

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



## BOARD MEMBERS

DAVID ALVAREZ  
LAURIE BERMAN\*  
BRUCE R. BOLAND  
GREG COX  
JIM DESMOND  
COL. JOHN FARNAM\*  
ROBERT H. GLEASON  
LLOYD B. HUBBS  
ERAINA ORTEGA\*  
PAUL ROBINSON  
MARY SESSOM  
TOM SMISEK

\* EX OFFICIO BOARD MEMBERS

PRESIDENT/CEO  
THELLA F. BOWENS

## **BOARD** **AGENDA**

Thursday, June 5, 2014  
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/sdcraa/leadership/board\\_meetings.aspx](http://www.san.org/sdcraa/leadership/board_meetings.aspx)***

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:**

**PRESENTATION:**

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

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:**  
Committee Members: Gleason, Hollingworth, Hubbs, Sessom, Smisek (Chair), Tartre, Van Sambeek
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Committee Members: Alvarez, Boland (Chair), Gleason, Hubbs, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Committee Members: Boland, Cox, Desmond (Chair), Hubbs, Smisek
- **FINANCE COMMITTEE:**  
Committee Members: Alvarez, Cox (Chair), Hubbs, Robinson, Sessom

***ADVISORY COMMITTEES***

- **AUTHORITY ADVISORY COMMITTEE:**  
Liaison: Smisek, Robinson
- **ART ADVISORY COMMITTEE:**  
Committee Member: Gleason

***LIAISONS***

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**  
Liaison: Robinson
- **CALTRANS:**  
Liaison: Berman
- **INTER-GOVERNMENTAL AFFAIRS:**  
Liaison: Cox

- **MILITARY AFFAIRS:**  
Liaisons: Boland
- **PORT:**  
Liaisons: Cox, Gleason (Primary), Robinson

### ***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:**  
Representatives: Hubbs, Smisek (Primary)
- **WORLD TRADE CENTER:**  
Representatives: Alvarez, Gleason (Primary)

### **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 1-18):**

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

### **1. APPROVAL OF MINUTES:**

The Board is requested to approve minutes of prior meetings.

RECOMMENDATION: Approve the minutes of the May 1, 2014, 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 APRIL 7, 2014 THROUGH MAY 11, 2014 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 7, 2014 THROUGH MAY 11, 2014:**

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

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

**4. JUNE 2014 LEGISLATIVE REPORT:**

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2014-0046, approving the June 2014 Legislative Report.

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

**5. APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:**

The Board is requested to make an appointment.

RECOMMENDATION: Adopt Resolution No. 2014-0047, appointing Don Tartre as a public member to the Audit Committee.

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

**6. PROPOSED ADOPTION OF PUBLIC PARKING RATE INCREASE:**

The Board is requested to approve an increase to certain public parking rates.

RECOMMENDATION: Adopt Resolution No. 2014-0048, approving an increase to certain public parking rates effective July 1, 2014.

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

***CLAIMS***

**7. REJECT THE CLAIM OF JOSEPH LAURIA AND ROSE LAURIA:**

The Board is requested to reject the claim.

RECOMMENDATION: Adopt Resolution No. 2014-0049, rejecting the claim of Joseph Lauria and Rose Lauria.

**(Legal: Breton Lobner, General Counsel)**

## ***COMMITTEE RECOMMENDATIONS***

### **8. RESULTS OF THE QUALITY ASSESSMENT REVIEW:**

The Board is requested to approve the report.

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

**(Audit: Mark A. Burchyett, Chief Auditor)**

### **9. REQUIRED COMMUNICATIONS FROM THE EXTERNAL AUDITOR TO THE AUDIT COMMITTEE ON THE FISCAL YEAR ENDED JUNE 30, 2014, FINANCIAL AND COMPLIANCE AUDIT:**

The Board is requested to accept the information.

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

**(Audit: Mark Burchyett, Chief Auditor)**

### **10. FISCAL YEAR 2014 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 Burchyett, Chief Auditor)**

### **11. FISCAL YEAR 2015 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 approve the proposed audit plan.

**(Audit: Mark A. Burchyett, Chief Auditor)**

### **12. 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. 2014-0050, approving amendments to Authority Policy 4.40 - Debt Issuance and Management Policy.

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

**13. 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. 2014-0051, approving 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.

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

***CONTRACTS AND AGREEMENTS***

**14. GRANT AN EASEMENT FOR GAS SERVICES TO SAN DIEGO GAS & ELECTRIC:**

The Board is requested to grant an easement.

RECOMMENDATION: Adopt Resolution No. 2014-0052, authorizing the President/CEO to negotiate and execute an Easement with San Diego Gas & Electric for Gas Services in support of the Rental Car Center, and Fixed Base Operator.

**(Business & Financial Management: Susan Diekman, Real Estate Manager)**

**15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO INCREASE THE DURATION OF THE TURNER/PCL/FLATIRON JOINT VENTURE AGREEMENT FOR THE TERMINAL DEVELOPMENT PROGRAM CONTRACT 1: TERMINAL 2 WEST BUILDING AND AIRSIDE EXPANSION:**

The Board is requested to approve a second amendment.

RECOMMENDATION: Adopt Resolution No. 2014-0053, approving and authorizing the President/CEO to execute a Second Amendment to the agreement with Turner/PCL/Flatiron – A Joint Venture agreement, extending the agreement time from 1247 days to 1420 days, for Project No. 201301, Terminal Development Program ("TDP") Contract 1: Terminal 2 West Building and Airside Expansion, at San Diego International Airport ("SDIA").

**(Airport Design & Construction: Bob Bolton, Director)**

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

**16. AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 7, GROUP 10 (20 NON-HISTORIC SINGLE AND MULTI-FAMILY UNITS ON 12 RESIDENTIAL PROPERTIES AND 38 NON-HISTORIC DWELLING UNITS IN TWO CONDOMINIUM BUILDINGS LOCATED EAST AND WEST OF THE AIRPORT):**

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2014-0054, awarding a contract to S&L Specialty Contracting, Inc., in the amount of \$1,691,450, for Phase 7, Group 10, Project No. 380710, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

**(Airport Planning: Keith Wilschetz, Director)**

**17. AWARD A CONTRACT TO MARCON ENGINEERING, INC. TO CONSTRUCT TRITURATOR FOR TERMINAL LINK ROAD PROJECT NO. 104134:**

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2014-0055, awarding a contract to Marcon Engineering, Inc., in the amount of \$1,718,428.35, for Project No. 104134, to Construct Triturator, at San Diego International Airport.

**(Airport Planning: Keith Wilschetz, Director)**

**18. AUTHORIZE THE PRESIDENT/CEO TO CONSENT TO THE ASSIGNMENT OF THE POWER PURCHASE AGREEMENT AND SITE LEASE FROM BORREGO SOLAR SYSTEMS, INC. TO LINDBERG FIELD SOLAR 1, LLC:**

The Board is requested to consent to the assignment.

RECOMMENDATION: Adopt Resolution No. 2014-0056, authorizing the President/CEO to consent to the assignment of the Power Purchase Agreement and Site Lease from Borrego Solar Systems, Inc. to Lindberg Field Solar 1, LLC.

**(Airport Design & Construction: Bob Bolton, Director)**

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**NEW BUSINESS:**

**19. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2015, THE CAPITAL PROGRAM FOR FISCAL YEARS 2015-2019, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2016:**

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

RECOMMENDATION: Adopt Resolution No. 2014-0057, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2015, the Capital Program for Fiscal Years 2015-2019, and conceptually approving the Operating Budget for Fiscal Year 2016.

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

**CLOSED SESSION:**

**20. 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, GTW, LLC (current tenant) and/or other interested parties.

Under Negotiation: Sale – terms and conditions.

**21. 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

**22. 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

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

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

Cornelius White v. San Diego County Regional Airport Authority,  
San Diego Superior Court Case No. 37-2013-00057745-CU-WT-CTL.

**24. 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)

**25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)  
Number of cases: 1

**26. 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

**27. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

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

Re: (Tentative) 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

**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**

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

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

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

**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>
July 7	Monday	9:00 a.m.	Special	Board Room
September 4	Thursday	9:00 a.m.	Regular	Board Room

**DRAFT**  
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD**  
**MINUTES**  
**THURSDAY, MAY 1, 2014**  
**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 9:10 a.m. on Thursday, May 1, 2014, in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

**ROLL CALL:**

**PRESENT:** Board Members: Alvarez, Boland, Cox, Desmond, Farnam (Ex Officio), Gleason, Hubbs, Robinson, Sessom, Smisek

**ABSENT:** Board Members: Berman (Ex Officio), Ortega (Ex Officio)

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

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

*Board Member Alvarez arrived during the course of the meeting.*

*The Board recessed at 9:11 a.m. and reconvened at 9:21 a.m.*

Chair Gleason announced that Item 15 would be heard at this time.

**NEW BUSINESS:**

**15. PROVIDE DIRECTION ON VEHICLE FOR HIRE OPERATING MODEL –  
TIMELINE AND IMPLEMENTATION:**

Chair Gleason disclosed ex-parte communications with Adrian Kwiatkowski, representing Transportation Alliance Group (TAG), Carelyn Reynolds, representing San Diego Direct and Coronado Livery, and Anthony Carneiro, representing Advanced Shuttle.

Board Member Boland disclosed ex-parte communications with Adrian Kwiatkowski, representing TAG, Sup Datta, representing Easy Ride Shuttle, Carelyn Reynolds, representing San Diego Direct and Coronado Livery, and Kirk Orndorff.

Board Member Hubbs disclosed ex-parte communications with Adrian Kwiatkowski, representing TAG, Sup Datta, representing Easy Ride Shuttle, Carelyn Reynolds, representing San Diego Direct and Coronado Livery, and Kirk Orndorff.

Board Member Smisek disclosed ex-parte communications with Adrian Kwiatkowski, representing TAG.

Board Member Robinson disclosed ex-parte communications with Adrian Kwiatkowski, representing TAG, Sup Datta, representing Easy Ride Shuttle, Carelyn Reynolds, representing San Diego Direct and Coronado Livery, and Kirk Orndorff.

Board Member Cox disclosed ex-parte communications with Adrian Kwiatkowski, representing TAG, Sup Datta, representing Easy Ride Shuttle, Carelyn Reynolds, representing San Diego Direct and Coronado Livery, and Kirk Orndorff.

Board Member Desmond disclosed ex-parte communications with Adrian Kwiatkowski, representing TAG.

David Boenitz, Director, Ground Transportation, provided a presentation on the Vehicle for Hire (VHF) Operating Model – Timeline and Implementation, which included Background and Recommendation, Open vs. Closed Commercial Vehicle Business and Operational Models, VHF Concession Timeline-Draft, Challenges/Obstacles, Further Work Required, and Next Steps.

Board Member Desmond spoke in favor of setting standards for transportation providers and suggested moving forward with a concessions model that would allow new entities to participate.

In response to Board Member Smisek, regarding whether contracts can be provided without a concession, Bret Lobner, General Counsel, responded that concessions limit the number of entities who can participate, while under a contract or permit alternative, it is open to all who qualify to participate.

In response to Chair Gleason about whether or not other airports have looked at allowing a consortium group to come together, or given preference to combine smaller groups as a way to recognize existing operators and to encourage small business participation, Mr. Boenitz stated that Los Angeles International Airport (LAX) had consolidated 3-5 companies in to a legal entity that was able to bid on its contract and was awarded the contract.

In response to Chair Gleason regarding setting up the process for whether and to what extent you can either reserve one spot, or have a preference for a particular kind of entity or arrangement, Bret Lobner, Legal Counsel, stated that the Authority has a Small Business policy in place and if the Board wanted to adopt a policy with regard to ground transportation that addresses small businesses, it has the legal right to do so.

*Board Member Alvarez arrived at 9:43 a.m.*

KEVIN KOHL, LA MESA, spoke in opposition to a Concession Model.

KIRK ORNDORFF, SANTEE, spoke in opposition to a Concession Model.

ALFONSO MIRANDA, SAN DIEGO, spoke in opposition to a Concession Model.

JIMMY DAVIS, SAN DIEGO, spoke in opposition to a Concession Model.

ERIKA FEKAS, SAN DIEGO, spoke in opposition to a Concession Model.

CARELYN REYNOLDS, SAN DIEGO, spoke in opposition to a Concession Model.

SUP DATTA, SAN DIEGO, spoke in opposition to a Concession Model.

CHARLOTTE JACOBS, SAN DIEGO, representing the USO, stated that the USO is contracted with Sea Breeze Shuttle to provide ground transportation needs for military personnel, and that Sea Breeze Shuttle is accommodating, efficient, and flexible to all requests for ground transportation by the USO.

ADALA GONZALO, SAN DIEGO, spoke in opposition to a Concession Model.

BILL BAYNE, SAN DIEGO, representing Kearney Pearson Ford Alternative Fuel Vehicles, stated that its commitment to individual shuttle companies for supply of alternative fuel vehicles is on hold, pending the outcome of the Board's decision on this item.

ANTHONY CARNEIRO, SAN DIEGO, spoke in opposition to a Concession Model.

KARAN MODY, SAN DIEGO, representing Prime Time Shuttle, provided a presentation about the company, which included Who We Are, MOA - Our Formula to Success, How We Do It, Our Fleet, Small Business Opportunity, and Partnership with SDCRAA.

TONY HUESO, SAN DIEGO, spoke in opposition to a Concession Model.

ADRIAN KWIATKOWSKI, SAN DEGO, representing Transportation Alliance Group, San Diego, provided a presentation, which included San Diego County Airport Shuttle Association (SDCASA) Members, SDCASA MOA Summary, Airport Authority Long-Term Discussion Topics, Joint Authority/SDCASA Long-Term Discussion Topic, MOA Summary, and No Concession - Yes Negotiations.

XEMA JACOBSON, SPRING VALLEY, spoke in support of a Concessions Model

Board Member Cox stated that a concessions model would not be consistent with what the Board is trying to accomplish in regards to providing access to small and disadvantaged operators. He suggested moving forward with a Memorandum of Agreement (MOA).

Board Member Boland stated that a concession program conflicts with the Authority's small business efforts, and recommended moving forward with a MOA. He also requested that staff provide more specificity regarding improvements in Performance Measures.

In response to Board Member Sessom about whether the Authority is on track with its target to meet the Attorney General's agreement on the vehicle conversion program, Mr. Boenitz responded that program is falling behind, due to the elimination of the conversion incentives.

Board Member Alvarez suggested taking what's good from both models and create our own. He stated that he would like to see vehicle conversions, efficiency, good quality service, and financial certainty for the Airport achieved throughout the new agreements.

Thella Bowens, President/CEO, requested that should the Board not decide to move forward with a concession model, that staff will be requesting Board support to approve performance standards and requirements to provide a high level of customer service and efficiency to be achieved.

Chair Gleason requested that Staff provide clear recommendations in regards to any proposed Performance Standards and requirements to be included in future MOA's. He expressed concerns with where the Authority is in regards to ground transportation and stated that he would like to see the Customer Service Representatives Service improved.

