall also be charged
25 a fee established by the department pursuant to Section 1811. An
26 employer who qualifies pursuant to Section 1812 shall be exempt
27 from any fee required pursuant to this section. Failure to pay the
28 fee shall result in automatic cancellation of the employer's
29 participation in the notification services.

30 (2) A regularly organized fire department, having official
31 recognition of the city, county, city and county, or district in which
32 the department is located, shall participate in the pull-notice
33 program and shall not be subject to the fee established pursuant
34 to this subdivision.

35 (3) The Board of Pilot Commissioners for Monterey Bay and
36 the Bays of San Francisco, San Pablo, and Suisun, and its port
37 agent shall participate in the pull-notice system established by this
38 section, subject to Section 1178.5 of the Harbors and Navigation
39 Code, and shall not be subject to the fees established pursuant to
40 this subdivision.

1 (i) The department, as soon as feasible, may establish an
2 automatic procedure to provide the periodic reports to an employer
3 by mail or via an electronic delivery method, as required by
4 subdivision (c), on a regular basis without the need for individual
5 requests.

6 (j) (1) The employer of a driver who is employed as a casual
7 driver is not required to enter that driver's name in the pull-notice
8 system, as otherwise required by subdivision (a). However, the
9 employer of a casual driver shall be in possession of a report of
10 the driver's current public record as recorded by the department,
11 prior to allowing a casual driver to drive a vehicle specified in
12 subdivision (k). A report is current if it was issued less than six
13 months prior to the date the employer employs the driver.

14 (2) For the purposes of this subdivision, a driver is employed
15 as a casual driver when the employer has employed the driver less
16 than 30 days during the preceding six months. "Casual driver"
17 does not include a driver who operates a vehicle that requires a
18 passenger transportation endorsement.

19 (k) This section applies to a vehicle for the operation of which
20 the driver is required to have a class A or class B driver's license,
21 a class C license with a hazardous materials endorsement, a class
22 C license issued pursuant to Section 12814.7, or a certificate issued
23 pursuant to Section 12517, 12519, 12520, 12523, 12523.5, or
24 12527, or a passenger vehicle having a seating capacity of not
25 more than 10 persons, including the driver, operated for
26 compensation by a charter-party carrier of passengers,
27 transportation network company, or passenger stage corporation
28 pursuant to a certificate of public convenience and necessity or a
29 permit issued by the Public Utilities Commission.

30 (l) (1) For purposes of this section, the term "employer" or
31 "prospective employer" includes a transportation network company
32 whose permit or certificate, including any renewal of that permit
33 or certificate, is subject to the requirements of Article 7
34 (commencing with Section 5430) of Chapter 8 of Division 2 of
35 the Public Utilities Code.

36 (2) This section shall not be construed to change the definition
37 of "employer," "employee," or "independent contractor" for any
38 other purpose.

39 (m) A motor carrier who contracts with a person to drive a
40 vehicle described in subdivision (k) that is owned by, or leased to,

1 that motor carrier, shall be subject to subdivisions (a), (b), (c), (d),
2 (f), (j), (k), and (l) and the employer obligations in those
3 subdivisions.

4 (n) Reports issued pursuant to this section, but only those for a
5 driver of a taxicab engaged in transportation services as described
6 in subdivision (a) of Section 53075.5 of the Government Code,
7 shall be presented upon request, during regular business hours, to
8 an authorized representative of the administrative agency
9 responsible for issuing permits to taxicab transportation services
10 pursuant to Section 53075.5 of the Government Code.

11 SEC. 4. No reimbursement is required by this act pursuant to
12 Section 6 of Article XIII B of the California Constitution because
13 the only costs that may be incurred by a local agency or school
14 district will be incurred because this act creates a new crime or
15 infraction, eliminates a crime or infraction, or changes the penalty
16 for a crime or infraction, within the meaning of Section 17556 of
17 the Government Code, or changes the definition of a crime within
18 the meaning of Section 6 of Article XIII B of the California
19 Constitution.



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

2015 Ground Transportation Update

David Boenitz

Director, Ground Transportation

May 21, 2015



Update topics

- Taxicab & Vehicle for Hire Memorandum of Agreement (MOA)
- Vehicle conversions and GHG emissions reduction
- Rental Car Center (RCC) bus procurement and operations
- Trip fee transition
- Regulatory Reform Meeting (April 8, 2015)
- Transportation Network Company (TNC) update

MOA Objectives



Vehicle safety, driver professionalism and Airport Rules and Regulations compliance



Customer service, efficient passenger pick up and dispatch and ADA compliance



Vehicle conversions and modern operations' technology

Vehicle for Hire MOA

The MOA requirements will enable SDIA and the Vehicle for Hire providers to meet the challenge of improving commercial ground transportation services at SDIA:



Technology and operations



Customer Service



Vehicle Conversions and GHG Reduction

Taxicab MOA

The MOA requirements will enable SDIA and the Taxicab providers to meet the challenge of improving commercial ground transportation services at SDIA:



Technology and operations



Customer Service



Vehicle Conversions and GHG Reduction

Vehicle Conversions

“In accordance with this MOU the Authority will implement the specific measures ... to limit the GHG emissions generated by the operation of the Airport, and particularly the implementation of the AMP”

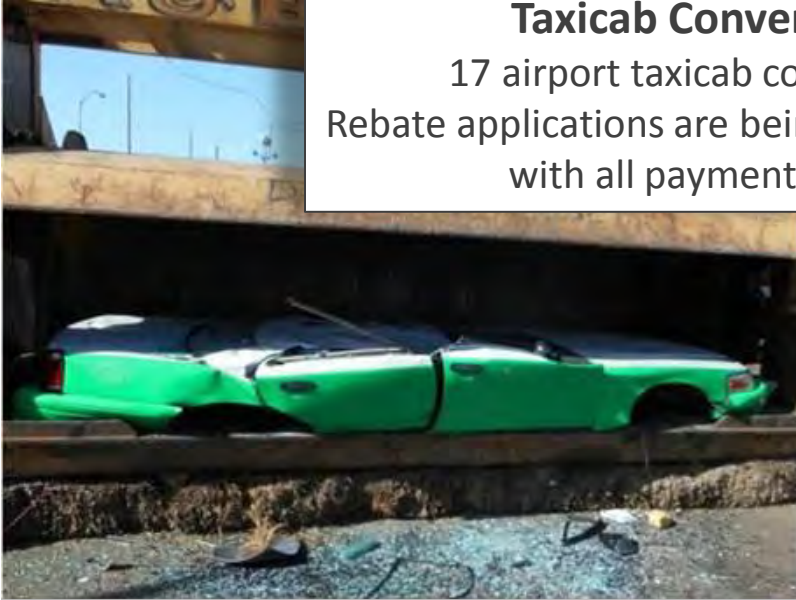
AG Memorandum of Understanding

Commercial Transportation Operator	Vehicle Type	% converted
Vehicle for Hire	Gasoline, Propane, CNG	50%
Taxicabs	Gasoline (Hybrid)	85%
Airport Shuttles	Diesel, CNG, Propane	May 2015- 84% (Aug. 2015- 100%)
Off Airport Parking	Gasoline, Biodiesel (B20), Electric	78%
Hotel/ Motel/ Courtesy	Gasoline, propane and CNG	12%
Charter/ Livery	Gasoline, some hybrids	13%

GHG Emissions Reduction

Air Pollution Control District Taxicab Conversion Rebate Program

17 airport taxicab conversions as of May 1, 2015
Rebate applications are being accepted through May 31, 2015,
with all payments being done by June 30.



GHG Emissions Reduction¹

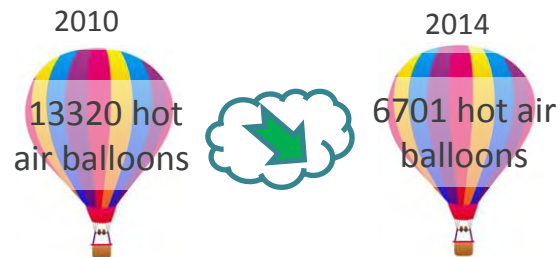
Vehicle for Hire Shuttles



Airport Loop, Parking and Employee Shuttles



Taxicabs



GHG emissions equivalent reduction



29 Gasoline Vans



1.4 Gasoline Buses



178 Gasoline taxicabs

¹ GHG (CO₂) emissions reduction is a function of:

- 1) vehicle fuel type (gasoline, diesel, CNG or propane);
- 2) miles driven by vehicle fuel type;
- 3) miles per equivalent gallon; and
- 4) total miles driven.

No GHG data is collected for off airport parking, hotel/motel or charter/livery operators

1000 kg = 1 tonne.
1 tonne of CO₂ is approximately equivalent to 1 hot air balloon measuring 10 m wide



RCC Bus Operation

Additional SAN vehicle safety and driver oversight requirements include:



Production and Delivery



Staging and Storage Facility



Operational Plans



Production and Delivery

- Delivery scheduled for June 2015
- 16 El Dorado Axxess 40ft. CNG with seating for 28- 30 passengers
- Vehicles are outfitted with latest technology to ensure customer service and operating efficiency.



Staging and Storage Facility

- Scheduled for completion October 2015
- 20 bus parking spaces designed for ease of access, movement and exit
- Reinforced concrete pavement
- Secured access with video surveillance
- Shared but separated facility with taxi operations



Operational Plan

- Contracted bus operation with SP+ Transportation
- 24 hr. service between RCC and terminals
- 5 minute peak headways; 10 minute off-peak
- Maintenance and fueling performed off site
- Service start up coincides with RCC- Jan. 21, 2016



Trip Fee Transition



Hardware and software integration



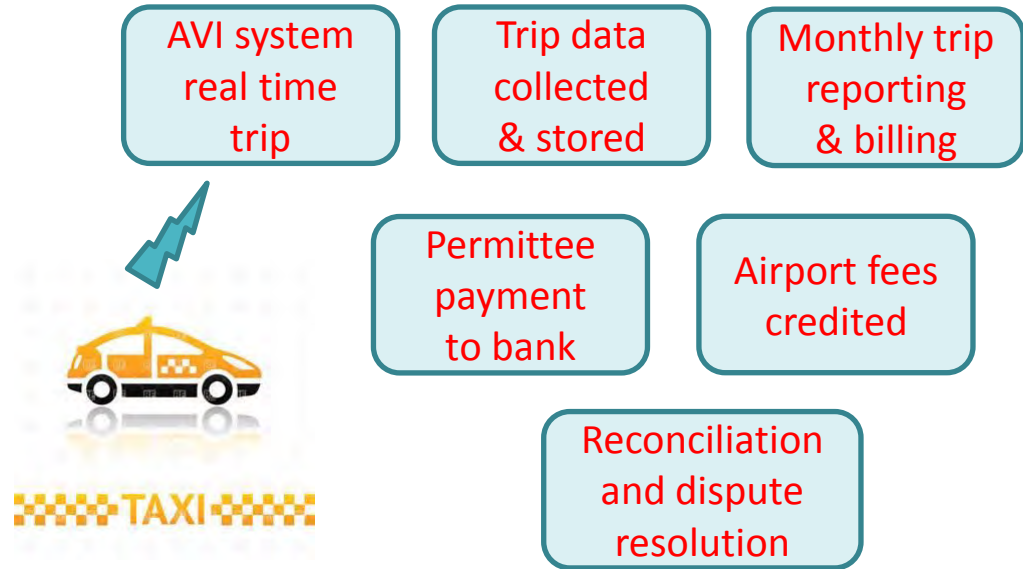
Permit Holder information and access



Monthly trip fee accounting

An integrated system

- “Pay for use” trip fees to allocate airport cost recovery
- Leverages new Automated Vehicle Identification (AVI) hardware and software
- Monthly trip fee reports and accounting available on-line to the permit holders
- Go live: October 1, 2015



Commercial Vehicle Regulatory Reform



Legislative and regulatory disparities between TNCs and commercial transportation operators



Additional costs, bureaucracy and competitive disadvantage



Regulator relief and/or TNC regulation

Airport Staff Recommendations



Work with CAC, legislature, and other industry representatives



Updates and ongoing communication via Inter-governmental Relations



Maintain neutral but equitable perspective; work with current providers

TNC Update

Our Goal is to ensure the safest, most secure and most efficient commercial vehicle operational system at SAN. This includes provisions for needed facilities, enabling infrastructure and appropriate resources.