**RECOMMENDATION:** Provide further direction to staff.

**ACTION: Moved by Board Member Alvarez, and seconded by Board Member Smisek, to direct staff to not move forward with implementing a concession model, and to continue with the current model, to develop a Memorandum of Understanding with stronger standards and requirements that can be enforced, and directed staff to begin negotiating with the relevant groups, and report back to the Board at its September meeting. Motion carried by the following vote: YES – Alvarez, Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT – None. (Weighted Vote Points: YES - 100; NO - 0; ABSENT- 0).**

*The Board recessed at 10:51 a.m. and reconvened at 11:04 a.m.*

*Board Members Alvarez and Sessom left the meeting at 11:45 a.m., and Board Member Desmond left the meeting at 11:48 a.m.*

Chair Gleason announced that Item 16 would be heard at this time.

**16. PRESENTATION OF AIRPORT DEVELOPMENT PLAN CONCEPTS:**  
Keith Wilschetz, Director, Airport Planning, provided a presentation on the Airport Development Plan (ADP) Concepts, which included an Update on the ADP Process, Terminal Planning Issues and Framework, Terminal Development Concepts, and Next Steps.

Oris Dunham, Chair, Authority Advisory Committee, provided an overview of the alternatives that were reviewed by the Committee at its meeting on February 26, 2014, which included relocation of the Least Terns, the need to replace Terminal 1 for Southwest Airlines, the link road, transit link from Harbor Island to downtown San Diego, on-airport access road to remove traffic off Harbor Drive, north side proposed facility, financial considerations, and environmental sustainability regarding climate change and sea-level rise.

Board Member Cox suggested that staff meet with Mendel Stewart, Manager at U.S. Fish and Wildlife Service, to discuss opportunities to accommodate the needs of the Least Terns. He also requested a meeting between Authority staff, the San Diego Unified Port District, and Solar Turbines, to discuss any potential parking alternatives that would provide increased flexibility as it relates to the ADP and to work closely with our neighbors to integrate transit.

Board Member Boland stated the need to address the parallel taxiway bravo, should the Remain Over Night (RON) be moved to the east end of the Airport.

LAURA SHINGLES, representing the Chamber of Commerce, spoke in support of the Airport Development Plan Concepts, and referenced a letter from the Chamber dated April 29, 2014, in support of the Plan.

Chair Gleason requested to include planning and funding in future discussions regarding the Airport Development Plan, as well as expanded discussion about getting to and from the Airport from Interstate 5, and transit to the airport. He also requested that the Board receive an updated Outreach Plan for the ADP.

RECOMMENDATION: Provide direction to staff.

ACTION: No action taken.

**PRESENTATION:**

**A. FINANCIAL UPDATE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2014 AND 2013:**

Scott Brickner, Vice President, Finance & Asset Management/Treasurer, provided a presentation on the Unaudited Financial Statements for the Nine Months Ended March 31, 2014, which included Operating Revenues by Percentage for Nine Months Ended March 31, 2014 (Unaudited), Operating Expenses by Percentage for Nine Months Ended March 31, 2014 (Unaudited), Non-operating Revenue and Expenses (Unaudited), Financial Summary, Statement of Net Position, as of March 31, 2014 (Unaudited), and Statement of Net Position, as of March 31, 2014 (Unaudited).

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

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:**  
Board Member Smisek reported that the Committee met at a Special Meeting on April 21, 2014 to discuss the selection of a new external Auditor. He reported that the Committee will meet on May 12, 2014.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Board Member Boland reported that the Committee met on April 15, 2014 to discuss the Capital Improvement Program in detail. He reported that he would be travelling with Authority staff to Seattle and San Jose to look at their Rental Car facilities.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Chair Gleason reported that the Committee will meet on June 5<sup>th</sup> and June 18<sup>th</sup>, to review performance and goal setting for the President/CEO, and General Counsel and Chief Auditor respectively.
- **FINANCE COMMITTEE:** None.

### **ADVISORY COMMITTEES**

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:**  
Chair Gleason reported that the reflection room in Terminal 2 West is completed, and a dedication is planned for May/June, 2014. He reported that the Terminal East wall dedication is scheduled for May 14, 2014. He also reported that the Third Rental Car Center Art Project has received 33 responsive proposals, which will come before the Board in September. He also reported that the Food Court project in Terminal 1 is near completion.

### **LIAISONS**

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:** None.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:**  
Board Member Cox reported that during the past month, Authority staff updated the following individuals on airport issues: Authority Board Ex-Officio, Eraina Ortega, and Assembly member's Katcho Achadjian, Brian Maienschein, and Brian Jones. Authority staff also provided updates to staff of the following members: Assembly Woman Toni Atkins, Senator Lois Wolk, Senator Ted Gaines, and Assembly member Rocky Chavez. On April 25<sup>th</sup>, staff provided an Airport Development Plan briefing to SANDAG representatives, including Imperial Beach Mayor, Jim Janney, Poway Mayor, Don Higginson, and SANDAG Chair and Santee Councilmember, Jack Dale.
- **MILITARY AFFAIRS:** None.
- **PORT:**  
Chair Gleason reported that at the last bi-monthly meeting with the Port, Authority representatives provided a briefing on the Airport Development Plan.

### **BOARD REPRESENTATIVES (EXTERNAL)**

- **SANDAG TRANSPORTATION COMMITTEE:**  
Board Member Smisek reported that the Committee met on two occasions regarding procedural amendments.

- **WORLD TRADE CENTER:**

Chair Gleason reported that last month, the license holders met to discuss a framework regarding the World Trade Center looking forward, and what would most benefit the license holders and the region.

**CHAIR'S REPORT:**

Chair Gleason reported that Board Member Hubbs would be attending the upcoming ACI Commissioner's Conference. He also reported that he would be attending the swearing in of Assemblywoman Toni Atkins on May 12, 2014 in Sacramento. He invited the Board to attend the SAN Mural Art Dedication event on May 14, 2014.

**PRESIDENT/CEO'S REPORT:**

Thella Bowens, President/CEO, announced that within the next week, the Concession Development Program will open two new stores, California Pizza Kitchen, and PGA Grill. She reported that staff's from LAX and Sea-Tac Airports participated in a lessons learned with Authority staff, regarding challenges and opportunities with the Green Build project.

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

**CONSENT AGENDA (Items 1-14):**

**ACTION: Moved by Board Member Smisek, and seconded by Board Member Boland to approve the Consent Agenda. Motion carried by the following vote: YES – Boland, Cox, Gleason, Hubbs, Robinson, Smisek; NO - None; ABSENT – Alvarez, Desmond, Sessom. (Weighted Vote Points: YES - 67; NO - 0; ABSENT- 33).**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the April 3, 2014, 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.

000008

3. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MARCH 10, 2014, THROUGH APRIL 6, 2014, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 10, 2014, THROUGH APRIL 6, 2014:**  
RECOMMENDATION: Receive the report.
4. **MAY 2014 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2014-0034, approving the May 2014 Legislative Report.

#### ***CLAIMS***

5. **REJECT THE CLAIM OF JOE GUIDO:**  
RECOMMENDATION: Adopt Resolution No. 2014-0037, rejecting the claim of Joe Guido.
6. **REJECT THE CLAIM OF ALICE BOEHM:**  
RECOMMENDATION: Adopt Resolution No. 2014-0038, rejecting the claim of Alice Boehm.

#### ***COMMITTEE RECOMMENDATIONS***

7. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH BKD, LLP, FOR EXTERNAL AUDITOR SERVICES:**  
RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2014-0039, approving and authorizing the President/CEO to execute an agreement with BKD, LLP, for an amount not to exceed \$950,000 for a three year term with an option for two (2) one year extensions, which may be exercised, subject to Board approval, at the sole discretion of the Authority's President/CEO.
8. **ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2014:**  
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.
9. **ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2014:**  
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

## **CONTRACTS AND AGREEMENTS**

- 10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE KIEWIT/SUNDT JOINT VENTURE AGREEMENT FOR THE TERMINAL DEVELOPMENT PROGRAM CONTRACT 2: TERMINAL 2 LANDSIDE IMPROVEMENTS:**  
RECOMMENDATION: Adopt Resolution No. 2014-0040, approving and authorizing the President/CEO to execute a second amendment to the agreement with Kiewit/Sundt – A Joint Venture Agreement, extending the agreement time from 1022 days to 1419 days for Project 201401, Terminal Development Program Contract 2: Terminal 2 Landside Improvements, at San Diego International Airport.
- 11. GRANT AN ELECTRICAL EASEMENT TO SAN DIEGO GAS & ELECTRIC:**  
RECOMMENDATION: Adopt Resolution No. 2014-0041, authorizing the President/CEO to negotiate and execute an electrical easement with San Diego Gas & Electric in support of the development of a new Fixed Base Operator Facility.
- 12. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE SAN DIEGO COUNTY MUNICIPAL STORMWATER COPERMITTEES:**  
RECOMMENDATION: Adopt Resolution No. 2014-0042, authorizing the President/CEO to execute second amendment to the Memorandum of Understanding with the San Diego County Municipal Stormwater Copermittees.
- 13. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE SAN DIEGO BAY WATERSHED STORMWATER COPERMITTEES TO ESTABLISH THE WATERSHED SHARED PROGRAM RESPONSIBILITIES WITH RESPECT TO COMPLIANCE WITH THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) STORMWATER PERMIT REGULATIONS:**  
RECOMMENDATION: Adopt Resolution No. 2014-0043, authorizing the President/CEO to execute a Memorandum of Understanding with the San Diego Bay Watershed Stormwater Copermittees to establish the watershed shared program responsibilities with respect to compliance with the National Pollutant Discharge Elimination System (NPDES) stormwater permit regulations.

000010

**14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE ON-CALL PLUMBING SERVICES AGREEMENT WITH AGBW CORPORATION, DOING BUSINESS AS BPI PLUMBING:**

RECOMMENDATION: Adopt Resolution No. 2014-0044, approving and authorizing the President/CEO to execute a Second Amendment to the agreement with AGBW Corporation, doing business as BPI Plumbing, extending the term of the agreement by one hundred twenty (120) days to expire September 26, 2014, to provide on-call plumbing services for San Diego International Airport's ("SDIA's") Capital Major Maintenance Program.

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

**PUBLIC HEARINGS:** None.

**OLD BUSINESS:** None.

**CLOSED SESSION:** The Board did not meet in Closed Session.

Breton Lobner, General Counsel, reported that in the case of PETA vs SDCRAA involving JC Decaux, the case has been settled. He reported that the settlement included that JC Decaux would display the PETA advertisement, and that JC Decaux will incur all legal expenses relating to attorney's fees in the case.

**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: Vernon D. Evans, Vice President, Finance/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 condition

**18. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

(Cal. Gov. Code Section 54956.9(a))

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

**19. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

(Cal. Gov. Code §54956.9(a))

Melvin R. McFarlin v. San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2013-00066152-CU-OE-CTL

20. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**  
(Cal. Gov. Code §54956.9(a))  
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
  
21. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a))  
People for the Ethical Treatment of Animals, Inc. v. San Diego County Regional Airport Authority and JCDecaux North America,  
U.S. Dist. Ct. for So. Dist. of CA, Case No. 14CV0532 CAB RBB
  
22. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code §54956.9(a))  
Cornelius White v. San Diego County Regional Airport Authority, San Diego Sup. Court Case No. 37-2013-00057745-CU-WT-CTL.  
Number of cases: 1
  
23. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
  
24. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:**  
Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b) and Cal. Gov. Code § 54956.9(a): Jay A. Bass, et al v. San Diego City Employees' Retirement System, et al., San Diego Sup. Court Case No. 37-2013-00077566-CU-OE-CTL  
Number of cases: 1
  
25. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Significant exposure to litigation (Cal. Gov. Code §§ 54956.9 (b) and 54954.5)  
Number of potential cases: 1  
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

**REPORT ON CLOSED SESSION:** The Board did not meet in Closed Session.

**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 12:30 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL  
AIRPORT AUTHORITY BOARD THIS 5<sup>th</sup> DAY OF JUNE, 2014.

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

Revised 6/4/14



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

Item No.  
**2**

Meeting Date: **JUNE 5, 2014**

**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 2014 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. 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

**DAVID ALVAREZ**

**SDCRAA**  
**MAY 29 2014**  
**Corporate Services**

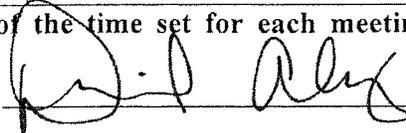
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**

Period Covered: May 2014

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:
David Alvarez		May 28, 2014
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>May 1, 2014</u> Time: <u>9 am</u> Location: <u>SDRCAA</u>	<u>Board Committee</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>May 22, 2014</u> Time: <u>9:30 am</u> Location: <u>SDRCAA</u>	<u>Budget Workshop</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>May 27, 2014</u> Time: <u>9 am</u> Location: <u>SDRCAA</u>	<u>Finance Committee</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:	
<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**

SDCRAA

MAY 27 2014

Corporate Services

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

Period Covered: MAY 1-31, 2014

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:
Greta Cox		MAY 27, 2014
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: MAY 1, 2014 Time: 9 am Location: SDIA	SPECIAL BOARD MEETING ALUC MEETING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 22, 2014 Time: 9:30 am Location: SDIA	SPECIAL BOARD MEETING BUDGET WORKSHOP
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 27, 2014 Time: 9:00 am Location: SDIA	SPECIAL EXECUTIVE / FINANCE COMMITTEE SPECIAL BOARD MEETING
<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: \_\_\_\_\_

*Greta Cox*

**JIM DESMOND**

**SDCRAA**  
**MAY 09 2014**  
**Corporate Services**

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

Period Covered: MAY 2014

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:
<b>JIM DESMOND</b>		<b>5/8/14</b>
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
A Brown Act Pre-approved Res. 2009-0149R	Date: <b>1 MAY 14</b> Time: <b>9 AM</b> Location: <b>SDIA</b>	<b>Board Meeting</b>
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 H. GLEASON**

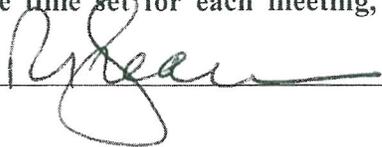
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**  
 Period Covered: MAY 2014

**SDCRAA**  
**JUN 04 2014**  
**Corporate Services**

**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 28, 2014
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: May 1, 2014 Time: 9:00 am Location: SDCRAA offices	ALUC / Board meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: May 8, 2014 Time: 11:30 am Location: Bahia Resort Hotel	HMA Board meeting; spoke on behalf of Airport Authority on Airport Development Plan
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 9, 2014 Time: 9:00 am Location: SDCRAA offices	Art Advisory Committee meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 14, 2014 Time: 9:30 am Location: SDCRAA offices	Dedication of new commuter terminal mural; spoke on behalf of Airport Authority
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 20, 2014 Time: 2:00 pm Location: City Hall	San Diego City Council meeting for confirmation of reappointment to Airport Authority
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 22, 2014 Time: 9:30 am Location: SDCRAA offices	Budget workshop
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 27, 2014 Time: 11:00 am Location: SANDAG	Supervisor Cox's workshop, "Let's Talk Coastal"; attended workshop and roundtable on behalf of 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: 

**ANDY HOLLINGWORTH**

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

*QUARTERLY Audit & Cont. Mtg*  
 (Period Covered)

<b>SDCRAA</b>  <b>MAY 12 2014</b>  <b>Corporate Services</b>
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**NOTE:** Multiple items may be listed on this form. Please provide a brief summary for each item or attach a summary to the form. Please sign each form and send to Tony Russell, Authority Clerk.

NAME (Please sign)		DATE
<i>Anders Holmgren</i>		<i>5/12/2014</i>
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2008-0112	Date: <i>5/12/2014</i> Time: <i>10-12 A.M.</i> Location: <i>Airport Authority Board Room</i>	<i>QUARTERLY Audit &amp; Cont. Mtg</i>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2008-0112	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2008-0112	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2008-0112	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2008-0112	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2008-0112	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2008-0112	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2008-0112	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2008-0112	Date: Time: Location:	

**NOTE:** I certify that I was present for at least half of the time set for the meeting or for the duration of the meeting which ever is less. Attendance at events, meetings and trainings must be approved by the Board of Directors prior to attendance and a written report must be delivered at the next Board of Directors Meeting.

**LLOYD HUBBS**

SDCRAA

MAY 27 2014

Corporate Services

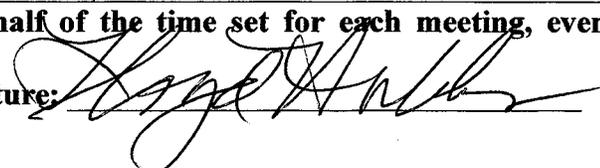
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**

Period Covered: May 2014

**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:
LLOYD HUBBS		5-27-14
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: 5-1-14 Time: 9:00 - 1:00 Location: AUTHORITY Bd. Rm	BOARD Mtg.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-2-14 Time: 9:00 - 11:00 Location: SANDAGO	TRANSPORTATION Mtg.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-10-14 Time: 10:00 AM - 11:00 Location: AUTHORITY Bd. Rm	ANDRIT COMM. Mtg.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-16-14 Time: 9:00 - 11:00 Location: SANDAGO	TRANSPORTATION Mtg
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-22-14 Time: 9:30 - 12:00 Location: AUTHORITY Bd Rm	BOARD BUDGET WORKSHOP
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-27-14 Time: 9:00 - 11:00 Location: AUTHORITY Bd. Rm	Finance Comm 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:	

**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**

SDCRAA

MAY 29 2014

Corporate Services

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

Period Covered: 5/31/14

**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 ROBINSON		5-29-14
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/29/14 Time: 4:00 - 5:00 pm Location: Commuter Trm.	Mtg w Chair of Port, Port Commission & Port Staff
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/1/14 Time: 9:00 am - 1:30 p.m. Location: SDCRAA Bd Rm	SDCRAA Bd / ALVA Mtgs.
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/8/14 Time: 11:00 - 2:00 Location: MCAS Miramar	Speech to Order of Deacons
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/22/14 Time: 9:30 am - 12:00 pm Location: SDCRAA Bd Rm	Budget Workshop
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/27/14 Time: 9:00 - 10:30 a.m. Location: SDCRAA Bd Rm	SDCRAA Exec / Finance Comm Mtgs
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/30/14 Time: 10:00 - Location: Premier Hotel	Speaking with TAG
<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 B. Robinson

**TOM SMISEK**

**SDCRAA**  
**MAY 27 2014**  
**Corporate Services**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**  
Period Covered: MAY 1-31, 2014

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
Tom Smisek		MAY 27, 2014
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: MAY 1, 2014 Time: 9:00 AM Location: SDIA	SDCRAA BOARD MEETING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 2, 2014 Time: 9:00 AM Location: SANDAG	SANDAG TRANSPORTATION COMMITTEE MEETING, SDCRAA DESIGNATED REPRESENTATIVE
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 12, 2014 Time: 10:00 AM Location: SDIA	SDCRAA AUDIT COMMITTEE MEETING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 16, 2014 Time: 9:00 AM Location: SANDAG	SANDAG TRANSPORTATION COMMITTEE MEETING, SDCRAA DESIGNATED REPRESENTATIVE
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 22, 2014 Time: 9:30 AM Location: SDIA	SDCRAA SPECIAL BOARD MEETING AND BUDGET WORKSHOP
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 27, 2014 Time: 9:00 AM Location: SDIA	SDCRAA EXECUTIVE/FINANCE COMMITTEES MEETING
<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: Tom Smisek

**DON TARTRE**

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

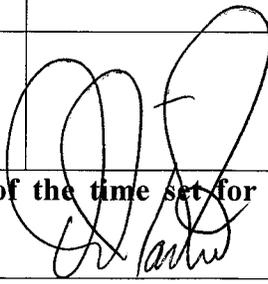
Period Covered: 5/12-14 (May)

**SDCRAA**  
**MAY 12 2014**  
**Corporate Services**

**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:
<u>Don Tartore</u>		<u>May 12</u>
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>5/12-14</u> Time: <u>10AM</u> Location: <u>BoD Room</u>	<u>2-1/2 AC Mtg</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:	
<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:  5/12-14

**JACK VAN SAMBEEK**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**  
 Period Covered: 5-12-14

**SDCRAA**  
**MAY 12 2014**  
**Corporate Services**

**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		5-12-14
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: 5-12-14 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:	
<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: **JUNE 5, 2014**

**Subject:**

**Awarded Contracts, Approved Change Orders from April 7, 2014 through May 11, 2014 and Real Property Agreements Granted and Accepted from April 7, 2014 through May 11, 2014**

**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

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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:**

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 April 7, 2014 - May 11, 2014**

**New Contracts**

 Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
04/15/14	N/A	Natural Gas Systems, Inc.	The Contractor will perform preventive maintenance and on-call repairs on the Compressed Natural Gas (CNG) vehicle refueling station located at San Diego International Airport.	RFP	M. Bauer	\$ 86,840.00	04/20/17
04/29/14	N/A	Meridian Project Systems, Inc.	Meridian Systems will provide software support and maintenance services for ePM software used by the Facilities Development department. The software is proprietary technology used for project management and construction management records and is a licensed product of Meridian Systems which makes them the sole source for support and maintenance services of existing software.	Sole Source	I. Ghaemi	\$ 102,000.00	04/01/16
04/18/14	N/A	Amen-Mex Plumbing, Inc.	The Contractor is one of three pre-qualified and approved to bid on on-call plumbing services at San Diego International Airport. The contract value reflects the total no-to-exceed cost for the entire pool of contractors for this service.	RFQ	M. Bauer	\$ 900,000.00	01/14/17
05/05/14	N/A	Clarity Ventures, Inc.	The Contractor will provide services needed for the development of a Content Management System (CMS) and back-end programming for a newly designed website for San Diego International Airport.	Informal RFP	D. Lucero	\$ 49,850.00	04/27/15

**New Contracts Approved by the Board**

 Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
04/04/14	380708	G & G Specialty Contractors, Inc.	This contract was approved by the Board at the March 6, 2014 Board Meeting. The Contractor will provide sound attenuation treatment to residences included in Phase 7, Group 8 of the Quieter Home Program.	RFB	S. Knack	\$ 693,900.00	11/10/14
04/17/14	N/A	SP Plus Corporation	This purchase order was approved by the Board at the April 3, 2014 Board meeting. The Vendor will provide sixteen (16) shuttle buses to operate at the Rental Car Center at San Diego International Airport	RFP	D. Boenitz	\$ 7,791,277.00	N/A
04/11/14	N/A	Pacific Rim Mechanical Contractors, Inc.	This contract was approved by the Board at the March 6, 2014 Board Meeting. The Contractor will provide Heating, Ventilation and Air Conditioning (HVAC) repair and maintenance services at San Diego International Airport.	RFP	M. Bauer	\$ 8,074,308.00	03/31/17
03/31/14	N/A	San Diego County Regional Communications System (RCS)	This contract was approved by the Board at the April 3, 2014 Board Meeting. This sole source agreement establishes an equity partnership with the San Diego County Regional Communications System (RCS) to provide interoperable communications for the Authority and emergency responders. RCS is the only provider of interoperable radio services between the Authority and the Port of San Diego Harbor Police (Authority law enforcement provider).	Sole Source	C. Welch	\$ 2,100,000.00	03/31/36

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 7, 2014 - May 11, 2014**

**Amendments and Change Orders**

 Date Signed	CIP #	Company	Description of Change	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value ( % ) (+ / -)	New Contract Value	New End Date
04/18/14	N/A	HPS Mechanical, Inc.	The First Amendment revises Exhibit A- Scope of Work for On- Call Plumbing services at San Diego International Airport. There is no increase in compensation.	\$ 900,000.00	\$ -	0%	\$ 900,000.00	1/14/2017
04/18/14	N/A	Inland Flooring Contractors, Inc.	The Second Amendment extends the term of the contract by ninety days for on- call flooring services at San Diego International Airport. There is no increase in compensation.	\$ 3,000,000.00	\$ -	0%	\$ 3,000,000.00	5/28/2014
04/18/14	N/A	Pacific Rim Mechanical Contractors, Inc.	The Second Amendment revises the contract term for Heating, Ventilation and Air Conditioning (HVAC) repair and maintenance services at San Diego International Airport. There is no increase in compensation.	\$ 3,107,816.00	\$ -	0%	\$ 3,107,816.00	4/1/2014
04/25/14	N/A	Plumbright, Inc.	The First Amendment revises Exhibit A- Scope of Work for On- Call Plumbing services at San Diego International Airport. There is no increase in compensation.	\$ 900,000.00	\$ -	0%	\$ 900,000.00	1/14/2017

**Amendments and Change Orders - Approved by the Board**

No New Board Approved Amendments to Report

Attachment "B"

REAL PROPERTY AGREEMENTS EXECUTED FROM APRIL 7, 2014 TO MAY 11, 2014

Real Property Agreements

Begin/End Dates	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
7/1/14 - 6/30/19	LE-0799	AC Holdings, Inc.	Concession Lease	Terminal gate hold areas and equipment rack space in Terminal 2 West at San Diego International Airport	Airport television service to passengers which includes programming, emergency messages, airport announcements, and advertising	N/A	The greater of \$75,000 annual guaranteed amount or 30% of gross local advertising sales, plus share of revenue from national advertising sales. In addition, \$4,640 annual equipment rack space rental	N/A
5/1/14 - 4/30/15	LE-0803	Hope Investments LLC dba Jerusalem Grill	Use and Occupancy Permit	Cell Phone Lot and Taxi/Shuttle Hold Lot at San Diego International Airport	Operation of a mobile food service	N/A	\$150 per month for the first three months, then the greater of \$150 per month or 10% of gross receipts.	N/A
5/1/14 - 10/31/14	LE-0804	Swissport Lounges, LLC	Rental Agreement	First floor of Terminal 2 East at San Diego International Airport	Storage of food, supplies and equipment	253	\$948.75 per month (\$45 per square foot per year)	N/A
4/2/14 - 5/30/14	LE-0805	Pacific Bell Telephone Company	Right of Entry Permit	East side of SDIA near Laurel Street	To gain access to two man-holes	N/A	N/A	N/A
1/1/14 - 12/31/17	LE-0806	LSG Sky Chefs, Inc.	License Agreement for Ground Handling and Support Services	SDIA	Ground Handling and Support Services	N/A	The greater of \$6,500 or 8% of gross income monthly	N/A
3/29/14-6/30/18	LE-0808	Air Canada Airlines and Air Canada Rouge LP	Affiliate Airline Operating Agreement	SDIA	Scheduled air carrier service	N/A	An estimated \$100,400 in annual landing fees	N/A
7/1/13-6/30/18	LE-0807	United Parcel Service	Airline Operating Agreement	SDIA	Scheduled air carrier service (cargo)	N/A	Approx annual landing: \$239,758; Annual Security Fees: \$65,102	N/A
12/1/13-1/30/18	Pending	General Services Administration, Narcotics Task Force, Drug Enforcement Administration	Lease Agreement	2nd Floor Terminal 1	Administration Offices/Admin	2,088 SF	2013: \$250,810.56 2014: \$263,359.44 2015: \$276,513.84 2016: \$290,336.40 2017: \$304,868.88	N/A
4/1/14-0/1/14	Pending	San Diego Unified Port District	Right of Entry Permit	Port Employee Parking Lot Subleasehold - Northside	Access for Reconfiguration of Port Employee Parking Lot	82,801 SF	N/A	N/A
3/26/14-2/31/15	LE-0800	America Car Rental, Inc. db/a America Car Rental/Economy Rent a Car	Non-Exclusive Airport Car Rental License Agreement	N/A	Use courtesy vehicles to pickup and drop-off rental car customers at designated curb locations	N/A	The greater of \$100 per month or 10% of gross revenues	N/A

Real Property Agreement Amendments and Assignments

Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
7/1/2002 - 8/30/2017	Pending	General Services Administration: Transportation Security Administration	Lease Amendment	Commuter Terminal, Terminal 1 and Terminal 2	Offices/Admin	8,201 SF	\$853,068.01	Extends term

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

Item No.  
**4**

Meeting Date: **JUNE 5, 2014**

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**Subject:**

**June 2014 Legislative Report**

**Recommendation:**

Adopt Resolution No. 2014-0046, approving the June 2014 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 June 2014 Legislative Report updates Board members on legislative activities that have taken place during the month of May. The Authority Board gives 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 WATCH position on AB 1598 (Rodriguez). This bill would require that various actions be taken to increase cooperation and collaboration between law enforcement agencies, fire departments, emergency medical services providers and agencies that respond to "active shooter incidents."

On May 13, 2014, Governor Jerry Brown issued his "May Revise" to his January budget proposal for Fiscal Year 2014-15. The Governor's proposed budget totals \$156.2 billion. It includes a revenue increase of \$2.4 billion which will be used primarily to pay increases in State program costs and long-term debt obligations.

**Federal Legislative Action**

The Authority's legislative team recommends that the Board adopt a SUPPORT position on the Fiscal Year 2015 Transportation, Housing and Urban Development Appropriations Bill. This legislation would provide annual funding for the Department of Transportation and Federal Aviation Administration and fund the Airport Improvement Program (AIP) at the fully authorized level of \$3.35 billion.

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The Authority's legislative team recommends that the Board adopt a WATCH position on S. 2290 (Menendez), legislation that would maintain a federal rule requiring sellers of airline tickets to disclose upfront full airfare costs. This bill would also double monetary penalties for anyone in violation of this rule.

On May 23, 2014, the U.S. Department of Transportation issued proposed regulations to enhance protections for air travelers and improve the air travel environment. The proposed regulations would require airlines and ticket agents to disclose fees for ancillary services that passengers are charged such as baggage fees, for carry-on items, and for advance seat assignments.

**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

**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. 2014-0046

A RESOLUTION OF THE BOARD OF THE SAN  
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
APPROVING THE JUNE 2014 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 gives 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 June 2014 Legislative Report; 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") (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 5th day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

---

BRETON K. LOBNER  
GENERAL COUNSEL

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**Attachment A**

**June 2014 Legislative Report**

**State Legislation**

**Legislation/Topic**

**AB 1598 (Rodriguez) – Emergency Response Services: active shooter incidents**

**Background/Summary**

This bill would require first responders to take several actions to improve collaboration between agencies responsible for responding to active shooter incidents. It would specifically require the Curriculum Development Advisory Committee (CDAC) to consult with the Commission on Peace Officer Standards and Training (POST). The bill would also require that the Emergency Medical Services Authority (EMSA) training standards include criteria for coordinating between different responding entities. In addition it would require the Interdepartmental Committee on Emergency Medical Services (ICEMS) to consult with POST regarding emergency medical services integration and coordination with peace officer training, and require POST's guidelines and training standards to address tactical casualty care and coordination with emergency medical services providers.