Permit issuance and response



State legislation and regulation



Next Steps




QUESTIONS & DISCUSSION

2015 Ground Transportation Update

Board Communication

Date: May 18, 2015

To: Board Members

From: Angela Shafer-Payne, Vice President, Operations 

Subject: Board Agenda Item #25 – Ground Transportation Update - Transportation Network Company (TNC) Permit Application Status

The Board approved the TNC permit application requirements at the February 2015 Board Meeting defining the permit's terms, conditions, fees and penalties. In addition, the Board requested and was provided through an April 6, 2015 Board Memo additional details for:

- a) A parking lot operational plan ensuring a smooth customer pick up and airport exit
- b) Penalties and consequences for permit violations and infractions
- c) The pilot program's extension from Dec. 31, 2015 to June 30, 2016 and the associated expenditures to gather sufficient operational data
- d) Background checks whereby the TNCs would submit to 1) a random background check of its drivers through an Authority sanctioned process (finger print verification) or 2) an alternative third party background check approved by the Authority
- e) TNC directional and messaging signage

The Staff Report cited six (6) TNC organizations (Uber, Lyft, Sidecar, Wingz, Rapid and Opoli) who expressed interest in the obtaining the permit. All TNCs were provided a copy on April 6, 2015.

As of May 8, 2015, Opoli has signed the permit and submitted their Permit Activation Fee. The remaining TNCs have not signed the permit. They have stated that the Airport permit terms and conditions are too restrictive, not aligned with their business model or that the fees associated with operating at the airport are excessive. Opoli has indicated their preference to start operating at the Airport on or before June 1, 2015. Airport staff is working closely with the company to accommodate this start date. No major issues or impediments to this timetable are expected.

Please contact me at Ext. 2455 if you need any additional information or have questions.



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY**

Meeting Date: **MAY 21, 2015**

Subject:

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

Recommendation:

For information only.

Background/Justification:

Authority Policy 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 2014-2015 Budget.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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 RUSSELL
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

TRAVEL REQUESTS

PAUL ROBINSON

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: Paul Robinson Dept: 2
Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 4/30/15 PLANNED DATE OF DEPARTURE/RETURN: 5/17/15 / 5/21/15

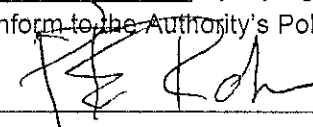
3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip-- continue on extra sheets of paper as necessary):

Destination: Tokyo, Japan Purpose: Attend National Geographic Smart Cities Event
Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:	
• AIRFARE	\$ 3187.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100.00
B. LODGING	\$ 1100.00
C. MEALS	\$ 400.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 100.00
TOTAL PROJECTED TRAVEL EXPENSE	\$ 4887.00

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: 4/24/15

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.)

DRAFT PLANNING DOCUMENT
NATIONAL GEOGRAPHIC *WORLD'S SMART CITIES* SAN DIEGO DOCUMENTARY
PREMIERE EVENT MISSION – TOKYO, JAPAN
MAY 19-21, 2015

Tuesday, May 19

5:00 PM – 8:00 PM

Welcome Dinner
The Tokyo-San Diego Relationship
Reception & Dinner
Location: TBD

Wednesday, May 20

12:00 PM – 3:00 PM

Luncheon Panel Event: How ConnectedHealth is driving down the costs of healthcare in Japan and US.
Location: TBD

Background: The cost of healthcare in the US is a major issue facing the competitiveness of the country. California and Tokyo are at the heart of leading HealthIT innovations. The California delegation will be looking to establish strong healthIT research, export and investment partnerships to address many of the issues we both face.

6:00 PM – 9:00 PM

World's Smart Cities–National Geographic Documentary
Reception and Premiere
Location: The Palace Hotel, 1 Chome-1-1 Marunouchi
Chiyoda, Tokyo, Japan

Background: On April 10th, National Geographic Channel launched 'World's Smart Cities: San Diego' - a one-hour 'documentary special' uncovering what makes this unique city one of the most innovative, forward thinking cities across the globe. On May 20, we are inviting our Tokyo partners to join us in a discussion about the Smart Cities agenda and view the documentary.

Thursday, May 21

7:30 AM – 9:00 AM

UC Alumni Event Showcase
Breakfast and Panel Discussion
The San Diego Economy & Global Reputation
San Diego's Research Leadership
Location: TBD

Background: The Dean of UC San Diego's Engineering School will lead a discussion with University of California alumni working and living in the City of Tokyo. Seeking to develop broader research, export and investment partnerships in the City of Tokyo, UC San Diego will host the event focused on lifesciences, telecommunications, cyber security, and software engineering interests.

THELLA F. BOWENS

**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: Thella F. Bowens Dept: Exec Office BU6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 4/14/15 PLANNED DATE OF DEPARTURE/RETURN: 6/5/15 / 6/8/15

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

Destination: Philadelphia, PA Purpose: Attend AAAE Conference
 Explanation: Attending the AAAE Policy Review Committee Meeting on June 6 and Airport CEO Leadership Forum on June 7.

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$ 700.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 75.00
B. LODGING	\$ 760.00
C. MEALS	\$ 200.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 100.00
TOTAL PROJECTED TRAVEL EXPENSE	\$ 1835.00

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: *Thella F. Bowens* Date: 14 April 2015

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: Thella Bowens Dept: 6
Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 4/30/15 PLANNED DATE OF DEPARTURE/RETURN: 7/9/15 / 7/10/15

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

Destination: Monterey, CA Purpose: Attend California Airports Council Board Meeting
Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$ 600.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 80.00
B. LODGING	\$ 450.00
C. MEALS	\$ 100.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 50.00
TOTAL PROJECTED TRAVEL EXPENSE	\$ 1280.00

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: 4/29/15

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: Thella F. Bowens Dept: Exec Office BU6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 3/19/15 PLANNED DATE OF DEPARTURE/RETURN: 6/22/15 / 6/27/15

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

Destination: Prague, Czech Republic Purpose: Attend ACI-NA Europe Biennial Board Meeting and General Assembly

Explanation:

Every year there is a joint meeting with ACI Europe Board. Last year ACI-NA hosted in Atlanta & this year ACI Europe hosts. Additionally, the U.S. Policy Board and separate ACI-NA Board meeting will convene.

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:	
• AIRFARE	\$ 8500.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 200.00
B. LODGING	\$ 1200.00
C. MEALS	\$ 400.00
D. SEMINAR AND CONFERENCE FEES	\$ 1300.00
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 100.00
TOTAL PROJECTED TRAVEL EXPENSE	<u>\$ 11,700.00</u>

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: *Thella F. Bowens* Date: 3/27/2015

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.)

EXPENSE REPORTS

APRIL BOLING

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

TRAVEL EXPENSE REPORT - Board Members

(To be completed within 30 days from travel return date)

Board member name: April Boling
 Departure Date: 4/11/2015 Return Date: 4/14/2015 Report Due: 5/14/15
 Destination: New Orleans, LA

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

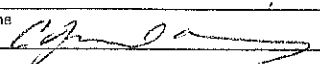
³ Business Expense Reimbursement Policy 3.30

⁴ Travel and Lodging Expense Reimbursement Policy 3.40

	Authority Expenses (Prepaid by Athly)	Board Member Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
		4/12/15	4/13/15	4/14/15				4/11/15	
Daily Per Diem Limitations:									
**GSA Daily Hotel Rate or Conference Hotel Rate		169.00	169.00					399.00	
**GSA Daily Meals, Entertainment & Incidentals (M,E&I)		71.00	71.00	53.25				53.25	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	461.20								0.00
Conference Fees (provide copy of flyer/registration expenses)	690.00								0.00
Rental Car									0.00
Gas and Oil									0.00
Garage/Parking									0.00
Mileage - attach mileage form				8.45				8.45	18.90
Taxi/Shuttle Fare (include tips pd.) To/From meetings, airport, etc.									0.00
Hotel - Actual Expense Paid - Excluding Taxes		169.00	169.00					399.00	
Allowable Hotel (Lessor of Actual or GSA Allowance)		169.00	169.00	0.00	0.00	0.00	0.00	399.00	737.00
Hotel Taxes Paid		26.93	26.93					60.85	114.71
Telephone, Internet and Fax									0.00
Laundry									0.00
Meals, Entertainment & Incidentals (M,E&I):									
Meals (include tips pd.)	Breakfast								
	Lunch								
	Dinner		52.77	36.68				45.87	
	Other Meals								
Entertainment (Hospitality)									
Tips Paid to Maids, Bellhops and other hotel servers									
Taxi/Shuttle Fare (include tips pd.) To/From meal destinations									
Total Meals, Entertainment & Incidentals		52.77	36.68	0.00	0.00	0.00	0.00	45.87	
GSA Allowance for M,E&I (from above)		71.00	71.00	53.25	0.00	0.00	0.00	53.25	
Allowable M,E&I (Lessor of Actual or GSA Allowance)		52.77	36.68	0.00	0.00	0.00	0.00	45.87	135.32
Alcohol is a non-reimbursable expense									0.00
Miscellaneous:									0.00
									0.00
									0.00
Total Expenses	1,151.20	248.70	232.61	8.45	0.00	0.00	0.00	514.17	1,003.93

Add any additional details as needed for explanation (attach add'l sheet if needed):	Grand Trip Total	2,155.13
Chair Gleason traveled SD/Newark 9/5, Newark/DC 9/7 - Paid \$119 additional fare by personal check dated 6/25/14	Less Cash Advance (attach copy of Authority ck.)	
Alcohol is a non-reimbursable expense	Less Expenses Prepaid by Authority	1,151.20
¹ Give names and business affiliations of all persons whose meals were paid by traveler. Failure to attach required documentation will result in the delay of processing reimbursement. If you have any	Due Traveler - if positive amount, prepare check request	
	Due Authority - if negative, attach check payable to SDCRAA	1,003.93
	<i>Note: Send this report to Accounting even if the amount is \$0.</i>	

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Anne Warren
 Print/Type Name
 Traveler Signature: 
 Administrator's signature: _____

Ext.: 2408
 Date: 4/22/15
 Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)

I, _____ hereby certify that this document was approved by the Executive Committee at it's meeting on _____.

Clerk Signature: _____ 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: C. April Boling Dept: 2
Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 2/19/15 PLANNED DATE OF DEPARTURE/RETURN: 4/11/15 / 4/14/15

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

Destination: New Orleans, LA Purpose: Conference
Explanation: ACI/AAAE Airport Board Members & Commissioners Conference, April 12-14, 2015

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:	
• AIRFARE	\$ 485
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100
B. LODGING	\$ 855
C. MEALS	\$ 100
D. SEMINAR AND CONFERENCE FEES	\$ 690
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 100
TOTAL PROJECTED TRAVEL EXPENSE	\$ 2330

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: 2/20/15

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. Tony R. Russell, Authority Clerk, 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 3/9/2015 meeting.
(Leave blank and we will insert the meeting data.)