**Anticipated Impact/Discussion**

The Authority regularly conducts active shooter related training exercises and coordination efforts with its first responder partners to optimize our capacity to respond effectively in an active shooter situation. Although this bill could increase costs to cover additional agency training mandates, the Authority is prepared to undertake additional coordination with responders if required.

**Status:** 04/1/14 – Approved by Committee on Governmental Organization

**Position:** Watch

**Legislation/Topic**

**AB 2471 (Frazier) – Public Contracts: change orders**

**Background/Summary**

This bill would require a public entity, when authorized to order changes or additions in a public works contract awarded to the lowest bidder, to issue a change order promptly, and no later than 60 days after the change or additions are required. If this requirement is not met, the public entity would be liable to the original contractor for the work that

- *Shaded text represents new or updated legislative information.*

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has been performed. The bill would also authorize a contractor to present to the public entity a request for a change order for extra work performed by subcontractors.

**Anticipated Impact/Discussion**

This legislation will be monitored by Authority staff for any future impact to SDIA.

**Status:** 04/03/14 – Approved by Assembly Committee on Accountability and Administrative Review by a vote of 13-0 and referred to Committee on Appropriations.

**Position:** Oppose (05/01/14)

**Legislation/Topic**

**SB 1204 (Lara/Pavley) – California Clean Truck, Bus and Off-Road Vehicle and Equipment Program**

**Background/Summary**

This bill would create the California Clean Truck, Bus and Off-Road Vehicle and Equipment Technology Program. It will be funded from cap-and trade revenues, to fund zero- and near-zero emissions related truck, bus, off-road vehicle and equipment projects, with preference given to projects in disadvantaged communities.

**Anticipated Impact/Discussion**

This legislation will be monitored by Authority staff for any future impact to SDIA. If approved, this program could provide the Authority with opportunities to compete for funding for alternative vehicle conversions.

**Status:** 05/05/14 – Approved by Senate Committee on Environmental Quality by a vote of 6-1 and referred to Senate Committee on Appropriations.

**Position:** Watch (05/01/14)

**Legislation/Topic**

**AB 2045 (Rendon) – Energy Improvements: financing**

**Background/Summary**

This bill would create a statewide financing program to support nonresidential property owners desiring to retrofit their properties with energy efficient or renewable energy technology. The program would be administered by the California Energy Commission and would provide financial assistance to owners of eligible real properties for implementing energy improvements.

**Anticipated Impact/Discussion**

If approved, this bill could provide the Authority with opportunities to obtain funding for energy-efficient programs at San Diego International Airport.

- *Shaded text represents new or updated legislative information.*

**Status:** 04/30/14 – Approved by the Assembly Committee on Utilities and Commerce by a vote of 10-3 and referred to Assembly Committee on Appropriations.

**Position:** Watch (05/01/14)

**Legislation/Topic**

**SB 1121 (De Leon) – The California Green Bank**

**Background/Summary**

This bill would establish until January 1, 2036, the California Green Bank to serve as a provider of bond guarantees, loans, loan guarantees, the warehousing of loans, securitization, insurance, portfolio insurance, credit enhancements, and other forms of financing support and risk management for clean energy projects and innovative energy technology projects. The bank would be governed by an eleven member board of directors to be appointed by the Governor, the Legislature, and various heads of executive branch entities.

**Anticipated Impact/Discussion**

If approved, this bill could provide entities with funding for clean energy projects and innovative energy technology projects.

**Status:** 05/20/14 – Scheduled for 05/23/14 Senate Appropriations Committee Hearing.

**Position:** Watch (05/01/14)

**Legislation/Topic**

**AB 2293 (Bonilla) – Transportation Network Companies: insurance coverage**

**Background/Summary**

This bill would require Transportation Network Companies (TNC) to disclose in writing to their drivers the insurance coverage and limits of liability provided by the TNC. AB 2293 would also require a TNC's insurance policy to apply as primary coverage in the event of loss or injury when a driver is logged on to the TNC's application program and require the TNC's insurer to defend and indemnify participating drivers and vehicle owners.

**Anticipated Impact/Discussion**

This legislation will be monitored by Authority staff for any future impact to SDIA.

**Status:** 05/15/14 – Ordered to Third Reading

**Position:** Watch (05/01/14)

- *Shaded text represents new or updated legislative information.*

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**Legislation/Topic**

**AB 1787 (Lowenthal) – Airports: Lactation Accommodation**

**Background/Summary**

This bill would require managers of commercial airports with more than one million annual enplanements to provide the use of a post-security room or other location, other than a toilet stall, at each airport terminal for use by nursing mothers. As amended on April 10, 2014, the bill would allow the Airport Authority to provide space for nursing mothers in Terminal One that is pre-security.

**Anticipated Impact/Discussion**

This legislation would require the Airport Authority to establish private post-security locations in each terminal for use by nursing mothers, resulting in additional costs to the Authority. The California Airports Council continues to work with airports and the author to increase flexibility to site these rooms and minimize costs to airports.

**Status:** 04/22/14 – Approved by Assembly Committee on Transportation by a vote of 15-0 and referred to Assembly Committee on Appropriations.

**Position:** Watch (03/06/14)

**Legislation/Topic**

**SB 1350 (Lara) – Baby Changing Accommodation**

**Background/Summary**

As amended on May 5, 2014, this bill would require the California Building Standards Commission any place of public accommodation that provides restroom facilities, and installs new, or substantially renovated facilities (requiring a building permit and costing \$10,000 or more), to install and maintain at least one baby diaper changing accommodation in the new or renovated restroom that is accessible to women, men, or both.

**Anticipated Impact/Discussion**

The requirement of including baby diaper changing stations into future restroom renovations or new restroom construction may result in increased costs to the Authority.

**Status:** 05/20/14 – Ordered to Third Reading

**Position:** Watch (04/03/14)

- *Shaded text represents new or updated legislative information.*

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**Legislation/Topic**

**SB 1156 (Steinberg) – California Carbon Tax Law of 2014**

**Background/Summary**

This bill, effective January 1, 2015, would impose a carbon tax of an unspecified amount per ton of carbon dioxide equivalent emissions on suppliers of fossil fuels. The State Board of Equalization would be required to administer and implement the carbon tax, depositing revenues into the Carbon Tax Revenue Special Fund in the State Treasury. The bill would state the intent of the Legislature that revenues from the carbon tax be rebated to taxpayers, particularly low- and medium-income taxpayers.

**Anticipated Impact/Discussion**

This legislation will be monitored by Authority staff for any future impact to SDIA.

**Status:** 04/02/14 – Set, first hearing. Hearing canceled at the request of author.

**Position:** Watch (04/03/14)

**Legislation/Topic**

**AB 2516 (Gordon) – Sea Level Rise Planning Database**

**Background/Summary**

This bill would require, on or before January 1, 2016, the Natural Resources Agency (NRA) and the Ocean Protection Council, to create, update monthly, and post on the internet a Planning for Sea Level Rise Database describing actions being taken statewide to prepare for, and adapt to sea level rise. The bill specifically requires airports within the California Coastal Zone to provide the NRA with sea level rise-related project information on a monthly basis.

**Anticipated Impact/Discussion**

This legislation will be monitored by Authority staff for any future impact to SDIA.

**Status:** 05/08/14 – Re-referred to Committee on Appropriations

**Position:** Watch (04/03/14)

**Legislation/Topic**

**AB 1430 (Hill) – Malicious Mischief: Airport Property Transportation Services**

**Background/Summary**

Under this bill, any person who offers for sale transportation services at an airport to members of the public without written consent of the Airport's governing board would be guilty of a misdemeanor.

- *Shaded text represents new or updated legislative information.*

**Anticipated Impact/Discussion**

This bill could prevent drivers of transportation network companies (TNC) from soliciting business from SDIA passengers. This legislation was requested by San Francisco International Airport (SFO), and is supported by the California Airports Council.

**Status:** 05/19/14 – Read first time. Held at Desk.

**Position:** Support (04/03/14)

**Legislation/Topic**

**AJR 34 (Cooley) – Terrorism risk insurance**

**Background/Summary**

This joint resolution would urge the President and United States Congress to support reauthorization of the Terrorism Risk Insurance Act, scheduled to expire December 31, 2014.

**Anticipated Impact/Discussion**

This bill would encourage Congress and the President to continue an important risk management tool of the Authority. The loss of the federal government subsidy on our terrorism insurance policy would result in higher policy costs to the Authority.

**Status:** 05/05/14 – Chaptered by Secretary of State

**Position:** Support (04/03/14)

**Legislation/Topic**

**AB 2390 (Muratsuchi) – Low Carbon Fuel Standard: Green Credit Reserve**

**Background/Summary**

This bill would require the Governor, by June 30, 2015, to designate a state agency to establish and administer a Low Carbon and Renewable Fuels Credit Reserve (Green Credit Reserve or Reserve) to facilitate and encourage the development of renewable and low carbon transportation fuel projects in California.

**Anticipated Impact/Discussion**

Under this bill, the Green Credit Reserve would enter into specified contracts with developers of projects intended to produce renewable fuels that qualify for state and federal low carbon/renewable fuel credits.

**Status:** 04/30/14 – Referred to Committee on Appropriations. Suspense File.

**Position:** Watch (04/03/14)

- *Shaded text represents new or updated legislative information.*

**Legislation/Topic**

**SB 616 (Wright) – Aeronautics Account: California Aid to Airports Program**

**Background/Summary**

This bill would allow Caltrans, until July 1, 2015, to provide matching funds to secure federal Airport Improvement Program funding from the State Aeronautics Account for airport improvement projects. Specifically, the bill would suspend a regulation prohibiting airports from receiving funds for a project that has been started or completed after January 1, 2014.

**Anticipated Impact/Discussion**

The Airport Improvement Program (AIP) provides grants to large and medium hub airports covering 75% of eligible project costs and to small primary, reliever, and general aviation airports covering 90-95% of eligible costs. To supplement AIP, Caltrans administers a State AIP Matching Grant Program. Due to a 2009-2010 transfer of funds from the Aeronautics Account that funds the Matching Grant Program, Caltrans has been prevented from providing grants to most projects. As a result, approximately \$80 million in potential federal funding to airports has been delayed. Approval of SB 616 will allow Caltrans to provide matching funds for AIP-funded airport projects.

**Status:** 01/28/14 – In Assembly. Read first time. Held at Desk.

**Position:** Support (03/06/14)

**Legislation/Topic**

**SB 969 (DeSaulnier) – Public Works Project Overview Improvement Act**

**Background/Summary**

This bill would define a “megaproject” as a transportation project with total estimated development and construction costs exceeding \$1,000,000,000. The bill would require the agency administering a megaproject to establish a peer review group and to take specified actions to manage the risks associated with a megaproject, including establishing a comprehensive risk management plan, and regularly reassessing its reserves for potential claims and unknown risks.

**Anticipated Impact/Discussion**

Although the bill has not yet clearly outlined the protocol for establishment of a peer review group, the Authority already establishes peer review groups for major construction projects.

**Status:** 05/20/14 – Set for Hearing in Committee on Appropriations, 05/23/14

**Position:** Watch (03/06/14)

- *Shaded text represents new or updated legislative information.*

**Legislation/Topic**  
**SB 985 (Pavley) – Stormwater Resource Planning**

**Background/Summary**

This bill would require jurisdictions opting to develop a stormwater resource plan to identify opportunities to use existing publicly owned lands to capture and reuse stormwater.

**Anticipated Impact/Discussion**

The Authority is currently working on its own Stormwater Master Plan and will monitor this legislation for any future impact to SDIA.

**Status:** 05/20/14 – Set for Hearing in Committee on Appropriations, 05/23/14

**Position:** Watch (03/06/14)

- *Shaded text represents new or updated legislative information.*

## Federal Legislation

### Legislation/Topic

**Fiscal Year 2015 Transportation, Housing and Urban Development Appropriations**

### Background/Summary

This bill would provide annual funding for the Department of Transportation and Federal Aviation Administration. It would fund the Airport Improvement Program at its fully authorized level of \$3.35 billion. The bill would provide full funding for 14,800 air traffic controllers, 7,300 safety inspectors, and operational support personnel.

### Anticipated Impact/Discussion

This legislation would benefit the Airport Authority by ensuring that the Federal Aviation Administration personnel and programs are adequately funded for Fiscal Year 2015.

**Status:** 5/6/14 – Approved by the House Appropriations Committee

**Position:** Support

### Legislation/Topic

**S. 2290 (Menendez) – Real Transparency in Airfares Act of 2014**

### Background/Summary

This bill would maintain a federal rule requiring sellers of airline tickets to disclose upfront full airfare costs. This bill would also increase penalties for violators of this rule, establishing a fine of \$55,000 or, if the violator is an individual or small business, \$2,500.

### Anticipated Impact/Discussion

Although this legislation would not directly impact SDIA operations, it may assist passengers in more easily understanding the full cost of their airfare.

**Status:** 5/5/14 – Introduced and referred to the Senate Committee on Commerce, Science, and Transportation

**Position:** Watch

### Legislation/Topic

**H.R. 4156 (Shuster) – Transparent Airfares Act of 2014**

### Background/Summary

This bill would overturn a Department of Transportation regulation that requires air carriers to display the full ticket price in published fares. Under H.R. 4156, Air Carriers

- *Shaded text represents new or updated legislative information.*

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would be allowed to advertise only base airfares and separately disclose government imposed taxes and fees as well as total airfare costs.

**Anticipated Impact/Discussion**

Although this legislation would not directly impact SDIA operations, total airfare costs may not be as easily understood by passengers purchasing airline tickets.

**Status:** 04/09/2014 – Approved by the House Committee on Transportation and Infrastructure voice vote.

**Position:** Watch (05/01/14)

**Legislation/Topic**

**H.R. 3676 (Shuster/DeFazio) – Prohibiting In-Flight Voice Communications on Mobile Wireless Devices Act of 2013**

**Background/Summary**

This bill would prohibit voice communications on mobile devices during the in-flight portion of any scheduled domestic commercial flight. The bill contains exemptions from the ban for on-duty members of flight and cabin crew, and federal law enforcement personnel acting in an official capacity

**Anticipated Impact/Discussion**

This legislation will be monitored by Authority staff for any future impact to SDIA.

**Status:** 02/11/2014 – Approved by the House Committee on Transportation and Infrastructure by voice vote.

**Position:** Watch (03/06/14)

- *Shaded text represents new or updated legislative information.*

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

Item No.

**5**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Appointment of Public Member to the Audit Committee**

**Recommendation:**

Adopt Resolution No. 2014-0047, appointing Don Tartre as a public member to the Audit Committee.

**Background/Justification:**

Section 170018 of the Public Utilities Code requires that the Authority's Audit Committee include three members of the public who shall be voting members. This section also outlines the categories and requirements for the three public members. The Board initially appointed Don Tartre as a public member of the Audit Committee on June 5, 2008 to serve a three (3) year term. He was appointed to serve another term on July 7, 2011. That term will expire in June 2014. After consultation with the Board Chair, the Chair of the Audit Committee recommends that the Board appoint Mr. Tartre for an additional three (3) year term, commencing in July 2014. His area of expertise is ***Category 1- a professional with experience in the field of public finance and budgeting.***

**Fiscal Impact:**

State law limits compensation for Board and Committee Members to \$200 per day of service, with a maximum of eight (8) days of service per month. Funding is included in the Fiscal Years 2014 and 2015 Budgets.

**Authority Strategies:**

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

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

000035

**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

RESOLUTION NO. 2014-0047

A RESOLUTION OF THE BOARD OF THE SAN  
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
APPOINTING DON TARTRE AS A PUBLIC  
MEMBER TO THE AUDIT COMMITTEE

WHEREAS, Section 170018 of the Public Utilities Code and Authority Policy 1.50 (5)(c)(ii) outline the requirements for the appointment of public members to the Audit Committee; and

WHEREAS, on June 5, 2008, the Board initially appointed Mr. Tartre as a public member of the Audit Committee to serve a three (3) year term; and

WHEREAS, on July 7, 2011, the Board appointed Mr. Tartre to serve another three (3) year term; and

WHEREAS, Mr. Tartre's background and experience is consistent with Category 1 requirements outlined under Section 170018 of the Public Utilities Code; and

WHEREAS, the Board wishes to appoint Mr. Tartre as a public member to the Audit Committee for an additional three (3) year term, commencing in July 2014.

NOW, THEREFORE, BE IT RESOLVED THAT the Board hereby appoints Don Tartre as a public member to the Audit Committee to serve a three (3) year term commencing in July 2014 (Attachment A); 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), 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 5<sup>th</sup> day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

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## San Diego County Regional Airport Authority Board Committee, Liaison and Representative Appointments

### STANDING COMMITTEES

<b>Executive Committee</b>		
<i>Hold Monthly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Robert H. Gleason (Chair)</b>	February 2012	
Paul Robinson	February 2014	February 2016
Tom Smisek (Vice Chair)	February 2014	February 2016
<b>Finance Committee</b>		
<b>Greg Cox (Chair)</b>	February 2014	February 2015
Paul Robinson (Vice Chair)	February 2014	February 2015
David Alvarez	February 2014	February 2015
Lloyd Hubbs	February 2014	February 2015
Mary Sessom	February 2014	February 2015
<b>Audit Committee</b>		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Tom Smisek (Chair)</b>	February 2014	February 2015
Lloyd Hubbs (Vice Chair)	February 2014	February 2015
Robert H. Gleason	February 2014	February 2015
Mary Sessom	February 2014	February 2015
Andrew Hollingworth* (Category 4 & 6)	July 2013	June 2016
Jack Van Sambeek* (Category 5)	July 2012	June 2015
Don Tartre* (Category 1)	July 2014	June 2017
<small>*Public Members Added Pursuant to SB 10</small>		
<b>Executive Personnel and Compensation Committee</b>		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Jim Desmond (Chair)</b>	February 2014	February 2015
Bruce Boland (Vice Chair)	February 2014	February 2015
Greg Cox	February 2014	February 2015
Lloyd Hubbs	February 2014	February 2015
Tom Smisek	February 2014	February 2015
<b>Capital Improvement Program Oversight Committee</b>		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Bruce Boland (Chair)</b>	February 2014	February 2015
Lloyd Hubbs (Vice Chair)	February 2014	February 2015
David Alvarez	February 2014	February 2015
Robert Gleason	February 2014	February 2015
Paul Robinson	February 2014	February 2015

## REPRESENTATIVES (EXTERNAL)

<b>SANDAG Transportation Committee</b>		
Name	Appointed	Term Expiration
<b>Tom Smisek (Primary)</b>	February 2014	February 2015
Lloyd Hubbs (Alternate)	February 2014	February 2015
<b>World Trade Center</b>		
Name	Appointed	Term Expiration
<b>Robert Gleason (Primary)</b>	February 2014	February 2015
David Alvarez (Alternate)	February 2014	February 2015

## REPRESENTATIVES (INTERNAL)

<b>Authority Advisory Committee</b>		
Name	Appointed	Term Expiration
Tom Smisek	February 2014	February 2015
Paul Robinson	February 2014	February 2015
<b>Art Advisory Committee</b>		
Name	Appointed	Term Expiration
Robert Gleason	February 2014	February 2015

## LIAISONS

<b>Military Affairs</b>		
Name	Appointed	Term Expiration
<b>Bruce Boland (Primary)</b>	February 2014	February 2015
<b>Port</b>		
Name	Appointed	Term Expiration
<b>Robert Gleason</b>	February 2014	February 2015
Greg Cox	February 2014	February 2015
Paul Robinson	February 2014	February 2015
<b>Caltrans</b>		
Name		
Laurie Berman		
<b>Inter-Governmental Affairs</b>		
Name	Appointed	Term Expiration
Greg Cox	February 2014	February 2015
<b>Airport Land Use Compatibility Plan for San Diego International Airport</b>		
Name	Appointed	Term Expiration
Paul Robinson	February 2014	February 2015

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

Item No.  
**6**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Proposed Adoption of Public Parking Rate Increase**

**Recommendation:**

Adopt Resolution No. 2014-0048, approving an increase to certain public parking rates, effective July 1, 2014.

**Background/Justification:**

This proposed Board action was discussed as part of the budget presentation at the Board Budget Workshop held on May 22, 2014.

During FY 2012 construction impacts significantly affected parking operations and revenue. As a result, the Finance and Ground Transportation Departments engaged Walker Parking Consultants ("Walker") to perform a parking assessment and functional design review to identify recommendations for parking rate strategies, among other things. The recommendations were intended to optimize the product portfolio, promote efficient use of the parking lots and improve gross parking revenues. At that time, a recommendation to increase parking rates was approved by the Board in February 2012 (effective February 9, 2012). This was the Authority's last increase to parking rates.

This proposed July 2014 parking rate increase is also consistent with the Walker study recommendations for the Authority's parking rate strategies. The rate increase promotes efficient lot usage by reducing short-term lot dwell time, thereby freeing up spaces for customers dropping off and picking up passengers as well as enhancing revenue.

The Authority's plan of finance includes an assumption that parking rates will be periodically increased. This July 2014 recommended increase was included in the FY 2015 Conceptually Approved Budget last year and is included in the proposed FY 2015 Operating Budget. The associated increase in revenue is an important component of the Authority's debt service coverage ratio related to the Authority's General Airport Revenue Bond debt of nearly \$1 billion. Board approval is necessary to proceed with the proposed rate increase. Staff, therefore, recommends the following rate changes for approval by the Board:

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Location	Increment	Current Rate	New Rate
Terminal Lots	0 to 30 minutes	\$ 2.00	\$ 2.00
	30 to 60 minutes	4.00	5.00
	1 to 1.5 hours	6.00	7.00
	1.5 to 2 hours	8.00	9.00
	2 to 2.5 hours	10.00	11.00
	2.5 to 3 hours	12.00	13.00
	3 to 3.5 hours	14.00	15.00
	3.5 to 4 hours	16.00	17.00
	4 to 4.5 hours	18.00	19.00
	4.5 to 5 hours	20.00	21.00
	5 to 7 hours	26.00	27.00
	7 to 24 hours	28.00	30.00
	Thereafter (per day)	28.00	30.00
Valet Parking	Daily Rate	36.00	38.00
Harbor Drive	Daily Rate	18.00	20.00
Pacific Hwy (Economy Lot)	Daily Rate	11.00	13.00

### Fiscal Impact:

The FY 2015 Proposed Budget and FY 2016 Proposed Conceptual Budgets include the requested rate increase. Budgeted FY 2015 parking revenue is \$38.69 million and budgeted FY 2016 parking revenue is \$39.32 million.

Revenue projections are based on the increase becoming effective July 1, 2014. If the proposed parking rate is not approved the FY 2015 Proposed Budget will have a projected \$1.78 million revenue shortfall.

The FY 2016 Proposed Conceptual Budget includes the rate changes being proposed, however, if the rate changes are not implemented, it would result in a projected \$1.81 million revenue shortfall.

### 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 will 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. 2014-0048

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY APPROVING AN INCREASE TO  
CERTAIN PUBLIC PARKING RATES EFFECTIVE  
JULY 1, 2014

WHEREAS, the San Diego County Regional Airport Authority (the  
"Authority") is committed to providing safe, convenient, and reasonably priced  
parking at San Diego International Airport, and

WHEREAS, the Authority desires to incrementally increase rates for  
terminal, long-term and economy lots as well as valet parking services,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves  
an increase to certain public parking rates effective July 1, 2014 as depicted in  
the following schedule:

**PUBLIC PARKING RATE SCHEDULE**

<b>Location</b>	<b>Increment</b>	<b>Current Rate</b>	<b>New Rate</b>
Terminal Lots	0 to 30 minutes	\$ 2.00	\$ 2.00
	30 to 60 minutes	4.00	5.00
	1 to 1.5 hours	6.00	7.00
	1.5 to 2 hours	8.00	9.00
	2 to 2.5 hours	10.00	11.00
	2.5 to 3 hours	12.00	13.00
	3 to 3.5 hours	14.00	15.00
	3.5 to 4 hours	16.00	17.00
	4 to 4.5 hours	18.00	19.00
	4.5 to 5 hours	20.00	21.00
	5 to 7 hours	26.00	27.00
	7 to 24 hours	28.00	30.00
	Thereafter (per day)	28.00	30.00
Valet Parking	Daily Rate	36.00	38.00
Harbor Drive	Daily Rate	18.00	20.00
Pacific Hwy (Economy Lot)	Daily Rate	11.00	13.00

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BE IT FURTHER RESOLVED that the Board authorizes and directs the President/CEO to take such actions as are necessary to comply with this Resolution.

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 5<sup>th</sup> day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

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

Item No.  
**7**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Reject the Claim of Joseph Lauria and Rose Lauria**

**Recommendation:**

Adopt Resolution No. 2014-0049, rejecting the Claim of Joseph Lauria and Rose Lauria.

**Background/Justification:**

On April 21, 2014, Joseph Lauria and Rose Lauria ("the Laurias") filed a claim (Attachment A) with the San Diego County Regional Airport Authority ("Authority") alleging wrongful termination by the Authority of Joseph Lauria. The Laurias claim damages in an unknown amount exceeding \$10,000.

The Laurias allege in their claim that Joseph Lauria suffers from a medical condition and, following his final day of work in August of 2013, the Authority was not helpful or accurate in its communications with him about leave, healthcare and disability coverage. They further claim that miscommunications from the Authority caused Joseph Lauria to cancel therapy and forego filling prescriptions, as recently as November of 2013.

The Laurias' claim should be denied. An investigation into the events surrounding the claim revealed documentation that conflicts with and refutes the allegations herein.

**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

000042

**Environmental Review:**

- A. CEQA: This Board action, as an administrative 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  
PARALEGAL, GENERAL COUNSEL



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
ACCIDENT OR DAMAGE CLAIM FORM

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

Document No.: CL-225

Filed:

SDCRAA

APR 21 2014

Corporate Services

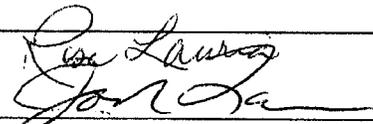
1) Claimant Name: Joseph Lauria, Rose Lauria (mother)	
2) Address to which correspondence regarding this claim should be sent: 118 Twin Lane North Wantagh, NY 11793	
Telephone No.: (516) 221-9396	Date: April 12, 2014
3) Date and time of incident: August 8, 2013	
4) Location of incident: West Wing - 2320 Stillwater Road, San Diego, CA 92101	
5) Description of incident resulting in claim:  See attached page.	
6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known: Joseph Lauria	
7) Persons having firsthand knowledge of incident:	
Witness (es)	Physician(s):
Name: Rose Lauria	Name: Dr. Chigunpati
Address: 118 Twin Lane North Wantagh, NY 11793	Address: 2201 Hempstead Tmpke. East Meadow, NY 11554
Phone: (516) 221-9396	Phone: (516) 572-3090

ATTACHMENT A

8) Describe property damage or personal injury claimed:
Wrongful Termination
9) Owner and location of damaged property or name/address of person injured:
Joseph Lauria
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 14, 2014

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 and Information Governance/Authority Clerk  
Corporate and Information Governance Department  
P.O. Box 82776  
San Diego, CA 92138-2776

## ATTACHMENT A

### Attachment - Authority Damage Claim Form

Joseph Lauria suffers from clinical depression. Repeated phone calls to Kim Rodriguez were not answered or returned. He received a letter from SCRAA on Nov. 1, 2013 telling him he has no income and insurance coverage as of 10/18/13. We believe he should have been forewarned before 10/18/13.

Therapist Elizabeth Hill asked for an extension to return to work until Nov. 10, 2013. As far as she understood the request was granted. Ms. Rodriguez said extension was illegal because therapist had not made a written request. The therapist was never informed she had to make a written request.

Letter dated Nov. 1, 2013 suggested we apply for Cobra. She never sent pertinent info. After I called her she told me I must call Cobra myself.

Two analysts, Asia and Alfreda, tell me it's the employer's responsibility. Ms. Rodriguez finally sent me paperwork after Nov. 21, 2013.

The letter forced Joseph into a situation where he had to drop his therapy which caused his depression to become worse. He is released to return to work on Nov. 11, 2013. The therapist asked his release to work be on a part-time basis. Joseph spoke to Kim on Nov. 8, 2013; she did not inform him of his part time status.

The Hartford fund short term disability - all papers processed with Brian Cain, analyst. He tells Joseph Short term disability will end on Dec. 2013. His checks stop abruptly on Nov. 19, 2013.

Joseph's health coverage was finally over at the end of January. At the beginning of February he wasn't able to get a much needed prescription. If the Authority had helped him set up with Cobra back in November when we tried to join, this wouldn't have happened. The last letter from Genesis states that he has to pay for Nov. Dec. and Jan. before he can join. They should have been honest and upfront with him in Nov. which they weren't.

Sometime within the last two years he had an altercation with another co-worker. His depression was so intense that his last day of work was 7/11/13. On 8/1/13 he was admitted to the Alvarado Parkway Institute where he stayed for 12 days.

He then started his out-patient therapy and was beginning to improve. However on 11/1/13 he received a letter from Kim Rodriguez informing him that as of 10/18/13 he no longer had an income or medical insurance.

Joseph and I felt that the information: no salary and no medical insurance should have been imparted to him before 10/18/13. The date 11/1/13 was certainly after the fact.

Because Joseph had no insurance he was forced to drop all therapies and was at a great loss with his much needed medications. His depression became worse with each day. Statements for insurance company 11/13 to 3/14 indicate that he was insured. Hence letter of 11/1/13 was completely false. The Authority did not give us accurate information.

000046

RESOLUTION NO. 2014-0049

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY REJECTING THE CLAIM OF JOSEPH  
LAURIA AND ROSE LAURIA

WHEREAS, on April 21, 2014, Joseph Lauria and Rose Lauria filed a claim with the San Diego County Regional Airport Authority for damages they allege were the result of the wrongful termination of Joseph Lauria from the San Diego County Regional Airport Authority; and

WHEREAS, at its regular meeting on June 5, 2014, the Board considered the claim filed by Joseph Lauria and Rose Lauria and the report submitted to the Board, and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board rejects the claim of Joseph Lauria and Rose Lauria; and

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 5th day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

000047



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

Item No.

**8**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Results of the Quality Assessment Review**

**Recommendation:**

The Audit Committee recommends that the Board approve the report.