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

2015

MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

Board Members Only

NAME C. April Boling		PERIOD COVERED April 11-14		
DEPARTMENT/DIVISION				
Date	Miles driven	Destination and purpose of trip	Parking fees & other transportation costs paid	\$\$\$
4/11/15	14.70	to airport to travel to ACI-NA Airport Board Members & Commissioners Conference New Orleans, LA		
4/14/15	14.70	Return from airport to home following conference		
SUBTOTAL			SUBTOTAL	
	29.40			

Computation of Reimbursement

REIMBURSEMENT RATE: (see below) *	Rate as of January 2015	X	29.40
TOTAL MILEAGE REIMBURSEMENT			0.575
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)			16.91
TOTAL REIMBURSEMENT REQUESTED			-
			\$ 16.91

I acknowledge that I have read, understand and agree to *Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

Business Expense Reimbursement Policy 3.30


SIGNATURE OF EMPLOYEE


APPROVAL



Traveltrust
Phone: 1-760-635-1700

Electronic Invoice

Prepared For:
BOLING/CATHERINE APRIL

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	5332068
INVOICE ISSUE DATE	13 Feb 2015
RECORD LOCATOR	ZQJIAU
CUSTOMER NUMBER	0000SDCRAA

Client Address SAN DIEGO COUNTY REG AIRPORT AUTHORITY PO BOX 82776 SAN DIEGO CA 92138-2776

Notes SOUTHWEST NONSTOP 413.20 NONREF TKT BY TODAY

DATE: Sat, Apr 11

Flight: SOUTHWEST AIRLINES 2716			
From	SAN DIEGO, CA	Departs	1:00pm
To	NEW ORLEANS, LA	Arrives	6:25pm
Departure Terminal	1		
Duration	3hr(s) 25min(s)	Class	Economy
Type	BOEING 737-700	Meal	
	JET		
Stop(s)	Non Stop		

DATE: Tue, Apr 14

Flight: SOUTHWEST AIRLINES 3405			
From	NEW ORLEANS, LA	Departs	1:40pm
To	SAN DIEGO, CA	Arrives	3:40pm
		Arrival Terminal	1
Duration	4hr(s) 0min(s)	Class	Economy
Type	BOEING 737-700	Meal	
	JET		
Stop(s)	Non Stop		

DATE: Sun, Oct 11

Others	
	NEW ORLEANS THANK YOU FOR YOUR BUSINESS

Ticket Information

Ticket Number	WN 2482958780	Passenger	BOLING C		
		Billed to:	AX XXXXXXXXXXXX	USD	* 431.20
Service Fee	XD 0643858000	Passenger	BOLING CATHERINE APRIL		
		Billed to:	AX XXXXXXXXXXXX	USD	* 30.00
				SubTotal	USD 461.20

Net Credit Card Billing * USD 461.20

Total Amount Due USD 0.00

ITINERARY NOTES:

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY. SOUTHWEST AIRLINES CONFIRMATION NUMBER - 8NKZCR

Your travel arranger provides the information contained in this document. If you have any questions about the content, please contact your travel arranger. For Credit Card Service fees, please see eTicket receipt for total charges.

Warren Anne

From: meetings@aci-na.org
Sent: Friday, February 20, 2015 8:01 AM
To: Warren Anne
Subject: 2015 ACI-NA/AAAE Airport Board & Commissioners Conference - Confirmation

02/20/2015



Meeting Confirmation Notice

Please review your **CONTACT** information below as it will be used for rosters and badges. Any changes should be sent to meetings@aci-na.org immediately.

Please note: The company name listed is per your Official Representative to ACI-NA. No changes to Company name is permitted.

Ms. C. April Boling
Board Member
Nick Name: C. April
San Diego County Regional Airport Authority
PO Box 82776 San Diego, CA 92138-2776

PH: (619) 400-2408
FX: (619) 400-2406
EM:

You are registered for the following:

2015 ACI-NA/AAAE Airport Board & Commissioners Conference
From Sunday, April 12, 2015 through Tuesday, April 14, 2015

Description	UnitPrice	Quantity	Price
ACI-NA/AAAE Member Registration	\$ 690.00	1	\$ 690.00
		Total	690.00
		Payments	690.00
		Balance	0.00

Thank you for registering for the 2015 ACI-NA/AAAE Airport Board Members & Commissioners Conference, April 12-14, 2015. The conference will take place at the Hotel Monteleone in New Orleans. Dress for the conference is business casual. Registration fees for the

conference include all conference materials, handouts and the following meals.
Sunday - beverage break and Welcome Reception.
Monday - continental breakfast, lunch and 2 beverage breaks.
Tuesday - continental breakfast and a beverage break.

HOTEL RESERVATIONS

Call The Hotel Monteleone at New Orleans directly at (504) 523-3314. Identify yourself as an ACI-NA/AAAE conference attendee to receive the special group rate of \$212 USD single/double occupancy plus applicable taxes and fees.

The last day to receive this rate is March 20, 2015. Rooms may sell out before this date so make your reservation early!

CANCELLATION/REFUND POLICY

Cancellations must be submitted in writing to meetings@aci-na.org by March 20, 2015. Cancellations received by March 20, 2015 will receive a refund, less \$100 processing fee. Refunds will be processed after the conclusion of the conference. No refunds or credits will be given after the cancellation deadline date. No-shows are not eligible for refunds or credits. Substitutions are honored at any time.

We look forward to seeing you in New Orleans, LA at the 2015 ACI-NA/AAAE Airport Board Members & Commissioners Conference.

Total Bill



Muriel's Jackson Square
801 Chartres St.
New Orleans, La. 70116
www.Muriels.com

8

0055b Table 403 #Party 2
DUSTIN V SvrCk: 2 8:24p 04/11/15
Separate checks: 1-jf-2

Tbl 21/1 Chk 1218 Gst 5
Apr13'15 07:29PM

1 CIOPPINO 31.00
1 GOAT CHS SALAD 9.00
1 DUCK TRIO 29.00

1 Tea Iced 3.25
1 App Crepe - DH 0.00
1 Spinach & Apple 8.50
1 Grilled Fish 29.00
1 E-Bayoubaïsse-df 39.95
1 Veg. Plate 19.00
1 Crab Cake 16.00
2 Bayoubaïsse ala 52.00
1 DH-Creme Brul 0.00

Sub Total: 69.00
Tax : 6.73
Sub Total: 75.73

Subtotal 167.70
Tax 16.35
TOTAL DUE 184.05

04/11 9:16p TOTAL: 75.73

FOR YOUR CONVENIENCE:
GRATUITY18% 12.42
GRATUITY20% 13.80
GRATUITY22% 15.18

*** THANK YOU ***
FOR DINING WITH US
504-523-1504

Total Bill

RIB ROOM RESTAURANT
OMNI ROYAL ORLEANS
NEW ORLEANS, LA

1038 DARREN

43/1 CHK 1380 GST 5
 APR12'15 7:12PM

1	BABY LETTUCE	11.00
4	@ 31.00	
	*PRINCESS CUT	124.00
1	*KING CUT	41.00
3	\$ BAKED POT @ 7.00	21.00
1	\$ ASPARAGUS	7.00

SUBTOTAL	204.00
TAX	19.89
TOTAL	\$ 223.89

GRATUITY

TOTAL

PRINT NAME

SIGNATURE

ROOM NUMBER

RIB ROOM RESTAURANT
OMNI ROYAL ORLEANS
NEW ORLEANS, LA
(504) 529-5333

0055
Server: DUSTIN V
04/11/15 21:19, Swiped T: 403 Term: 4
Rec: 44

THE PELICAN CLUB
()
MERCHANT #:

CARD TYPE VISA
ACCOUNT NUMBER XXXXX(XXXXX)
00 TRANSACTION APPROVE
AUTHORIZATION #: 079003
Reference: 0411010030035
TRANS TYPE: Credit Card SALE

CHECK: 37.87
TIP: 8.00
TOTAL: 45.87

Muriel's Jackson Square
801 Chartres St.
New Orleans, LA 70116
www.Muriels.com

Date: April 3, 15 09:13PM
Card Type: Visa
Accl #: XXXXXXXXXX
Card Entry: SWIPED
Trans Type: PURCHASE
Trans Key: PID003872207935
Auth Code: 00469G
Check: 1218
Table: 21/1
Server: 8

Subtotal: 30.68
Gratuity: 6.00
Total: 36.68

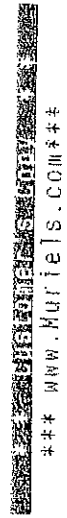
PRINT NAME

SIGNATURE

For your convenience we are providing the following gratuity calculations:

- 15% is \$25.16
- 18% is \$30.19
- 20% is \$33.54

PHONE: ()
CARDHOLDER WILL PAY CARD ISSUER ABOVE AMOUNT PURSUANT TO CARDHOLDER AGREEMENT total and sign one copy, keep the other





ink

All Accounts (...)

Account Info		Payment Info	
Current balance	[REDACTED]	Balance last statement (03/25/2015)	[REDACTED]
Pending charges	\$45.75	Minimum payment due	\$0.00
Available credit	[REDACTED]	Payment due date	04/19/2015
Ultimate Rewards			

Temporary Authorizations

Trans Date	Type	Description	Amount
04/20/2015	Pending	SAN CARLOS VALERO	\$45.75

Posted Activity

Since Last Statement

Trans Date	Post Date	Type	Description	Expense Category	Amount
<input type="checkbox"/>	04/16/2015		[REDACTED]		\$1,000.00
<input type="checkbox"/>	04/15/2015		[REDACTED]		[REDACTED]
<input type="checkbox"/>	04/14/2015		[REDACTED]		[REDACTED]
<input type="checkbox"/>	04/13/2015		[REDACTED]		[REDACTED]
<input type="checkbox"/>	04/13/2015	Sale	MURIEL'S JACKSON SQUARE	Dining Out	\$36.68 ^{1/6}
<input type="checkbox"/>	04/13/2015	Sale	RIB ROOM ROYL ORLN	Dining Out	\$52.77 ^{1/5}
<input type="checkbox"/>	04/13/2015		[REDACTED]		[REDACTED]
<input type="checkbox"/>	04/11/2015		[REDACTED]		[REDACTED]
<input type="checkbox"/>	04/11/2015	Sale	THE PELICAN CLUB	Dining Out	\$45.87 ^{1/2}
<input type="checkbox"/>	04/10/2015		[REDACTED]		[REDACTED]
<input type="checkbox"/>	04/07/2015		[REDACTED]		[REDACTED]
<input type="checkbox"/>	04/07/2015		[REDACTED]		[REDACTED]
<input type="checkbox"/>	04/05/2015		[REDACTED]		[REDACTED]
<input type="checkbox"/>	04/03/2015		[REDACTED]		[REDACTED]



Hotel Monteleone

Catherine April Bolling
United States

Room No. 1027
Arrival 04-11-15
Departure 04-14-15
Folio No.
Invoice No.
Cashier No. 324
Page No. 1 of 1
Invoice Date 04-14-15
Booking No.

INFORMATION INVOICE

Date	Description	Debit (\$)	Credit (\$)
04-11-15	Room Charge	399.00	
04-11-15	Room Tax City	15.96	
04-11-15	Room Tax State	35.91	
04-11-15	Occupancy Tax	2.00	
04-11-15	Tourism Assessment	6.98	
04-12-15	Room Charge	169.00	
04-12-15	Room Tax City	6.76	
04-12-15	Room Tax State	15.21	
04-12-15	Occupancy Tax	2.00	
04-12-15	Tourism Assessment	2.96	
04-13-15	Room Charge	169.00	
04-13-15	Room Tax City	6.76	
04-13-15	Room Tax State	15.21	
04-13-15	Occupancy Tax	2.00	
04-13-15	Tourism Assessment	2.96	
04-14-15	Visa Card XXXXXXXXXXXX		851.71
Total		851.71	851.71
Balance \$			0.00

For your convenience, we have prepared this zero-balance folio indicating a \$0 balance on your account. Please be advised that any charges not reflected on this folio will be charged to the credit card on file with the hotel. If all charges reflected are correct there is no need to stop at the Front Desk as we will automatically process your check-out. While this folio reflects a \$0 balance, your credit card may not be charged until after your departure. You are ultimately responsible for paying all your folio charges in full.