**Background/Justification:**

The Charter of the Office of the Chief Auditor (OCA) was initiated and approved by the Board in 2003, establishing the roles, responsibilities, and working relationship of the Chief Auditor with the Audit Committee and with Authority management.

The Charter of the OCA at Section 15, Quality Assurance Reviews (QAR), requires that the OCA be subject to quality assessments to ensure compliance with requirements provided for in the *International Standards for the Professional Practice of Internal Auditing* and the *Government Auditing Standards*. Following the professional standards of the *International Standards for the Professional Practice of Internal Auditing*, external assessments must be conducted at least once every five years by a qualified, independent assessor, or assessment team, from outside the organization.

In 2008, a self-assessment with independent validation by KMJ Corbin & Company LLP was conducted by the Office of the Chief Auditor. An Independent Validation Report was issued on January 12, 2009, which listed five areas for proposed improvement.

At the May 13, 2013, Audit Committee Meeting, the Office of the Chief Auditor presented its proposed Fiscal Year 2014 Budget and Fiscal Year 2014 Audit Plan, which specified professional services to conduct an independent QAR.

At the direction of the Audit Committee, the OCA evaluated firms available to conduct a high standard QAR in an independent and objective manner. Their research determined that the Association of Local Government Auditors (ALGA) could provide this service in the most cost efficient manner.

ALGA is a professional organization committed to supporting and improving local government auditing through advocacy, collaboration, education, and training, while upholding and promoting the highest standards of professional ethics. Membership in ALGA includes audit groups from various government jurisdictions throughout the United States. As of June 2012, ALGA had performed over 330 peer reviews and currently

000048

averages 35 to 40 reviews each year. The Government Accounting Office (GAO) and the Institute of Internal Auditors (IIA) has reviewed ALGA's Peer Review Program and found that it satisfies the requirements under GAO standards<sup>1</sup> and IIA standards<sup>2</sup>.

From March 31, 2014, through April 4, 2014, an ALGA team conducted a peer review of the Office of the Chief Auditor that covered the period July 1, 2008, through June 30, 2013.

In accordance with the Charter of the Office of the Chief Auditor, the Chief Auditor presented a formal report of the ALGA peer review to the Audit Committee during its May 12, 2014, meeting. The Committee posed questions regarding the observations and the suggestions for improvement provided in the report by the ALGA review team.

The formal report includes the peer review's results (see Attachment A) and their suggestions for strengthening the OCAs internal quality controls, as submitted in Attachment B. A Certificate of Compliance recognizing the OCAs conformity with the *International Standards for the Professional Practice of Internal Auditing* was also awarded, as seen in Attachment C.

Following discussion, the Audit Committee unanimously voted to forward this item to the Board for approval.

### **Fiscal Impact:**

Estimated cost is \$4,950, which was included in the Chief Auditor Department Fiscal Year 2014 Budget, in the Services-Auditing line item.

### **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.

<sup>1</sup> Commonly referred to in the audit profession as yellow book standards.

<sup>2</sup> Commonly referred to in the audit profession as red book standards.

**Application of Inclusionary Policies:**

Not Applicable

**Prepared by:**

MARK A. BURCHYETT  
CHIEF AUDITOR



# External Quality Control Review

of the

San Diego County  
Regional Airport Authority

Office of the Chief Auditor

Review Period 07/01/08 thru 06/30/13



## Association of Local Government Auditors

April 4, 2014

Mr. Mark A. Burchyett, Chief Auditor  
San Diego County Regional Airport Authority  
P.O. Box 82776  
San Diego, CA 92138-2776

Dear Mr. Burchyett,

We have completed a peer review of the San Diego County Regional Airport Authority, Office of the Chief Auditor for the period July 1, 2008, through June 30, 2013. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide for Assessing Conformance with International Standards for the Professional Practice of Internal Auditing* by the Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests in order to determine if your internal quality control system operated to provide reasonable assurance of conformance with *the International Standards for the Professional Practice of Internal Auditing (the Standards)* issued by the Institute of Internal Auditors as part of their *Professional Practices Framework*. Due to variances in individual performance and judgment, conformance does not imply adherence to standards in every case, but does imply adherence in most situations.

Based on the results of our review, it is our opinion that the Office of the Chief Auditor's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with *the Standards* for assurance and consulting engagements during the period July 1, 2008, through June 30, 2013.

We have prepared a separate letter offering suggestions to further strengthen your internal quality control system.

Sincerely,

Denny L. Nester, CPA CIA  
City Auditor  
City of Colorado Springs  
Colorado Springs, CO

Ramesh Ganesh, CPA CIA  
Director of Internal Audit  
City of Lubbock  
Lubbock, TX

Rich Oksol, CPA CGAP  
Internal Audit Manager  
City of Sioux Falls  
Sioux Falls, SD



## Association of Local Government Auditors

April 4, 2014

Mr. Mark A. Burchyett, Chief Auditor  
 San Diego County Regional Airport Authority  
 P.O. Box 82776  
 San Diego, CA 92138-2776

Dear Mr. Burchyett,

We have completed a peer review of the San Diego County Regional Airport Authority, Office of the Chief Auditor for the period July 1, 2008, through June 30, 2013. We are issuing this companion letter to offer certain observations and suggestions stemming from our peer review.

We would like to mention some of the areas in which we believe your office excels:

- The Office of the Chief Auditor displays a strong commitment to adding value to the stakeholders of the San Diego County Regional Airport Authority.
- The Office of the Chief Auditor is staffed by a very qualified and experienced group of individuals—most of whom have earned multiple certifications in the auditing profession.
- The Office of the Chief Auditor produces a high volume of audits in support of the Airport Authority.

We offer the following observations and suggestions to enhance your organization's demonstrated conformance to *International Standards for the Professional Practice of Internal Auditing*:

- **Observation 1: The recommendations from the prior Quality Assessment Review (a self-assessment with independent validation) were not implemented.**

In 2008, the Office of the Chief Auditor conducted a self-assessment with independent validation by KMJ Corbin & Company LLP, which was issued on January 12, 2009. The self-assessment listed five areas for proposed improvement.

The recommendations were made by the Chief Auditor. The final report indicated that management concurred with each recommendation. All recommendations were assigned to responsible parties with expected completion dates. However, the recommendations were not implemented at the time of our review in April 2014.

**Suggestion 1: The Chief Auditor should implement the recommendations from the Quality Assessment Review.**

**Management Response 1:** Management concurs with the suggestion. We will develop a worksheet and working file that includes all suggestions from the self-assessment issued in January 2009 and the suggestions included in this management letter, along with the steps that have been taken to implement the recommendations. Once completed the improvement has been completed the Chief Auditor will sign off on the implementation. Our goal is to have implementation of all suggestions completed no later than December 31, 2014.

▪ **Observation 2: The Audit Charter did not address the nature of consulting services.**

The *International Standards for the Professional Practice of Internal Auditing* requires that “the nature of consulting services must be defined in the internal audit charter” (1000.C1). While the Chief Auditor indicated that the office did not provide consulting services, the Charter should clearly state whether consulting services are provided and if so, the nature of such.

The Definition of Internal Auditing states, “Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations...”. With the Institute of Internal Auditors (IIA) adopting this definition, it is important that all internal auditing organizations that use the IIA Standards address consulting in their Charter.

During our review, we observed some services provided by the Office of the Chief Auditor that could be perceived to be consulting services. These services included providing advice on internal controls during the development of new processes and advice during the preparation of the annual financial statements.

**Suggestion 2: The Audit Charter should be revised to include the nature of consulting services.**

**Management Response 2:** Management concurs with the suggestion. We will revise the Audit Charter to include the nature of consulting services. The revised Audit Charter will be provided to the Audit Committee at the November 18, 2014, committee meeting. The revised Audit Charter will be provided to the full Authority Board for final approval once it is approved by the Audit Committee.

▪ **Observation 3: The results of the internal quality assurance and improvement program were not reported annually to senior management and the board.**

Standard 1300 requires, “The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.” Standard 1311 further specifies, “Internal assessments must include: ...Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices.” Practice Advisory 1311-1 recommends, “At least annually, the chief audit



## Association of Local Government Auditors

executive reports the results of internal assessments, necessary action plans, and the successful implementation to senior management and the board.”

**Suggestion 3: The results of the internal quality assurance and improvement program should be reported to senior management and the board annually.**

**Management Response 3:** Management concurs with the suggestion. At the end of each Fiscal Year, each auditor in the Office of the Chief Auditor (“Office”) will select an audit conducted by someone else review the workpapers for compliance with the Standards. We currently obtain feedback from management through surveys at the end of each audit, and will include the results as part of our self-assessment. In addition, we will develop a checklist, to be signed off by the Chief Auditor, attesting that practices of the Office have been reviewed to ensure compliance with the Standards. Lastly, we will include the results of the internal quality assurance and improvement program to senior management and the Authority Board in the Office’s annual report.

▪ **Observation 4: Auditor independence and objectivity was not documented.**

The Standard 1100 interpretation states, “Threats to independence must be managed at the individual auditor, engagement, functional, and organizational levels.” Standard 1120 states, “Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest.”

The audit file did not contain information to verify that the auditor was independent of the activity that he/she audited. Additionally there was no documentation to verify that the auditor was objective in the performance of the audit.

**Suggestion 4: Auditors should document their independence and objectivity in the planning work papers of each engagement.**

**Management Response 4:** Management concurs with the suggestion. We will develop a work paper that will be included in each audit in which the auditors engaged in the audit attest their independence and objectivity. This work paper will be signed off by either the Chief Auditor or Audit Manager before audit work begins.

▪ **Observation 5: The Chief Auditor was not independent of a function he audited.**

Per the Audit Committee’s charter, the Audit Committee has the authority to hire and terminate the services of the Chief Auditor. Therefore, the Chief Auditor is not independent of the Audit Committee, which he audited.

The Chief Auditor performed a review of the expenses of the Board Members to whom he reports. There was no declaration in the audit report that the auditor was not independent of the function which he audited.

**Suggestion 5: If the Chief Auditor audits the activities of Board Members, he should include a statement concerning the impairment of independence in the report. Alternatively, he could consider, subject to the availability of resources, having the review performed by an independent auditor.**

**Management Response 5:** Management concurs with the suggestion. We will discuss the two alternatives that have been provided with the Authority Board, and implement the alternative which the Authority Board recommends.

- **Observation 6: Work programs were not approved prior to implementation.**

Standard 2240.A1 states, "The work program must be approved prior to its implementation, and any adjustment approved promptly."

The review team observed that substantial audit testing was performed before the final sign-off or approval of the audit work program.

**Suggestion 6: The Chief Auditor should ensure work programs are approved before their implementation.**

**Management Response 6:** Management concurs with the suggestion. Procedures will be implemented to ensure that work programs have been formally approved before audit work is implemented.

- **Observation 7: Planning documents could be improved.**

Performance Standard 2210.A2 states, "Internal auditors must consider the probability of significant errors, fraud, noncompliance, and other exposures when developing the engagement objectives."

Throughout the review, we did not find documentation that the internal audit planning considered the probability of significant errors, fraud, non-compliance, and other exposures when developing the engagement objectives.

**Suggestion 7: The Chief Auditor should require standard work papers to document these considerations in the planning documents of each audit.**

**Management Response 7:** Management concurs with the suggestion. We will develop a work paper to be included in the Planning section of the work paper file that addresses the consideration of the probability of significant errors, fraud, non-compliance, and other exposures (e.g., IT control considerations) when developing the engagement objectives. This work paper will include the results of brain storming sessions conducted by the auditors before the preliminary survey process begins.



## Association of Local Government Auditors

We extend our thanks to you, your staff and the other Authority officials we met for the hospitality and cooperation extended to us during our review.

Sincerely,

Denny L. Nester, CPA CIA  
City Auditor  
City of Colorado Springs  
Colorado Springs, CO

Ramesh Ganesh, CPA CIA  
Director of Internal Audit  
City of Lubbock  
Lubbock, TX

Rich Oksol, CPA CGAP  
Internal Audit Manager  
City of Sioux Falls  
Sioux Falls, SD



The Association of Local Government Auditors

Awards this

# *Certificate of Compliance*

to

*Office of the Chief Auditor  
San Diego County Regional Airport Authority*

Recognizing that the organization's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with the *International Standards for the Professional Practice of Internal Auditing* for assurance and consulting engagements during the period, July 1, 2008 through June 30, 2013.

*Gary S. Chapman*

Gary S. Chapman  
ALGA Peer Review Committee Chair

*Bill Greene*

Bill Greene  
ALGA President

000058



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

Item No.  
**9**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Required Communications from the External Auditor to the Audit Committee on the Fiscal Year Ended June 30, 2014, Financial and Compliance Audit**

**Recommendation:**

The Audit Committee recommends that the Board accept the information.

**Background/Justification:**

The Charter of the Audit Committee, and as specified in Statement on Auditing Standards (SAS) 114, requires that the external auditor communicate its planned scope and timing for conducting the audit of the Authority's financial statements, and to communicate an annual report on independence, a report on its quality control program and peer review, and other responsibilities of communication, under generally accepted auditing standards, for review and approval by the Audit Committee.

On April 21, 2014, staff presented a recommendation to the Audit Committee to enter in to an agreement with BKD, LLP for Financial Audit Services. The Audit Committee recommended that the Board adopt a resolution approving and authorizing the President/CEO to execute an agreement with BKD, LLP.

During the May 1, 2014, Board Meeting, the Board adopted Resolution No. 2014-0039, approving and authorizing the President/CEO to execute an agreement with BKD, LLP, for an amount not to exceed \$950,000 for a three (3) year term with an option for two (2) one year extensions, which may be exercised, subject to Board approval, at the sole discretion of the Authority's President/CEO.

A presentation to the Audit Committee on May 12, 2014, by Joseph Vande Bosche, CPA, Partner, BKD, LLP was provided in two key parts: (1) background on BKDs history and highlights about its client services and qualifications were given (Attachment A), and (2) overview of the guidelines, scope, approach to planning, and other considerations for conducting the Fiscal Year Ended June 30, 2014, Financial and Compliance Audit was presented (Attachment B). The Audit Committee posed a variety of questions pertaining to the presentation topics, followed by a unanimous vote to forward the presentations to the Board for information.