If you had a pleasurable stay, please rate us 5 out of 5 on Yelp and Trip Advisor.





AIRPORTS COUNCIL
INTERNATIONAL

**ACI-NA/AAAE
Airport Board Members & Commissioners Conference
-AGENDA-**

April 12-14, 2015 • The Hotel Monteleone • New Orleans, LA

Sponsor:



Sunday, April 12, 2015

8:00am – 4:00pm **Registration**
Bienville; The Hotel Monteleone

9:00am – 10:30am **New Commissioner Orientation Training**
Royal D; The Hotel Monteleone

Speaker: Nathan Pick, ACI-NA

11:00am – 1:30pm **Commissioners Full Committee Meeting and Lunch**
Bienville; The Hotel Monteleone

1:30pm – 2:00pm ***Opening and Welcome Remarks**
La Nouvelle Orleans East

Speakers: Todd Hauptli, AAAE

Kevin M. Burke, ACI-NA

Debbie Wright, Metropolitan Nashville Airport Authority

Iftikhar Ahmad, Louis Armstrong New Orleans International Airport

*All General Session Presentations will take place in the La Nouvelle Orleans East, The Hotel Monteleone

2:00pm – 2:45pm **Airport Industry Policy Priorities and Government Affairs Presentation**

Speakers: George Kelemen, ACI-NA

Joel Bacon, AAAE

2:45pm – 3:15pm **AirportsUnited.com and Airports for the Future Update**

Speakers: Gwen Basaria, AAAE

Nathan Pick, ACI-NA

3:15pm – 3:30pm **Networking Break**

3:30pm – 4:15pm **Getting It Right: Civil Rights, DBE, and ACDBE**

Dolores Leyva, Federal Aviation Administration

4:15pm – 5:00pm **Sustainability Initiatives and Financial Impacts**

5:30pm – 6:30pm **Welcome Reception**

La Nouvelle Orleans West; The Hotel Monteleone

Monday, April 13, 2015

8:00am – 4:00pm **Registration**
Bienville; The Hotel Monteleone

8:00am – 8:45am **Continental Breakfast**
La Nouvelle Orleans West; The Hotel Monteleone

9:00am – 9:45am **FAA Presentation**

Speaker: Eddie Angeles, Federal Aviation Administration

9:45am – 10:30am **Forecasting the Numbers: The Economy and the Industry**

Speaker: Jeff Stanley, Ricondo and Associates, Inc.

- 10:30am –11:00am **Networking/Refreshment Break**
Foyer; The Hotel Monteleone
- 11:00am –11:45am **Commissioners Speak Panel**
- 11:45am –12:30pm **Edge for Vets at Airports**
Speaker: Tom Murphy, Forham University
- 12:30pm – 2:00pm **Keynote Luncheon**
Speaker: General Wesley Clark, Chairman, Bill and Hillary Clinton National Airport
- 2:00pm – 2:45pm **The First Amendment at Airports**
Speaker: Bret Lobner, San Diego County Regional Airport Authority
- 2:45pm – 3:15pm **Networking/Refreshment Break**
Foyer; The Hotel Monteleone
- 3:15pm – 4:00pm **Cybersecurity, IT Challenges at Smaller Airports and Common Use Technology**
Speaker: Royce Holden, The Greater Asheville Regional Airport Authority

Tuesday, April 14, 2015

- 8:00am – 10:00am **Registration**
Bienville; The Hotel Monteleone
- 8:00am – 8:45am **Continental Breakfast**
La Nouvelle Orleans West; The Hotel Monteleone
- 8:45am- 10:15am **Airport Security and Transportation Security Administration: Year in Review**
Speaker: Chris Bidwell, ACI-NA
- 10:15am –10:45am **Networking Break**
Foyer; The Hotel Monteleone
- 10:45am –11:30am **ACI-NA Scholarship and Commissioners Committee Recruitment**
Speaker: Debbie Wright, Metropolitan Nashville Airport Authority and Shirley James, Savannah Airport Commission
- 11:30am –11:45am **Closing**
- 11:45am –12:30pm **Box Lunch**
Foyer; The Hotel Monteleone

PAUL ROBINSON

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

TRAVEL EXPENSE REPORT - Board Members

(To be completed within 30 days from travel return date)

Board member name: Paul Robinson
 Departure Date: 4/11/2015 Return Date: 4/14/2015 Report Due: 5/14/15
 Destination: New Orleans, LA

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

^b Business Expense Reimbursement Policy 3.30

⁴ Travel and Lodging Expense Reimbursement Policy 3.40

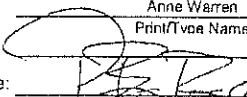
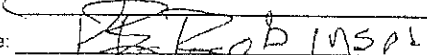
Authority Expenses (Prepaid by Authy)	Board Member Expenses								TOTALS
	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY		
	4/12/15	4/13/15	4/14/15				4/11/15		
Daily PerDiem Limitations:									
*GSA Daily Hotel Rate or Conference Hotel Rate	169.00	169.00						399.00	
**GSA Daily Meals, Entertainment & Incidentals (M,E&I)	71.00	71.00	53.25					53.25	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	461.20								0.00
Conference Fees (provide copy of flyer/registration expenses)	690.00								0.00
Rental Car									0.00
Gas and Oil									0.00
Garage/Parking									0.00
Mileage - attach mileage form									0.00
Taxi/Shuttle Fare (include tips pd.) To/From meetings, airport, etc.			20.00					70.00	90.00
Hotel - Actual Expense Paid - Excluding Taxes	169.00	169.00						399.00	
Allowable Hotel (Lessor of Actual or GSA Allowance)	169.00	169.00	0.00	0.00	0.00	0.00	0.00	399.00	737.00
Hotel Taxes Paid	26.93	26.93						60.85	114.71
Telephone, Internet and Fax									0.00
Laundry									0.00
Meals, Entertainment & Incidentals (M,E&I):									
Meals (include tips pd.)									
Breakfast	27.50		5.72						
Lunch									
Dinner	53.77	35.67						45.86	
Other Meals									
Entertainment (Hospitality)									
Tips Paid to Maids, Bellhops and other hotel servers									
Taxi/Shuttle Fare (include tips pd.) To/From meal destinations									
Total Meals, Entertainment & Incidentals	81.27	35.67	5.72	0.00	0.00	0.00	0.00	45.86	
GSA Allowance for M,E&I (from above)	71.00	71.00	53.25	0.00	0.00	0.00	0.00	53.25	
Allowable M,E&I (Lessor of Actual or GSA Allowance)	71.00	35.67	5.72	0.00	0.00	0.00	0.00	45.86	158.25
Alcohol is a non-reimbursable expense									0.00
Miscellaneous: *4/11 RGR home/SDIA; 4/11 Liberty Bell									0.00
NO airport/hotel (Robinson,Boling,Janney) 4/15 RGR SDIA/home									0.00
									0.00
Total Expenses	1,151.20	266.93	231.60	25.72	0.00	0.00	0.00	575.71	1,099.96

Add any additional details as needed for explanation (attach add'l sheet if needed):

Grand Trip Total	2,251.16
Less Cash Advance (attach copy of Authority ck)	
Less Expenses Prepaid by Authority	1,151.20
Due Traveler - if positive amount, prepare check request	
Due Authority - if negative, attach check payable to SOCRAA	1,099.96

Note: Send this report to Accounting even if the amount is \$0.

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy³ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Anne Warren
 Print/Type Name
 Traveler Signature: 
 Administrator's signature: 

Ext.: 2408
 Date: _____
 Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)

I, _____ hereby certify that this document was approved by the Executive Committee at it's meeting on _____

Clerk Signature: _____ 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: Paul Robinson Dept: 2

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

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

2. DATE OF REQUEST: 2/19/15 PLANNED DATE OF DEPARTURE/RETURN: 4/11/15 / 4/14/15

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

Destination: New Orleans, LA Purpose: Conference

Explanation: ACI/AAAE Airport Board Members & Commissioners Conference, April 12-14, 2015

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$ 485
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100

B. LODGING \$ 855

C. MEALS \$ 100

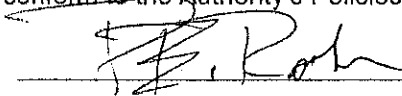
D. SEMINAR AND CONFERENCE FEES \$ 690

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$ 100

TOTAL PROJECTED TRAVEL EXPENSE \$ 2330

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: 2/19/15

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. Tony R. Russell, Authority Clerk, 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 3/9/2015 meeting.
(Leave blank and we will insert the meeting date.)



Electronic Invoice

Prepared For:
ROBINSON/PAUL EDWARD

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	5332073
INVOICE ISSUE DATE	13 Feb 2015
RECORD LOCATOR	VQGFCV
CUSTOMER NUMBER	0000SDCRAA

Client Address
SAN DIEGO COUNTY REG AIRPORT AUTHORITY
PO BOX 82776
SAN DIEGO CA 92138-2776

DATE: Sat, Apr 11

Flight: SOUTHWEST AIRLINES 2716

From	SAN DIEGO, CA	Departs	1:00pm
To	NEW ORLEANS, LA	Arrives	6:25pm
Departure Terminal	1		
Duration	3hr(s) 25min(s)	Class	Economy
Type	BOEING 737-700	Meal	
	JET		
Stop(s)	Non Stop		

DATE: Tue, Apr 14

Flight: SOUTHWEST AIRLINES 3405

From	NEW ORLEANS, LA	Departs	1:40pm
To	SAN DIEGO, CA	Arrives	3:40pm
		Arrival Terminal	1
Duration	4hr(s) 0min(s)	Class	Economy
Type	BOEING 737-700	Meal	
	JET		
Stop(s)	Non Stop		

DATE: Sun, Oct 11

Others

NEW ORLEANS
THANK YOU FOR
YOUR BUSINESS

Ticket Information

Ticket Number	WN 2482959548	Passenger	ROBINSON P		
		Billed to:	AXXXXXXXXXXX	USD	* 431.20
Service Fee	XD 0643858004	Passenger	ROBINSON PAUL EDWARD		
		Billed to:	AXXXXXXXXXXX	USD	* 30.00
				SubTotal	USD 461.20
				Net Credit Card Billing	* USD 461.20
				Total Amount Due	USD 0.00



Traveltrust
Phone: 1-760-635-1700

Electronic Invoice

Prepared For:
ROBINSON/PAUL EDWARD

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	5332074
INVOICE ISSUE DATE	13 Feb 2015
RECORD LOCATOR	VQGFCV
CUSTOMER NUMBER	0000SDCRAA

Client Address
SAN DIEGO COUNTY REG AIRPORT AUTHORITY
PO BOX 82776
SAN DIEGO CA 92138-2776

DATE: Sat, Apr 11

Flight: SOUTHWEST AIRLINES 2716

From	SAN DIEGO, CA	Departs	1:00pm
To	NEW ORLEANS, LA	Arrives	6:25pm
Departure Terminal	1		
Duration	3hr(s) 25min(s)	Class	Economy
Type	BOEING 737-700	Meal	
	JET		
Stop(s)	Non Stop		

DATE: Tue, Apr 14

Flight: SOUTHWEST AIRLINES 3405

From	NEW ORLEANS, LA	Departs	1:40pm
To	SAN DIEGO, CA	Arrives	3:40pm
		Arrival Terminal	1
Duration	4hr(s) 0min(s)	Class	Economy
Type	BOEING 737-700	Meal	
	JET		
Stop(s)	Non Stop		

Ticket Information

Ticket Number	UA0660712269	Passenger	ROBINSON PAUL		
		Billed to:	AXXXXXXXXXXX	USD	* 12.50
Ticket Number	WN 0660712270	Passenger	ROBINSON PAUL		
		Billed to:	AXXXXXXXXXXX	USD	* 12.50
				SubTotal	USD 25.00
				Net Credit Card Billing	* USD 25.00
				Total Amount Due	USD 0.00

ITINERARY NOTES:
THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY.
SOUTHWEST AIRLINES CONFIRMATION NUMBER - 8AMZCZ

Warren Anne

From: meetings@aci-na.org
Sent: Friday, February 20, 2015 7:01 AM
To: Warren Anne
Subject: 2015 ACI-NA/AAAE Airport Board & Commissioners Conference - Confirmation

02/20/2015



Meeting Confirmation Notice

Please review your CONTACT information below as it will be used for rosters and badges. Any changes should be sent to meetings@aci-na.org immediately.

Please note: The company name listed is per your Official Representative to ACI-NA. No changes to Company name is permitted.

Mr. Paul Robinson
Board Vice Chair
Nick Name: Paul
San Diego County Regional Airport Authority
PO Box 82776 San Diego, CA 92138-2776

PH: (619) 400-2408
FX: (619) 400-2406
EM:

You are registered for the following:

2015 ACI-NA/AAAE Airport Board & Commissioners Conference
From Sunday, April 12, 2015 through Tuesday, April 14, 2015

Description	UnitPrice	Quantity	Price
ACI-NA/AAAE Member Registration	\$ 690.00	1	\$ 690.00
		Total	690.00
		Payments	690.00
		Balance	0.00

Thank you for registering for the 2015 ACI-NA/AAAE Airport Board Members & Commissioners Conference, April 12-14, 2015. The conference will take place at the Hotel Monteleone in New Orleans. Dress for the conference is business casual. Registration fees for the

conference include all conference materials, handouts and the following meals.
Sunday - beverage break and Welcome Reception.
Monday - continental breakfast, lunch and 2 beverage breaks.
Tuesday - continental breakfast and a beverage break.

HOTEL RESERVATIONS

Call The Hotel Monteleone at New Orleans directly at (540) 523-3314. Identify yourself as an ACI-NA/AAAE conference attendee to receive the special group rate of \$212 USD single/double occupancy plus applicable taxes and fees.

The last day to receive this rate is March 20, 2015. Rooms may sell out before this date so make your reservation early!

CANCELLATION/REFUND POLICY

Cancellations must be submitted in writing to meetings@aci-na.org by March 20, 2015. Cancellations received by March 20, 2015 will receive a refund, less \$100 processing fee. Refunds will be processed after the conclusion of the conference. No refunds or credits will be given after the cancellation deadline date. No-shows are not eligible for refunds or credits. Substitutions are honored at any time.

We look forward to seeing you in New Orleans, LA at the 2015 ACI-NA/AAAE Airport Board Members & Commissioners Conference.

LIBERTY BELL CAB
610.661.2222

TERMINAL ID: 320-W/S 828
VEHICLE ID: 16091
DRIVER ID: 4336948
TRIP NUMBER: 4937
PASSENGERS: 1

04/11/2015
START: 19:56 END: 19:39
DISTANCE: 0.00 RATE: 3

CAB FARE: \$ 14.00
EXTRA AMOUNT: \$ 28.00

TOTAL: \$ 42.00
TAX AMOUNT: \$ 8.00
GRAND TOTAL: \$ 50.00

***** SH RECEIPT *****

TAXI CAB AND VEHICLE BUREAU
FOR COMPLIMENTS OR CONCERNS PLEASE CALL
610.661.1176
THANKS FOR RIDE LIBERTY BELL CAB

Powered by



RideGreenRide.com

It is not a Limo, It is not a Taxi

It is a LIMAXI

Date: 4/11/15

Amount: \$16 + \$4 = \$20.00

OFFICIAL TRANSPORTATION RECEIPT
(619) 200-2060

RideGreenRide.com

It is not a Limo, It is not a Taxi

It is a LIMAXI

Date: 4/14/15

Amount: \$16 + \$4 = \$20.00

OFFICIAL TRANSPORTATION RECEIPT
(619) 200-2060



Hotel Monteleone

Paul Edward Robinson

Room No. 0361
 Arrival 04-11-15
 Departure 04-14-15
 Folio No. 534262
 Invoice No.
 Cashier No. 243
 Page No. 1 of 1
 Invoice Date 04-14-15
 Booking No.

INVOICE

ACI13D

Date	Description	Debit (\$)	Credit (\$)
04-11-15	Room Charge	399.00	
04-11-15	Room Tax City	15.96	
04-11-15	Room Tax State	35.91	
04-11-15	Occupancy Tax	2.00	
04-11-15	Tourism Assessment	6.98	
04-12-15	Criollo Rest. Brkfst	Room# 0361 : CHECK# 0011237 27.50	
04-12-15	Room Charge	169.00	
04-12-15	Room Tax City	6.76	
04-12-15	Room Tax State	15.21	
04-12-15	Occupancy Tax	2.00	
04-12-15	Tourism Assessment	2.96	
04-13-15	Room Charge	169.00	
04-13-15	Room Tax City	6.76	
04-13-15	Room Tax State	15.21	
04-13-15	Occupancy Tax	2.00	
04-13-15	Tourism Assessment	2.96	
04-14-15	Logo Shop	Room# 0361 : CHECK# 0088421 5.72	
04-14-15	American Express	XXXXXXXXXX	884.93
Total		884.93	884.93
Balance \$			0.00

For your convenience, we have prepared this zero-balance folio indicating a \$0 balance on your account. Please be advised that any charges not reflected on this folio will be charged to the credit card on file with the hotel. If all charges reflected are correct there is no need to stop at the Front Desk as we will automatically process your check-out. While this folio reflects a \$0 balance, your credit card may not be charged until after your departure. You are ultimately responsible for paying all your folio charges in full.

If you had a pleasurable stay, please rate us 5 out of 5 on Yelp and Trip Advisor.

HISTORIC HOTELS
 of AMERICA
NATIONAL TRUST FOR HISTORIC PRESERVATION

Preferred
 HOTELS & RESORTS

2006 Guepet

Trn3887Chk8421 Apr14'15 07:43AM

14984362
361/Robinson
Room Charge 5.72

Coffee

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

MISSING RECEIPT FORM

Board Member/Executive Committee Member must complete form below.

Date of Purchase/Event: 4/12/15


Description of Item/Event: Breakfast (egg white omelette w/cheese and coffee)

Vendor/Event Name: ACI-AAAE Airport Board Members & Commissioners Conf

Dollar Amount: \$27.50

Reason for Missing Receipt: Room service - no receipt provided

I hereby certify that the original receipt in question was lost or none was issued to me.



Board Member Signature

4/27/15

Date



Executive Committee Member Signature

4.28.15

Date

0055

Server: DUSTIN V Rec: 46
04/11/15 21:20, Swiped T: 403 Term: 4

RIB ROOM RESTAURANT
OMNI ROYAL ORLEANS
NEW ORLEANS, LA
(504) 529-5333

THE PELICAN CLUB
() -
MERCHANT #:

CARD TYPE ACCOUNT NUMBER
AMERICAN EXPRES XXXXX(XXXXX)
OO TRANSACTION APPROVED
AUTHORIZATION #: 52590J
Reference: 041102000005
TRANS TYPE: Credit Card SALE

=====

CHECK:	1380
TABLE:	43/1
SERVER:	1038 DARREN
DATE:	APR12'15 9:25PM
CARD TYPE:	AMERICAN EXPRESS
ACCT #:	XXXXXXXXXXXX
EXP DATE:	XX/XX
AUTH CODE:	526874

PAUL E ROBINSON

CHECK:	37.86
TIP:	<u>8-</u>
TOTAL:	<u>45.86</u>

SUBTOTAL:	44.77
GRATUITY:	<u>9-</u>
TOTAL:	<u>53.77</u>

X _____

PRINT NAME Robinson

SIGNATURE PER

PHONE: () -
Duplicate Copy

CARDHOLDER WILL PAY CARD ISSUER ABOVE
AMOUNT PURSUANT TO CARDHOLDER AGREEMENT
total and sign one copy, keep the other

Muriel's Jackson Square
801 Chartres St.
New Orleans, LA 70116
www.Muriels.com

Date: Apr13'15 09:19PM
Card Type: Amex
Acct #: XXXXXXXXXXXX
Card Entry: SWIPED
Trans Type: PURCHASE
Trans Key: FIF003876770706
Auth Code: 528087
Check: 1218
Table: 21/1
Server: 8

Subtotal: 30.67
Gratuuity: 5.00
Total : _____

Signature

For your convenience we are
providing the following
gratuuity calculations:

15% is \$25.16
18% is \$30.19
20% is \$33.54

**** Merchant Copy ****



**ACI-NA/AAAE
Airport Board Members & Commissioners Conference
-AGENDA-**

April 12-14, 2015 • The Hotel Monteleone • New Orleans, LA

Sponsor:



Sunday, April 12, 2015

- 8:00am – 4:00pm **Registration**
Bienville; The Hotel Monteleone
- 9:00am – 10:30am **New Commissioner Orientation Training**
Royal D; The Hotel Monteleone
- Speaker: Nathan Pick, ACI-NA
- 11:00am – 1:30pm **Commissioners Full Committee Meeting and Lunch**
iberville; The Hotel Monteleone

1:30pm – 2:00pm ***Opening and Welcome Remarks**
La Nouvelle Orleans East

Speakers: Todd Hauptli, AAAE

Kevin M. Burke, ACI-NA

Debbie Wright, Metropolitan Nashville Airport Authority

Iftikhar Ahmad, Louis Armstrong New Orleans International Airport

*All General Session Presentations will take place in the La Nouvelle Orleans East, The Hotel Monteleone

2:00pm – 2:45pm **Airport Industry Policy Priorities and Government Affairs Presentation**

Speakers: George Kelemen, ACI-NA

Joel Bacon, AAAE

2:45pm – 3:15pm **AirportsUnited.com and Airports for the Future Update**

Speakers: Gwen Basaria, AAAE

Nathan Pick, ACI-NA

3:15pm – 3:30pm **Networking Break**

3:30pm – 4:15pm **Getting It Right: Civil Rights, DBE, and ACDBE**

Dolores Leyva, Federal Aviation Administration

4:15pm – 5:00pm **Sustainability Initiatives and Financial Impacts**

5:30pm – 6:30pm **Welcome Reception**

La Nouvelle Orleans West; The Hotel Monteleone

Monday, April 13, 2015

8:00am – 4:00pm **Registration**

Bienville; The Hotel Monteleone

8:00am – 8:45am **Continental Breakfast**

La Nouvelle Orleans West; The Hotel Monteleone

9:00am – 9:45am **FAA Presentation**

Speaker: Eddie Angeles, Federal Aviation Administration

9:45am – 10:30am **Forecasting the Numbers: The Economy and the Industry**

Speaker: Jeff Stanley, Ricondo and Associates, Inc.