000059

**Fiscal Impact:**

Adequate funding for the agreement with BKD, LLP for performing the Authority's financial audit services is included in the proposed FY 2015 Budget and FY 2016 Conceptual Budget within the Services-Auditing 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

**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



experience **BKD**  
CPAs & Advisors



## CPAs & ADVISORS

experience **access** //

RECEIVING A QUALITY AUDIT FROM ADVISORS WITH AIRPORT & GOVERNMENTAL EXPERIENCE

Presented by: Joseph P. Vande Bosche, CPA    Kevin L. Kemp, CPA    David M. Coleman, CPA  
BKD National Governmental Group



## ABOUT OUR PRESENTERS

### // Joe Vande Bosche, CPA – Partner

- 29 years serving the public sector
- Experience with GFOA Special Review Committee
- Extensive public sector and airport expertise
- Member, ACI-NA and AAAE
- Other relevant experience
  - Denver International Airport
  - Minneapolis/St. Paul International Airport
  - Indianapolis International Airport
  - Tulsa International Airport
  - Pittsburgh International Airport
  - Harrisburg International Airport





## ABOUT OUR PRESENTERS

### // Kevin Kemp, CPA – Partner

- 20 years serving the public sector
- Member of BKD’s Governmental Center of Excellence
- Currently serving on the GFOA Special Review Committee
- Extensive public sector and airport expertise
- Member GFOA and GFOA of Texas
- Other relevant experience
  - El Paso International Airport
  - Lubbock International Airport
  - Will Rogers World Airport – Oklahoma City
  - Pittsburgh International Airport
  - Harrisburg International Airport



## ABOUT OUR PRESENTERS

### // David M. Coleman, CPA – Director

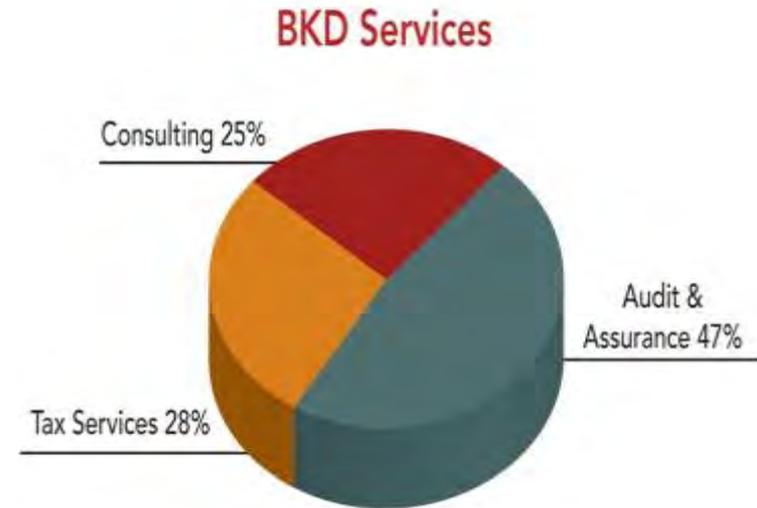
- 12 years experience serving the public sector
- Extensive public sector and airport audit expertise
- Member, GFOA and GFOAT
- Other relevant experience
  - El Paso International Airport
  - Lubbock International Airport
  - Shreveport Regional Airport
  - Fort Smith Regional Airport
  - City of Lancaster Municipal Airport
  - City of El Paso, Texas
  - City of Lubbock, Texas





## ABOUT BKD

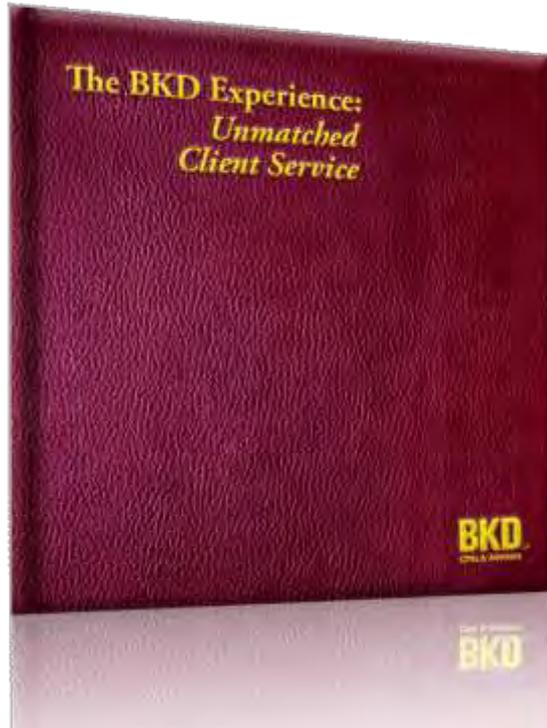
- // Founded in 1923
- // One of the largest CPA and advisory firms in United States
- // Approximately 250 partners and 2,000 employees (840 CPAs)
- // Clients in all 50 states, plus 40 countries
- // 33 offices in 15 states and worldwide resources
- // More than \$400 million in revenue





## OUR CLIENT SERVICE CULTURE

The BKD Experience service philosophy sets expectations for serving clients



- Integrity First
- True Expertise
- Professional Demeanor
- Responsive Reliability
- Principled Innovation



## OUR COMMITMENT TO QUALITY

- // Independence and objectivity
- // Extensive risk management program
- // Independent partner review on every audit
- // Consistent clean peer reviews
- // No disciplinary actions have ever been taken against BKD
- // One of the best litigation histories in the accounting profession





## OUR CLIENT SERVICE APPROACH

### // Collaborative approach

- Proactive communication and responsiveness
- Emphasis on “no surprises” (pre-close review)
- Extensive planning to effect smooth transition

### // Tools

- Project Planning Document and BKDConnect
- Employ powerful data analytic tools like ACL
- Audit programs designed specifically for airports

### // High-level involvement from partners and managers

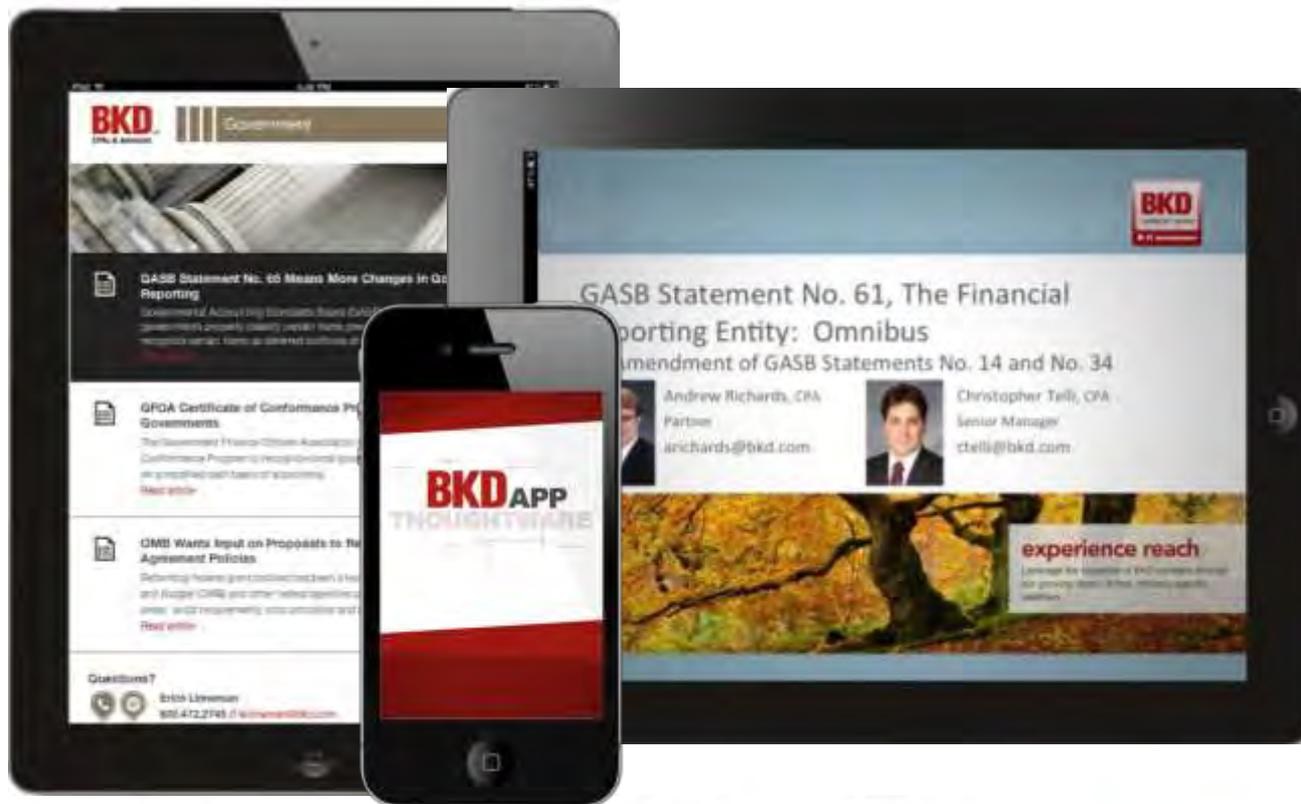
### // Leverage industry knowledge to identify risks

### // Face-to-face contact (On-Site = In Sight & Insight)





# BKD THOUGHTWARE HELPS KEEP YOU INFORMED



- // articles
- // emails
- // mobile apps
- // presentations
- // videos
- // webinars



## OUR COMMITMENT TO THE PUBLIC SECTOR

// Involved on national industry committees, including:

- Governmental Accounting Standards Board (GASB)
  - GASB's Comprehensive Implementation Guide Advisory Committee
  - Practice Fellow with GASB
  - Retired Partner is a current GASB member
- American Institute of Certified Public Accountants (AICPA)
  - Government Audit Quality Center (Member firm and Executive Committee representation)
  - AICPA State & Local Government Expert Panel
- Government Finance Officers Association (GFOA)
  - GFOA Special Review Committee (SRC)

// Active in national and local-level industry organizations, including:

- Association of Government Accountants (AGA)
- Government Finance Officers Association (GFOA)



## OUR AIRPORT-SPECIFIC QUALIFICATIONS

- // 50+ advisors across United States with extensive experience serving airports
- // Audit professionals experienced in serving airports
- // Significant experience with PFCs, AIP & other common airport grant programs
- // Active members of ACI, AAAP and AAIA

//BKD serves a growing number of airports, including:

Denver International  
Minneapolis/Saint Paul International  
Indianapolis International  
Kansas City International  
El Paso International  
Lubbock Preston Smith International  
Will Rogers World (Oklahoma City)  
Bill & Hillary Clinton National  
Harrisburg International  
Pittsburgh International



## OUR AIRPORT-SPECIFIC QUALIFICATIONS (CONTINUED)

// Expertise beyond your numbers and unique to airports, including:

- Debt and related rate covenant compliance
- Lease financing transactions
- Environmental matters and related remediation liabilities
- Rate making models (*i.e.*, residual, compensatory, hybrid)
- CAFR preparation and submission
- AIP and other federal award programs common to airports
- Passenger Facility Charge Program
- Part 150 noise and land use/re-use programs
- Airline incentive programs
- Outsourcing and privatization
- Revenue diversion avoidance



experience insight



## HOW DOES OUR APPROACH AND EXPERTISE BENEFIT YOU?

- // We understand the airport financial model, and therefore, will focus on the appropriate audit risks
- // Through our financial statement linking process, we can reduce the time you spend in the financial reporting process
- // We can hit the ground running, reducing the learning curve and making better use of your staff's time
- // Our work with other airports facilitates high-level, informed discussions about best practices, including those designed to:
  - Increase non-airline revenues
  - Decrease costs per enplaned passenger
  - Increase debt service coverage



## WHY BKD?

- // National expertise in serving airports
- // Sizeable public sector client base
- // Deep public sector resources
- // Tailored approach
- // Proactive and collaborative style
- // Demonstrated record of high quality
- // Fresh look
- // Attentive service philosophy (Unmatched Client Service)
- // Value beyond price



*Celebrating 90 years* of UNMATCHED CLIENT SERVICE

THANK YOU

FOR MORE INFORMATION // For a complete list of our offices and subsidiaries, visit [bkd.com](http://bkd.com) or contact:

**Joseph P. Vande Bosche, CPA** // Partner  
jvandebosche@bkd.com // 317.383.4000

**Kevin Kemp, CPA** // Partner  
kkemp@bkd.com // 972.702.8262

**David Coleman, CPA** // Director  
dcoleman@bkd.com // 972.702.8262



experience

MEMBERSHIP AND ASSOCIATIONS



SAN DIEGO  
INTERNATIONAL  
AIRPORT

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## Audit Committee Presentation

May 12, 2014

Presented By: Joseph P. Vande Bosche, Partner

# Engagement Team

- ▲ Joe Vande Bosche, Partner
- ▲ Kevin Kemp, Concurring Review Partner
- ▲ David Coleman, Director
- ▲ Francois Vorster, Information Technology Director
- ▲ Caleb Bachelor, Manager
- ▲ Robert Regnier, Senior Consultant II

# Overview

- ▲ Our audit will be conducted in accordance with the following guidelines:
  - Auditing standards generally accepted in the United States of America
  - *Government Auditing Standards*
  - U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*
  - *Passenger Facility Charge Audit Guide for Public Agencies*
  - We will also issue a management letter including our required communications to the Audit Committee

# Planned Scope

- ▲ Because we have not performed our interim risk assessment procedures as of yet, we are unable at this time to communicate the areas of higher audit risk
- ▲ For most audits, the following are always considered as having a higher risk of material misstatement due to error or fraud:
  - Management override of controls
  - Revenue recognition

# Planned Scope *(continued)*

- ▲ The following will also be considered areas of higher audit risk:
  - **Passenger Facility Charge Program**: Tests of account balances are performed to substantiate the passenger facility charge revenue and year-end receivable balances & tests of compliance are performed in accordance with the *Passenger Facility Charge Audit Guide for Public Agencies*.
  - **Federal Award Programs**: All federal award programs are currently facing greater scrutiny than ever due to a number of factors. We test compliance with the specific requirements that are direct & material to each identified major program, as well as the associated controls over compliance.