- 10:30am –11:00am **Networking/Refreshment Break**
Foyer; The Hotel Monteleone
- 11:00am –11:45am **Commissioners Speak Panel**
- 11:45am –12:30pm **Edge for Vets at Airports**
Speaker: Tom Murphy, Forham University
- 12:30pm – 2:00pm **Keynote Luncheon**
Speaker: General Wesley Clark, Chairman, Bill and Hillary Clinton National Airport
- 2:00pm – 2:45pm **The First Amendment at Airports**
Speaker: Bret Lobner, San Diego County Regional Airport Authority
- 2:45pm – 3:15pm **Networking/Refreshment Break**
Foyer; The Hotel Monteleone
- 3:15pm – 4:00pm **Cybersecurity, IT Challenges at Smaller Airports and Common Use Technology**
Speaker: Royce Holden, The Greater Asheville Regional Airport Authority

Tuesday, April 14, 2015

- 8:00am – 10:00am **Registration**
Bienville; The Hotel Monteleone
- 8:00am – 8:45am **Continental Breakfast**
La Nouvelle Orleans West; The Hotel Monteleone
- 8:45am- 10:15am **Airport Security and Transportation Security Administration: Year in Review**
Speaker: Chris Bidwell, ACI-NA
- 10:15am –10:45am **Networking Break**
Foyer; The Hotel Monteleone
- 10:45am –11:30am **ACI-NA Scholarship and Commissioners Committee Recruitment**
Speaker: Debbie Wright, Metropolitan Nashville Airport Authority and Shirley James, Savannah Airport Commission
- 11:30am –11:45am **Closing**
- 11:45am –12:30pm **Box Lunch**
Foyer; The Hotel Monteleone

JIM JANNEY

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT - Board Members
(To be completed within 30 days from travel return date)

Board member name: Jim Janney
 Departure Date: 4/11/2015 Return Date: 4/14/2015 Report Due: 5/14/15
 Destination: New Orleans, LA

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

³ Business Expense Reimbursement Policy 3.30

⁴ Travel and Lodging Expense Reimbursement Policy 3.40

	Authority Expenses (Prepaid by Authority)	Board Member Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
		4/12/15	4/13/15	4/14/15				4/11/15	
Daily Per Diem Limitations:									
**GSA Daily Hotel Rate or Conference Hotel Rate		169.00	169.00					399.00	
**GSA Daily Meals, Entertainment & Incidentals (ME&I)		71.00	71.00	53.25				53.25	
Air Fare, Railroad, Bus (attach copy of Itinerary w/charges)	481.20								0.00
Conference Fees (provide copy of flyer/registration expenses)	890.00								0.00
Rental Car									0.00
Gas and Oil									0.00
Garage/Parking									0.00
Mileage - attach mileage form									0.00
Taxi/Shuttle Fare (include tips pd.) To/From meetings, airport, etc.									0.00
Hotel - Actual Expense Paid - Excluding Taxes		169.00	169.00					399.00	
Allowable Hotel (Lessor of Actual or GSA Allowance)		169.00	169.00	0.00	0.00	0.00	0.00	399.00	737.00
Hotel Taxes Paid		26.93	26.93					60.85	114.71
Telephone, Internet and Fax									0.00
Laundry									0.00
Meals, Entertainment & Incidentals (M,E&I):									
Meals (include tips pd.)	Breakfast								
	Lunch								
	Dinner			27.10					
	Other Meals								
Entertainment (Hospitality) ¹									
Tips Paid to Maids, Bellhops and other hotel servers									
Taxi/Shuttle Fare (include tips pd.) To/From meal destinations									
Total Meals, Entertainment & Incidentals		0.00	27.10	0.00	0.00	0.00	0.00	0.00	
GSA Allowance for M,E&I (from above)		71.00	71.00	53.25	0.00	0.00	0.00	53.25	
Allowable M,E&I (Lessor of Actual or GSA Allowance)		0.00	27.10	0.00	0.00	0.00	0.00	0.00	27.10
Alcohol is a non-reimbursable expense									0.00
Miscellaneous:									0.00
									0.00
									0.00
Total Expenses	1,151.20	195.93	223.03	0.00	0.00	0.00	0.00	459.85	878.81

Add any additional details as needed for explanation (attach add'l sheet if needed):
 Chair Gleason traveled SD/Newark 9/5, Newark/DC 9/7 - Paid \$119 additional fare by personal check dated 6/25/14
 Alcohol is a non-reimbursable expense
¹Give names and business affiliations of all persons whose meals were paid by traveler.
 Failure to attach required documentation will result in the delay of processing reimbursement. If you have any

Grand Trip Total	2,030.01
Less Cash Advance (attach copy of Authority ck)	
Less Expenses Prepaid by Authority	1,151.20
Due Traveler - if positive amount, prepare check request	
Due Authority - if negative, attach check payable to SDCRAA	878.81

Note: Send this report to Accounting even if the amount is \$0.

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Anna Warren
 Traveler Signature: [Signature]
 Administrator's signature: _____

Ext: 2408
 Date: _____
 Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)

I, _____ hereby certify that this document was approved by the Executive Committee at it's meeting on _____

Clerk Signature: _____ 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: James Janney Dept: 2

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

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

2. DATE OF REQUEST: 2/19/15 **PLANNED DATE OF DEPARTURE/RETURN:** 4/11/15 / 4/14/15

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

Destination: New Orleans, LA Purpose: Conference

Explanation: ACI/AAAE Airport Board Members & Commissioners Conference, April 12-14, 2015

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$ 485
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100

B. LODGING \$ 855

C. MEALS \$ 100

D. SEMINAR AND CONFERENCE FEES \$ 690

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$ 100

TOTAL PROJECTED TRAVEL EXPENSE \$ 2330

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: [Signature] Date: 2-19-15

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, Tony R. Russell, Authority Clerk, 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 3/9/2015 meeting.
(Leave blank and we will insert the meeting date.)



Electronic Invoice

Prepared For:
JANNEY/JAMES COFFIN

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	5332075
INVOICE ISSUE DATE	13 Feb 2015
RECORD LOCATOR	NKVMKY
CUSTOMER NUMBER	0000SDCRAA

Client Address
SAN DIEGO COUNTY REG AIRPORT AUTHORITY
PO BOX 82776
SAN DIEGO CA 92138-2776

DATE: Sat, Apr 11

Flight: SOUTHWEST AIRLINES 2716

From	SAN DIEGO, CA	Departs	1:00pm
To	NEW ORLEANS, LA	Arrives	6:25pm
Departure Terminal	1		
Duration	3hr(s) 25min(s)	Class	Economy
Type	BOEING 737-700	Meal	
	JET		
Stop(s)	Non Stop		

DATE: Tue, Apr 14

Flight: SOUTHWEST AIRLINES 3405

From	NEW ORLEANS, LA	Departs	1:40pm
To	SAN DIEGO, CA	Arrives	3:40pm
		Arrival Terminal	1
Duration	4hr(s) 0min(s)	Class	Economy
Type	BOEING 737-700	Meal	
	JET		
Stop(s)	Non Stop		

DATE: Sun, Oct 11

Others

NEW ORLEANS
THANK YOU FOR
YOUR BUSINESS

Ticket Information

Ticket Number	WN 2482960145	Passenger	JANNEY J		
		Billed to:	AX XXXXXXXXXXXX	USD	* 431.20
Service Fee	XD 0643858005	Passenger	JANNEY JAMES COFFIN		
		Billed to:	AX XXXXXXXXXXXX	USD	* 30.00
			SubTotal	USD	461.20
			Net Credit Card Billing	* USD	461.20
			Total Amount Due	USD	0.00



Electronic Invoice

Prepared For:
JANNEY/JAMES COFFIN

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	5332076
INVOICE ISSUE DATE	13 Feb 2015
RECORD LOCATOR	NKVMKY
CUSTOMER NUMBER	0000SDCRAA

Client Address
SAN DIEGO COUNTY REG AIRPORT AUTHORITY
PO BOX 82776
SAN DIEGO CA 92138-2776

DATE: Sat, Apr 11

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Type	BOEING 737-700	Meal	
	JET		
Stop(s)	Non Stop		

DATE: Tue, Apr 14

Flight: SOUTHWEST AIRLINES 3405

From	NEW ORLEANS, LA	Departs	1:40pm
To	SAN DIEGO, CA	Arrives	3:40pm
		Arrival Terminal	1
Duration	4hr(s) 0min(s)	Class	Economy
Type	BOEING 737-700	Meal	
	JET		
Stop(s)	Non Stop		

Ticket Information

Ticket Number	WN 0660712411	Passenger	JANNEY JAMES		
		Billed to:	AX XXXXXXXXXXXX	USD	* 12.50
Ticket Number	WN 0660712412	Passenger	JANNEY JAMES		
		Billed to:	AX XXXXXXXXXXXX	USD	* 12.50
				SubTotal	USD 25.00
				Net Credit Card Billing	* USD 25.00
				Total Amount Due	USD 0.00

ITINERARY NOTES:
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SOUTHWEST AIRLINES CONFIRMATION NUMBER - 8TNZCO

Warren Anne

From: meetings@aci-na.org
Sent: Friday, February 20, 2015 7:01 AM
To: Warren Anne
Subject: 2015 ACI-NA/AAAE Airport Board & Commissioners Conference - Confirmation

02/20/2015



Meeting Confirmation Notice

Please review your CONTACT information below as it will be used for rosters and badges. Any changes should be sent to meetings@aci-na.org immediately.

Please note: The company name listed is per your Official Representative to ACI-NA. No changes to Company name is permitted.

Jim Janney
Board Member
Nick Name: Jim
San Diego County Regional Airport Authority
PO Box 82776 San Diego, CA 92138-2776

PH: (619) 400-2408
FX: (619) 400-2406
EM:

You are registered for the following:

2015 ACI-NA/AAAE Airport Board & Commissioners Conference

From Sunday, April 12, 2015 through Tuesday, April 14, 2015

Description	UnitPrice	Quantity	Price
ACI-NA/AAAE Member Registration	\$ 690.00	1	\$ 690.00
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Monday - continental breakfast, lunch and 2 beverage breaks.

Tuesday - continental breakfast and a beverage break.

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The last day to receive this rate is March 20, 2015. Rooms may sell out before this date so make your reservation early!

CANCELLATION/REFUND POLICY

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We look forward to seeing you in New Orleans, LA at the 2015 ACI-NA/AAAE Airport Board Members & Commissioners Conference.



Hotel Monteleone

James Coffin Janney

Room No. 0953
 Arrival 04-11-15
 Departure 04-14-15
 Folio No.
 Invoice No.
 Cashier No. 323
 Page No. 1 of 1
 Invoice Date 04-14-15
 Booking No.

INFORMATION INVOICE

Date	Description	Debit (\$)	Credit (\$)
04-11-15	Room Charge	399.00	
04-11-15	Room Tax City	15.96	
04-11-15	Room Tax State	35.91	
04-11-15	Occupancy Tax	2.00	
04-11-15	Tourism Assessment	6.98	
04-12-15	Room Charge	169.00	
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04-13-15	Room Charge	169.00	
04-13-15	Room Tax City	6.76	
04-13-15	Room Tax State	15.21	
04-13-15	Occupancy Tax	2.00	
04-13-15	Tourism Assessment	2.96	
04-14-15	Visa Card XXXXXXXXXXXX		851.71
Total		851.71	851.71
Balance \$			0.00

For your convenience, we have prepared this zero-balance folio indicating a \$0 balance on your account. Please be advised that any charges not reflected on this folio will be charged to the credit card on file with the hotel. If all charges reflected are correct there is no need to stop at the Front Desk as we will automatically process your check-out. While this folio reflects a \$0 balance, your credit card may not be charged until after your departure. You are ultimately responsible for paying all your folio charges in full.

If you had a pleasurable stay, please rate us 5 out of 5 on Yelp and Trip Advisor.



Muriel's Jackson Square
801 Chartres St.
New Orleans, LA 70116
www.Muriels.com

Date: Apr 13 '15 09:21PM
Card Type: Visa
Acct #: XXXXXXXXXXXX
Card Entry: SWIPED
Trans Type: PURCHASE
Trans Key: DID003872248822
Auth Code: 088210
Check: 1274
Table: 21/2
Server: 8

Subtotal: 24.10
Gratuity: 3.00
Total: 27.10

Signature

For your convenience we are
providing the following
gratuity calculations:

15% of \$24.10 = \$3.615

10% of \$24.10 = \$2.410

18% of \$24.10 = \$4.338

*** www.Muriels.com ***



**ACI-NA/AAAE
 Airport Board Members & Commissioners Conference
 -AGENDA-**

April 12-14, 2015 • The Hotel Monteleone • New Orleans, LA

Sponsor:



Sunday, April 12, 2015

8:00am – 4:00pm **Registration**
Bienville; The Hotel Monteleone

9:00am – 10:30am **New Commissioner Orientation Training**
Royal D; The Hotel Monteleone

Speaker: Nathan Pick, ACI-NA

11:00am – 1:30pm **Commissioners Full Committee Meeting and Lunch**
Iberville; The Hotel Monteleone

1:30pm – 2:00pm ***Opening and Welcome Remarks**
La Nouvelle Orleans East

Speakers: Todd Hauptli, AAAE
Kevin M. Burke, ACI-NA
Debbie Wright, Metropolitan Nashville Airport Authority
Iftikhar Ahmad, Louis Armstrong New Orleans International Airport

*All General Session Presentations will take place in the La Nouvelle Orleans East, The Hotel Monteleone

2:00pm – 2:45pm **Airport Industry Policy Priorities and Government Affairs Presentation**

Speakers: George Kelemen, ACI-NA
Joel Bacon, AAAE

2:45pm – 3:15pm **AirportsUnited.com and Airports for the Future Update**

Speakers: Gwen Basaria, AAAE
Nathan Pick, ACI-NA

3:15pm – 3:30pm **Networking Break**

3:30pm – 4:15pm **Getting It Right: Civil Rights, DBE, and ACDBE**

Dolores Leyva, Federal Aviation Administration

4:15pm – 5:00pm **Sustainability Initiatives and Financial Impacts**

5:30pm – 6:30pm **Welcome Reception**
La Nouvelle Orleans West; The Hotel Monteleone

Monday, April 13, 2015

8:00am – 4:00pm **Registration**
Bienville; The Hotel Monteleone

8:00am – 8:45am **Continental Breakfast**
La Nouvelle Orleans West; The Hotel Monteleone

9:00am – 9:45am **FAA Presentation**
Speaker: Eddie Angeles, Federal Aviation Administration

9:45am – 10:30am **Forecasting the Numbers: The Economy and the Industry**
Speaker: Jeff Stanley, Ricondo and Associates, Inc.

- 10:30am –11:00am **Networking/Refreshment Break**
Foyer; The Hotel Monteleone
- 11:00am –11:45am **Commissioners Speak Panel**
- 11:45am –12:30pm **Edge for Vets at Airports**
Speaker: Tom Murphy, Forham University
- 12:30pm – 2:00pm **Keynote Luncheon**
Speaker: General Wesley Clark, Chairman, Bill and Hillary Clinton National Airport
- 2:00pm – 2:45pm **The First Amendment at Airports**
Speaker: Bret Lobner, San Diego County Regional Airport Authority
- 2:45pm – 3:15pm **Networking/Refreshment Break**
Foyer; The Hotel Monteleone
- 3:15pm – 4:00pm **Cybersecurity, IT Challenges at Smaller Airports and Common Use Technology**
Speaker: Royce Holden, The Greater Asheville Regional Airport Authority

Tuesday, April 14, 2015

- 8:00am – 10:00am **Registration**
Bienville; The Hotel Monteleone
- 8:00am – 8:45am **Continental Breakfast**
La Nouvelle Orleans West; The Hotel Monteleone
- 8:45am- 10:15am **Airport Security and Transportation Security Administration: Year in Review**
Speaker: Chris Bidwell, ACI-NA
- 10:15am –10:45am **Networking Break**
Foyer; The Hotel Monteleone
- 10:45am –11:30am **ACI-NA Scholarship and Commissioners Committee Recruitment**
Speaker: Debbie Wright, Metropolitan Nashville Airport Authority and Shirley James, Savannah Airport Commission
- 11:30am –11:45am **Closing**
- 11:45am –12:30pm **Box Lunch**
Foyer; The Hotel Monteleone

THELLA F. BOWENS

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT**

(To be completed within 30 days from travel return date)

TRAVELER: Thella F. Bowens DEPT. NAME & NO. Executive Office/BU 6
 DEPARTURE DATE: 3/31/2015 RETURN DATE: 4/2/2015 REPORT DUE: 5/2/15
 DESTINATION: Dallas, TX

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY 4/1/15	THURSDAY 4/2/15	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	\$338.20								0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*						73.86			73.86
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*									0.00
Hotel*									0.00
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*								0.00
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality ¹ *									0.00
Miscellaneous:									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
Total Expenses prepaid by Authority	338.20	0.00	0.00	0.00	0.00	73.86	0.00	0.00	73.86

Explanation:	Total Expenses Prepaid by Authority	338.20
	Total Expenses Incurred by Employee (including cash advances)	73.86
	Grand Total	412.06
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	338.20
	Due Traveler (positive amount)²	
Due Authority (negative amount)³	73.86	
<i>Note: Send this report to Accounting even if the amount is \$0.</i>		

¹ Give names and business affiliations of any persons whose meals were paid by traveler.
² Prepare Check Request
³ Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Kim Ayers Ext.: 2447
 Traveler Signature: Thella F. Bowens Date: 4/14/2015
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

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

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.



Traveltrust
Phone: 1-760-635-1700

Electronic Invoice

Prepared For:
BOWENS/THELLA

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	5334064
INVOICE ISSUE DATE	03 Mar 2015
RECORD LOCATOR	RQJCFW
CUSTOMER NUMBER	0000SDCRAA

Client Address	SAN DIEGO COUNTY REG AIRPORT AUTHORITY PO BOX 82776 SAN DIEGO CA 92138-2776
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DATE: Sat, Mar 28

Flight: UNITED AIRLINES 1740			
From	SAN DIEGO, CA	Departs	8:35am
To	HOUSTON GEO BUSH, TX	Arrives	1:45pm
Departure Terminal	2	Arrival Terminal	C
Duration	3hr(s) 10min(s)	Class	United Economy
Type	BOEING 737-900 JET	Meal	Food for Purchase
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 10C	XXXXXX
		EconomyPlus Seat	
		Confirmed	

DATE: Sat, Mar 28

Flight: UNITED AIRLINES 5267			
From	HOUSTON GEO BUSH, TX	Departs	2:32pm
To	DALLAS FT WORTH, TX	Arrives	3:45pm
Departure Terminal	B	Arrival Terminal	E
Duration	1hr(s) 13min(s)	Class	United Economy
Type	CRJ-700 CANADAIR REGIONAL JET	Meal	Refreshment
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 08B Economy	XXXXXX
		Plus Seat	
		Confirmed	

DATE: Sat, Mar 28

Car: HERTZ, RENT CAR DALLAS FT WORTH, TX			
Pick Up	3:45pm	Drop Off	06 Apr
Confirmation Number	G4984468696GOLD	Car Type	2/4 Door, Intermediate
CD	40000	Member ID	XXXXXX
Phone	972-453-4600		

Rate Plan For -	9 Days,0 Hours	USD	MI/KM	Extra MI/KM
	USD Rate	136,25	UNL	0,00
	Extra Day	27,25	UNL	0,00
	Extra Hour	21,00	UNL	0,00
	Mandatory Charges	136,30		
	Approximate Total Price	327,05	UNL	
Notes	HERTZ,800-654-3131			

DATE: Mon, Apr 06

Flight: UNITED AIRLINES 226			
From	DALLAS FT WORTH, TX	Departs	9:25am
To	HOUSTON GEO BUSH, TX	Arrives	10:34am
Departure Terminal	E	Arrival Terminal	C
Duration	1hr(s) 9min(s)	Class	United Economy
Type	AIRBUS INDUSTRIE A319 JET	Meal	
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 11C Economy	XXXXXX
		Plus Seat	
		Confirmed	

DATE: Mon, Apr 06

Flight: UNITED AIRLINES 1657			
From	HOUSTON GEO BUSH, TX	Departs	11:25am
To	SAN DIEGO, CA	Arrives	12:52pm
Departure Terminal	C	Arrival Terminal	2
Duration	3hr(s) 27min(s)	Class	United Economy
Type	BOEING 737-800 JET	Meal	Food for Purchase
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 11D Economy	XXXXXX
		Plus Seat	
		Confirmed	

DATE: Sat, Oct 03

Others	
HOUSTON GEO BUSH	
THANK YOU FOR YOUR BUSINESS	

Ticket Information

Ticket Number	UA7577712375	Passenger	BOWENS THELLA		
		Billed to:	XXXXXXXXXX	USD	* 308.20
Service Fee	XD 0644567482	Passenger	BOWENS THELLA		
		Billed to:	XXXXXXXXXX	USD	* 30.00
		SubTotal		USD	338.20
		Net Credit Card Billing		* USD	338.20
		Total Amount Due		USD	0,00

ITINERARY NOTES:
THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE

**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: Thella F. Bowens Dept: Exec Office BU6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 2/24/15 PLANNED DATE OF DEPARTURE/RETURN: 3/31/15 / 4/2/15

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: Meetings with Southwest and American Airlines
 Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:	
• AIRFARE	\$ 500.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ _____
B. LODGING	\$ 400.00
C. MEALS	\$ 100.00
D. SEMINAR AND CONFERENCE FEES	\$ _____
E. ENTERTAINMENT (If applicable)	\$ _____
F. OTHER INCIDENTAL EXPENSES	\$ 50.00
TOTAL PROJECTED TRAVEL EXPENSE	\$ 1050.00

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: 25 Feb 2015

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

Lorraine Bennett, Ass. Authority Clerk II, 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 March 9, 2015 meeting.
 (Leave blank and we will insert the meeting date.)

THE HERTZ CORPORATION
Phone: 800-654-4173
Web: www.hertz.com



Rental Agreement No: 156290864
Date: 04/09/2015
Document: 945000669258

Direct All Inquiries To:
THE HERTZ CORPORATION
PO BOX 26120
OKLAHOMA CITY, OK 73126-0120

CHARGE DETAIL

Renter: THELLA BOWENS
Account No.: *****
CDF No.: 40000
CDF Name: IBM CORPORATION

MS THELLA FAYE BOWENS

RENTAL REFERENCE

Rental Agreement No: 156290864
Reservation ID: G4984468696
Frequent Traveler: [REDACTED]

RENTAL DETAILS

Rate Plan: IN: CRL OUT: CRL
Rented On: 03/28/2015 16:59 LOC# 160020
DALLAS - DFW AP, TX
Returned On: 04/06/2015 09:25 LOC# 160020
DALLAS - DFW AP, TX
Car Description: PASSAT 4D FHC2044
Veh. No.: 8122921
CAR CLASS Charged: C MILEAGE In: 2,948
Rented: YF Out: 2,371
Reserved: C Driven: 577

MISCELLANEOUS INFORMATION

CC AUTH: 142080 DATE: 2015/03/28 AMT: 527.00

RENTAL CHARGES

WEEKS	1 @	136.25	136.25
EXTRA DAYS	2 @	27.25	54.50
SUBTOTAL			190.75
FUEL & SERVICE			4.71
CONCESSION FEE RECOVERY			21.71
VEHICLE LICENSE FEE			16.65
CUSTOMER FACILITY CHARGE			55.80
TAX		15.00*	42.74

Gold Plus Rewards Points

Earned this rental: 195

TOTAL CHARGES

332.36 USD ÷ 9 = \$36.93/
Day

9 DAYS TOTAL RENTAL @ \$36.93/DAY
2 BUSINESS DAYS = \$73.86

E-RETURN RECEIPT

THANK YOU FOR RENTING FROM HERTZ

ALL CHARGES HAVE BEEN BILLED TO YOUR ACCOUNT.

Rental Agreement No: 156290864
Date: 04/09/2015
Document: 945000669258

Direct All Inquiries To:
THE HERTZ CORPORATION
PO BOX 26120
OKLAHOMA CITY, OK 73126-0120
UNITED STATES

Renter: THELLA BOWENS
Account No.: *****

Phone: 800-654-4173
Web: www.hertz.com

TOTAL CHARGES 332.36 USD

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT**

(To be completed within 30 days from travel return date)

TRAVELER: Thella F. Bowens DEPT. NAME & NO. Executive Office/BU 6
 DEPARTURE DATE: 5/3/2015 RETURN DATE: 5/6/2015 REPORT DUE: 6/5/15
 DESTINATION: Atlanta, GA

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.4.0, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)									0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*									0.00
Hotel*									0.00
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel srvs.)									0.00
Meals (include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*								0.00
	Other Meals*								0.00
Alcohol is a non-reimbursable expense									
Hospitality 1*									0.00
Miscellaneous:									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
Total Expenses prepaid by Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Explanation:	Total Expenses Prepaid by Authority	0.00
NOTE: Traveller is not attending conference. Therefore, no expenses are being incurred.	Total Expenses Incurred by Employee (Including cash advances)	0.00
	Grand Trip Total	0.00
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	0.00
	Due Traveler (positive amount) ²	
	Due Authority (negative amount) ³	0.00
<i>Note: Send this report to Accounting even if the amount is \$0.</i>		

¹ Give names and business affiliations of any persons whose meals were paid by traveler.
² Prepare Check Request
³ Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.
Travel and Lodging Expense Reimbursement Policy 3.40 Business Expense Reimbursement Policy 3.30

Prepared By: Kim Ayers Ext.: 2447
 Traveler Signature: Thella F. Bowens Date: 4/17/15
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

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

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**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: Thella F. Bowens Dept: 6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 1/20/15 PLANNED DATE OF DEPARTURE/RETURN: 5/3/15 / 5/6/15

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

Destination: Atlanta, GA Purpose: Attend Smart Airports & Regions Conference
 Explanation: Speaking on panel: Sustainable Airports

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$	600.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	100.00
B. LODGING	\$	800.00
C. MEALS	\$	300.00
D. SEMINAR AND CONFERENCE FEES	\$	Comp
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	100.00
TOTAL PROJECTED TRAVEL EXPENSE	\$	<u>1900.00</u>

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: *Thella Bowens* Date: 21 Jan 2015

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, Lorraine Bennett, Assistant Authority Clerk II, 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 February 9, 2015 meeting.
 (Leave blank and we will insert the meeting date.)

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

TRAVEL EXPENSE REPORT

(To be completed within 30 days from travel return date)

TRAVELER: Thelma F. Bowers DEPT. NAME & NO. Executive Office/BU 6
 DEPARTURE DATE: 4/19/2015 RETURN DATE: 4/21/2015 REPORT DUE: 5/21/15
 DESTINATION: Phoenix, AZ

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)									0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*									0.00
Hotel*									0.00
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel srvs.)									0.00
Meals (Include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*								0.00
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality ¹ *									0.00
Miscellaneous:									0.00
									0.00
*Provide detailed receipts									0.00
Total Expenses prepaid by Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Explanation:	Total Expenses Prepaid by Authority	0.00
NOTE: Traveller is not attending conference. Therefore, no expenses are being incurred.	Total Expenses Incurred by Employee (including cash advances)	0.00
	Grand Trip Total	0.00
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	0.00
	Due Traveler (positive amount)²	
	Due Authority (negative amount)³	0.00

Note: Send this report to Accounting even if the amount is \$0.

¹ Give names and business affiliations of any persons whose meals were paid by traveler.
² Prepare Check Request
³ Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy¹ and 3.30 - Business Expense Reimbursement Policy² and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Kim Ayers Ext.: 2447
 Traveler Signature: Thelma F. Bowers Date: 4/17/15
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

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

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**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: Thella F. Bowens Dept: Exec Office BU6
Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 12/16/14 PLANNED DATE OF DEPARTURE/RETURN: 4/19/15 / 4/21/15

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

Destination: Phoenix, AZ Purpose: Attend ACI-NA 2015 Business of Airports Conference

Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$ 450.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ 560.00

C. MEALS \$ 200.00

D. SEMINAR AND CONFERENCE FEES \$ 820.00

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$ 100.00

TOTAL PROJECTED TRAVEL EXPENSE \$ 2230.00

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: *Thella F. Bowens* Date: 16 Dec 2014

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

Lorraine Bennett, Assistant Authority Clerk II, 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 January 5, 2015 meeting.
(Leave blank and we will insert the meeting date.)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT**

(To be completed within 30 days from travel return date)

TRAVELER: Thella F. Bowens DEPT. NAME & NO. Executive Office/BU 6
 DEPARTURE DATE: 3/25/2015 RETURN DATE: 3/27/2015 REPORT DUE: 4/26/15
 DESTINATION: Sacramento, CA

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY 3/25/15	THURSDAY 3/26/15	FRIDAY 3/27/15	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	\$568.20								0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*						42.00			42.00
Hotel*				125.50	263.50				389.00
Telephone, Internet and Fax*					9.95				9.95
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (Include tips pd.)									0.00
Breakfast*									0.00
Lunch*									0.00
Dinner*									0.00
Other Meals*									0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality ¹ *									0.00
Miscellaneous:									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
Total Expenses prepaid by Authority	568.20	0.00	0.00	0.00	126.50	273.45	42.00	0.00	440.95

Explanation:	Total Expenses Prepaid by Authority	568.20
	Total Expenses Incurred by Employee (Including cash advances)	440.95
	Grand Trip Total	1,009.15
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	568.20
	Due Traveler (positive amount) ²	
	Due Authority (negative amount)³	440.95

Note: Send this report to Accounting even if the amount is \$0.

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy¹ and 3.30 - Business Expense Reimbursement Policy² and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Thella F. Bowens Kim Ayers Ext.: 2447
 Traveler Signature: Thella F. Bowens Date: 4/17/2015
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

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

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

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: Thella F. Bowens Dept: 6
Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 1/7/15 PLANNED DATE OF DEPARTURE/RETURN: 3/25/15 / 3/26/15

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

Destination: Sacramento, CA Purpose: California Airports Council Board Meeting
Explanation:

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$	500.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	100.00
B. LODGING	\$	185.00
C. MEALS	\$	75.00
D. SEMINAR AND CONFERENCE FEES	\$	
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	
TOTAL PROJECTED TRAVEL EXPENSE	\$	860.00

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: 1/7/2015

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

Lorraine Bennett, Assistant Authority Clerk II, 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 February 9, 2015 meeting.
(Leave blank and we will insert the meeting date.)



Traveltrust
Phone: 1-760-635-1700

Electronic Invoice

Prepared For:
BOWENS/THELLA

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	5333326
INVOICE ISSUE DATE	25 Feb 2015
RECORD LOCATOR	PVUCOA
CUSTOMER NUMBER	0000SDCRAA

Client Address
SAN DIEGO COUNTY REG AIRPORT AUTHORITY
PO BOX 82778
SAN DIEGO CA 92138-2778

DATE: Wed, Mar 25

Flight: SOUTHWEST AIRLINES 342

From	SAN DIEGO, CA	Departs	7:40am
To	SACRAMENTO, CA	Arrives	9:10am
Departure Terminal	1	Arrival Terminal	B
Duration	1hr(s) 30min(s)	Class	Economy
Type	BOEING 737-700 JET	Meal	
Stop(s)	Non Stop		
Notes	ECONOMY CLASS-BUSINESS SELECT CONFIRMED		

DATE: Fri, Mar 27

Flight: SOUTHWEST AIRLINES 285

From	SACRAMENTO, CA	Departs	10:05am
To	SAN DIEGO, CA	Arrives	11:30am
Departure Terminal	B	Arrival Terminal	1
Duration	1hr(s) 25min(s)	Class	Economy
Type	BOEING 737-700 JET	Meal	
Stop(s)	Non Stop		
Notes	ECONOMY CLASS-BUSINESS SELECT CONFIRMED		

DATE: Wed, Sep 23

Others

SACRAMENTO THANK YOU FOR YOUR BUSINESS XD 0644304798	BOWENS THELLA
Billed to:	XXXXXXXXXX USD * 30.00

Ticket Information

Ticket Number	WN 2486593682	Passenger	BOWENS T	
Billed to:	XXXXXXXXXX			USD * 538.20
		SubTotal		USD 568.20
		Net Credit Card Billing		* USD 568.20

Total Amount Due

USD 0.00

ITINERARY NOTES:

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY.
SOUTHWEST AIRLINES CONFIRMATION NUMBER - 89IZLG

Your travel arranger provides the information contained in this document. If you have any questions about the content, please contact your travel arranger. For Credit Card Service fees, please see eTicket receipt for total charges.

The
CITIZEN
HOTEL

Ms. Thella Bowens
P.o. Box 82776
San Diego CA 92138-2776

Room No.: 1021
Arrival: 03-25-15
Departure: 03-26-15
Page No.: 1 of 1
Folio No.: 254893
Conf #: 7743631
Cashier: 2366
Booking #:

Joy of Life Club #:
Company Name: Schott & Lites Advocates
Block Code: 1503CALIFO_024
Guest Name:

Date	Description	Charges	Credits
03-25-15	Room Charge	109.00	
03-25-15	Occupancy Tax	13.08	
03-25-15	City of Sacramento Tourism Assessment	3.27	
03-25-15	CA Tourism Assessment	0.15	
03-26-15	American Express XXXXXXXXXXXX		125.50
	Total	125.50	125.50
		Balance	0.00

Thank you for choosing the Citizen Hotel

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or association fails to pay for any of the full amount of these charges. I also agree that all charges contained in this account are correct and any disputes or requests for copies of charges must be made at time of departure.

Signature: _____

The
CITIZEN
HOTEL

Ms. Thella Bowens
P.o. Box 82776
San Diego CA 92138-2776

Room No.: 1021
Arrival: 03-26-15
Departure: 03-27-15
Page No.: 1 of 1
Folio No.:
Conf #: 7881334
Cashier: 1531
Booking #:

Joy of Life Club #:
Company Name: Schott & Lites Advocates

Guest Name:

Date	Description	Charges	Credits
03-26-15	Internet Charge	9.95	
XXXXXXXXXX			
03-26-15	Room Charge	229.00	
03-26-15	Occupancy Tax	27.48	
03-26-15	City of Sacramento Tourism Assessment	6.87	
03-26-15	CA Tourism Assessment	0.15	
03-27-15	American Express		274.81
	XXXXXXXXXX	XX/XX	
Total		274.81	274.81
		Balance	0.00

} \$263.50

Thank you for choosing the Citizen Hotel

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or association fails to pay for any of the full amount of these charges. I also agree that all charges contained in this account are correct and any disputes or requests for copies of charges must be made at time of departure.

Signature: _____

**RECEIPTS FROM TRAVEL TO CALIFORNIA AIRPORTS COUNCIL
BOARD MEETING - SACRAMENTO, CA
MARCH 25-26, 2015 - THELLA F. BOWENS**

Yellow Cab Co.SM
OF SACRAMENTO
(916) 444-2222
900 RICHARDS BLVD.
SACRAMENTO, CA 95811
www.yellowcabsacramento.com



All spaces must be completed. Write N/A if not applicable.

PLEASE USE BLACK INK ONLY
2029376

\$ **36 + tip**

Total Fare
Driver Entry Only

Date 3/27/15
Para _____
Meter Amt. \$ _____
Tip \$ _____
Passenger Entry Only
Total \$ _____
Passenger Entry Only

From Citizen Hotel \$42.00 Pickup Time _____
To Sac Airport Drop Time _____
Conf. # _____
Bill To _____ Billing Ref. _____ Cab # _____
Passenger Name _____ Miles _____
Driver _____
Driver ID _____

Passenger Signature

Valid only in Yellow Cab and Union Taxi vehicles.
10/2014



SCHEDULE
March 25-26, 2015
California Airports Council
Board Meeting
Tsakopoulos Library Galleria
828 I Street
Sacramento, CA

WEDNESDAY, MARCH 25

- 5:45 P.M. Meet in hotel lobby and walk to dinner, or please let CAC staff know if you need a ride to the restaurant.
- 6:00 P.M. Lucca Restaurant
1615 J Street
Sacramento, CA
916.669.5300
Business Casual Attire

THURSDAY, MARCH 26

- 8:15 A.M. Full Breakfast at Tsakopoulos Library Galleria
- 9:00 A.M. CAC Board Meeting
- 12:00 P.M. Adjournment and Lunch