# Planned Timing

- ▲ **June/July 2014** – Planning, interim fieldwork & risk assessment
- ▲ **August/September 2014** – Final audit fieldwork, including A-133 testing
- ▲ **September [TBD] 2014** – Exit conference with management to review draft financial statements & other required communications
- ▲ **October 1, 2014** – Drafts of deliverables available for review by management
- ▲ **Week of October 6, 2014** – Concurring partner review to be performed
- ▲ **October 15, 2014** – Release final deliverables
- ▲ **TBD** – Presentation of financial statements, our required communications & other deliverables to the Audit Committee & Board

# Approach to Planning

- ▲ Planning & Risk Assessment – Our procedures include:
  - Obtaining an understanding of the internal control environment:
    - ▶ Reviewing client-prepared documentation of internal control policies & procedures
    - ▶ Testing internal control systems & procedures as appropriate
    - ▶ Assessing control risk
  - Obtaining an understanding of changes to the Authority's operations for the year, including new revenue streams & activities
  - Examining Authority Board & Audit Committee minutes & highlighting any ordinances, resolutions, laws & compliance regulations to be reviewed

# Approach to Planning *(continued)*

- ▲ Planning & Risk Assessment – Our procedures include (continued):
  - Determining materiality levels for the Authority
  - Completing our preliminary analytical review procedures
  - Identifying new accounting & auditing pronouncements that may have an impact on the audit and/or financial statements & discussing a plan for implementation with the Authority staff
  - Developing applicable audit programs to address significant audit areas & the specific risks identified during our risk assessment procedures

# Tools

- ▲ Some of the tools we expect to use in the audit process to better serve you include:
  - Paperless audit system
    - ▶ Enables “linking” of trial balance to financial statements to facilitate financial statement preparation
  - Industry-specific audit programs
  - Industry-specific questionnaires & checklists
  - Project Planning Document
  - BKDConnect client portal
  - Computer assisted audit procedures – ACL

# Revisions to Professional Standards

- ▲ GASB Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 & No. 62* – effective for 2014
- ▲ GASB Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* – effective for 2015
- ▲ GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* – effective for 2015
- ▲ GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* – effective for 2014

# Consideration of Errors or Fraud

- ▲ Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in Statement on Auditing Standards No. 99, *Consideration of Fraud in a Financial Statement Audit*
- ▲ Statements on Auditing Standards Nos. 104–111 address how we are to assess & respond to the risks of material misstatement due to error or fraud in an audit

# Consideration of Errors or Fraud

*(continued)*

- ▲ Our audit approach includes:
  - Engagement Team Brainstorming
    - ▶ Discussions include how & where we believe the entity's financial statements might be susceptible to material misstatement due to errors or fraud, how management could perpetrate & conceal fraudulent financial reporting & how assets of the entity could be misappropriated
    - ▶ An emphasis is placed on the importance of maintaining the proper state of mind throughout the audit regarding the potential for material misstatement due to errors or fraud

# Consideration of Errors or Fraud

*(continued)*

- ▲ Inquiries of management & others:
  - Audit Committee Chair
  - President/CEO
  - Chief Auditor
  - General Counsel
  - Vice President of Finance/CFO
  - Others as deemed appropriate in the following areas:
    - ▶ Accounting
    - ▶ Procurement
    - ▶ Airport Development
    - ▶ Information Technology
    - ▶ Human Resources

# Consideration of Errors or Fraud

*(continued)*

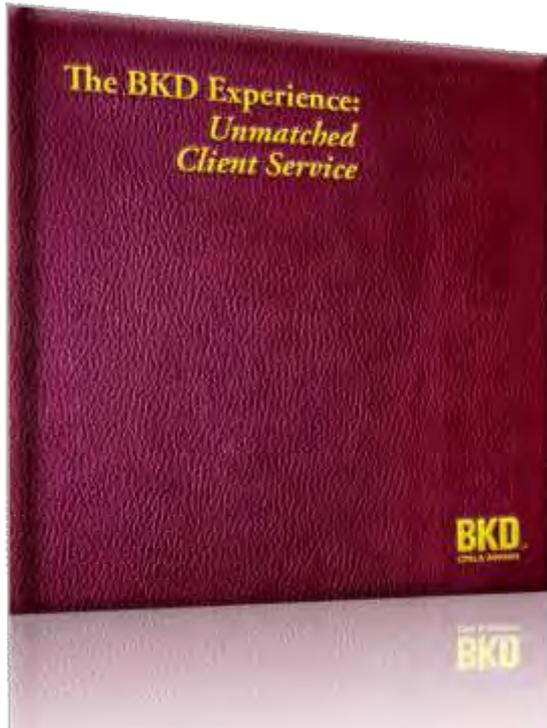
- ▲ Inquiries are directed toward the risks of errors or fraud & whether personnel have knowledge of any fraud or suspected fraud affecting the entity
- ▲ Review of accounting estimates for bias
- ▲ Evaluation of business rationale for significant unusual transactions
- ▲ Incorporation of an element of unpredictability into our audit procedures

# Contacts

- ▲ It is our understanding the appropriate person within the Authority's governance structure with whom to communicate is:
  - Tom Smisek – 619.435.3710; [tsmisek@san.rr.com](mailto:tsmisek@san.rr.com)
- ▲ If you need to contact us:
  - Joe Vande Bosche, Partner – 317.383.4039; [jvandebosche@bkd.com](mailto:jvandebosche@bkd.com)
  - David Coleman, Director – 972.702.8262; [dcoleman@bkd.com](mailto:dcoleman@bkd.com)
  - Caleb Bachelor, Manager – 972.702.8262; [cbachelor@bkd.com](mailto:cbachelor@bkd.com)

# Our Client Service Culture

The BKD Experience service philosophy sets expectations for serving clients



- Integrity First
- True Expertise
- Professional Demeanor
- Responsive Reliability
- Principled Innovation

# Questions





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

Item No.  
**10**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Fiscal Year 2014 Third Quarter Audit Activities Report and Audit Recommendations Issued by the Office of the Chief Auditor**

**Recommendation:**

The Audit Committee recommends that the Board accept the report.

**Background/Justification:**

The Charter of the Audit Committee states compliance and regulatory oversight responsibilities of the Audit Committee. One of these oversight responsibilities requires the Office of the Chief Auditor (OCA) to provide periodic communications and presentations to the Committee on the adequacy of management's systems of control. The scope of controls to be reviewed include 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.

At the regularly scheduled Audit Committee meeting on May 12, 2014, the Office of the Chief Auditor presented the Fiscal Year 2014 Third Quarter Report and a current status on the implementation of all outstanding audit recommendations for the Audit Committee's review.

The Fiscal Year 2014 Third Quarter Report (Attachment A) summarizes the activities and accomplishments of the OCA from January 1, 2014, through March 31, 2014. During the Third Quarter, the Office of the Chief Auditor completed ten (10) audits and issued one (1) recommendation. Thirteen (13) audits were in progress as of March 31, 2014, and all, with the exception of one audit, are anticipated to be completed by the end of the 2014 Fiscal Year.

Following some questions pertaining to the concessions program and to the follow-up of recommendations, the Audit Committee voted unanimously to forward the OCA Fiscal Year 2014 Third Quarter Report to the Board.

**Fiscal Impact:**

None

000093

**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

FY14 THIRD QUARTER REPORT

000695

April 30, 2014



# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

April 30, 2014

FY14 Third Quarter Report

Tom Smisek, Chair  
Audit Committee  
San Diego County Regional Airport Authority  
P.O. Box 82776  
San Diego, California 92138-2776

Dear Mr. Smisek:

As requested by the Audit Committee, we present our Fiscal Year 2014 Third Quarter Report. The report details the audit and the administrative activities of the Office of the Chief Auditor (OCA) during the third quarter of FY14, and 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 12, 2014.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark A. Burchyett", is written over a horizontal line.

Mark A. Burchyett  
Chief Auditor

*Audit Results*

During the third quarter, the OCA continued to work on audits contained within the FY14 audit plan as authorized by the Audit Committee. In total, during the third quarter, the OCA completed ten (10) audits. For the month of March, we issued four (4) audit reports, for which audit snapshots are located in Appendix A. The audit reports included one (1) recommendation, bringing the total recommendations issued during the third quarter to seven (7). The completed audits 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 2014*

Audit	Report No	Date	Type of Audit
Social Media Control and Performance	14006	1/10/2014	Internal Process
Airport Lost and Found	14004	1/10/2014	Internal Process
Simply Wheelz, LLC dba Advantage Rent-A-Car	14018	1/21/2014	Revenue Contract
Aircraft Rescue & Fire Fighting Expense Billings - FY13	14026	2/14/2014	Expense Contract
Porter-Novelli, Inc.	14013	2/24/2014	Expense Contract
San Diego Unified Port District Billings - FY13	14033	2/26/2014	Expense Contract
Bi-Annual Airline Revenue Audit	14031	3/10/2014	Revenue Contract
Simply Wheelz, LLC dba Advantage Rent-A-Car - Close-out	14035	3/10/2014	Revenue Contract
Host International, Inc.	14023	3/11/2014	Revenue Contract
CONRAC Fund	14028	3/24/2014	Internal Process

In addition to the completed audits, the Office of the Chief Auditor had 13 audits in progress as of March 31, 2014, as shown in Figure 2 below:

*Figure 2: Audits In-Progress as of March 31, 2014*

Audit	Type of Audit
Ace Parking Management, Inc.	Expense Contract
DTG Operations, Inc.	Revenue Contract
Emergency Medical Technician-Paramedic Services	Expense Contract
High Flying Foods	Revenue Contract
Human Resources Services Performance	Internal Process
Kimley-Horn and Associates, Inc.	Expense Contract
Merriwether Williams Insurance Services	Expense Contract
Nevada Lease and Rental, Inc. dba Payless Car Rental System	Revenue Contract
Procurement Card Program	Internal Process
RFP Threshold Compliance	Internal Process
Smarte Carte, Inc.	Revenue Contract
Timekeeping Payroll	Internal Process
The Hertz Corporation	Revenue Contract

Of the 13 in-progress audits above, two (2) draft audit reports had been issued to the affected Departments for review and comment. Additionally, one (1) of the above audits was issued in April 2014.

*Recommendation Follow-Up*

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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 twelve (12) recommendations that were issued during FY14, or were outstanding as of June 30, 2013. As shown by Figure 3 below, five (5) of the recommendations have been completed or implemented while seven (7) 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, 2014*

<i>Recommendations:</i>				
Tracked	Completed	In Progress	Open	Not Accepted
12	5	7	0	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 was 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, and the OCA will continue its monthly updates 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*

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Along with the audit activities detailed above, the OCA continues its involvement in several non-audit projects and activities. Specifically, during the third quarter of Fiscal Year 2014 the OCA was involved in the following:

### **Audit Committee:**

The Audit Committee met on February 10, 2014. At that meeting the Committee received an update on the Construction Audit activity, the OCA's quarterly activity report, and revised the Fiscal Year 2014 Audit Plan. The next meeting is scheduled for May 12, 2014.

### **Construction Audit Activity:**

For the third quarter of Fiscal Year 2014, the OCA continued its Construction Audit activity separate from its Annual Audit Plan. The R. W. Block Consulting, Inc. contract was extended until May 31, 2014, to provide additional advice and guidance as needed. Roy Block presented an overview of all the consulting work completed under the contract to the Capital Improvement Program Oversight Committee (CIPO) Meeting on January 21, 2014. Roy Block continues to provide consulting assistance on an as needed basis through the end of the contract.

During the quarter, the OCA Construction Auditor discussed the Green Build projects funding eligibility methodology and responsibility with Finance. The review of funding eligibility is ongoing in Finance and the OCA is reviewing the process and will review the final results. Through attendance at the Capital Improvement Committee meetings and the Northside Development Stakeholder meetings, the OCA Construction Auditor provides assistance in ensuring compliance with Federal requirements through continuing auditing of ongoing and planned projects. Additionally, the OCA Construction Auditor has been involved in discussions and meetings regarding the retention of construction project records to ensure that all of the required records are maintained on file for future reviews and audits by Federal agencies and/or bondholders.

Additionally, the OCA Construction Auditor remains involved with issues identified by the Airport Design and Construction team 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 regularly scheduled meetings and will be presented to the Capital Improvement Program Oversight Committee as needed in the future.

### **Ethics Compliance Program:**

The OCA continues to man the Authority hotline system including e-mail and voicemail. See Appendix B, Ethics Hotline Call Summary, for a listing of calls received during the quarter.

### **Training:**

During the quarter OCA staff participated in several Internet based training seminars. Of note, were webinars held by the IIA concerning maintaining an audit department's audit universe and multiple webinars from ISACA concerning data security.

### **Quality Assessment Review:**

During the third quarter, OCA staff prepared for the department's Quality Assessment Review (QAR) that commenced on March 31, 2014. The QAR was completed in the beginning of April 2014.

*Performance Measures*

The OCA establishes performance measures each year to provide a benchmark to gauge its success. The five (5) performance measures for FY14, along with their current status, are detailed below in Figure 4.

*Figure 4: Status of Performance Measures as of March 31, 2014*

Performance Measure	Goal	Progress as of March 31, 2014
Percentage of the audit plan completed annually	100%	60%
Additional revenue/cost savings identified through audits	n/a	\$812,837
Percentage of staff time spent on audit activities	80% <sup>1</sup>	89%
Percentage of audits completed within budgeted time	80%	80%
Implementation of Recommendations	90%	72%

**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 60% of the plan and an additional 31% 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 76% of the audit plan. Regardless, we should be able to meet our third quarter 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 we identified a net total of \$812,837 as shown in figure 5 below. The total identified in figure 5 does not include Soft Cost Savings an estimate of which is in Figure 6.

*Figure 5: Additional Revenue and Cost Savings Identified through Audit Activity*

Audit Report	Title	Amount Identified
13026	ARFF Expense Billings – FY 2011 and 2012	\$ 430,408
13033	San Diego Unified Port District Billings - FY 2012	\$ 56,109
14021	Landmark Aviation GSO-SAN, LLC	\$ 2,579
14018	Simply Wheelz, LLC dba Advantage Rent-A-Car	\$ 282,778
14026	ARFF Expense Billings – FY 2013	\$ 30,454
14033	San Diego Unified Port District Billings – FY 2013	\$ 10,509
<b>Total</b>		<b>\$812,837</b>

<sup>1</sup> 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.

Figure 6: Soft Savings Estimate as of March 31, 2014

Audit	Savings	Comments	Status
<p><b>AECOM Expense Review</b></p> <p>Report #: 13030 Type: Annual</p>	<p>\$231,270</p>	<p>Twenty-eight (28) staff continue to work as consultants in FDD under the three new on-call program management and support service providers. Of these, twelve (12) consultants have been working at the Authority for more than five years, two of which have been employed since the Authority split from the San Diego Unified Port District on January 1, 2003. Assuming the 3 positions that have been contracted out since 2003 could be transitioned to Authority employees, at a savings of \$77,090<sup>2</sup> per year, the total annual savings would be \$231,270 (3 * \$77,090).</p>	<p>Management has put in place procedures to continuously evaluate the staffing needs in support of the implementation of the construction projects by evaluating the projects' manpower, and by evaluating the department staffing needs.</p>
<p><b>San Diego Unified Port District Billings – FY12</b></p> <p>Report #: 13033 Type: Annual</p>	<p>\$37,000</p>	<p>We recommended that the Authority contract with a local mechanic to perform the service and maintenance needed on the Harbor Police Department (HPD) Airport vehicles. The maintenance and repair services provided by the District's General Services personnel at the rate of \$137 per hour appear to be excessive, and should be discontinued in favor of an external service provider. Assuming 1,000 hours of maintenance, and assuming that services could be obtained at a rate of \$100 per hour, cost savings would be \$37,000 ([137-100] * 1,000).</p>	<p>The Aviation Security &amp; Public Safety Department researched the cost/ benefit of contracting with a local mechanic to perform the maintenance needed on HPD Airport vehicles to determine potential cost savings, as well as repair/ maintenance quality and timeliness. At this time, management has decided to continue the current service and maintenance processes.</p>

<sup>2</sup> In previous audits we noted that the cost savings of Authority employees versus various Consultants was between \$4,938 and \$149,242 per position, resulting in an average savings per position of \$77,090.

Audit	Savings	Comments	Status
<p><b>ASIG – Aircraft Service International Group, Inc. (Special Request)</b></p> <p>Report #: 13036 Type: On-Time</p>	<p>\$2,620</p>	<p>Aircraft Service International Group, Inc. (ASIG) inquired with the AvCom Department regarding possible errors in the calculations of license and fuel flowage fees during 2010, 2011, and 2012. AvCom requested the OCA conduct an audit to verify accuracy of fees paid during the 3-year period. After preliminary audit work and records requests from the OCA to ASIG, ASIG did not pursue the claim of overpayments made and did not provide the financial reports and supporting documentation. Therefore, OCA did not conduct any further work on the special request audit.</p>	<p>OCA considers the special request audit completed, and ASIG has dropped its claim.</p>
<p><b>Abadjis Systems Ltd.</b></p> <p>Report #: 14010 Type: Expense Contract</p>	<p>\$564,676<sup>3</sup> annually</p>	<p>We noted that many of the employees working for Abadjis had been working at the Authority for several years. We noted that nothing in Authority Policy limits the length of time contractors may work at the Authority, and that contractors may work at the Authority indefinitely, if contracts are renewed or extended, at rates higher than Authority staff. We recommend that Management consider amending Authority Policy to limit the amount of continuous time an individual contractor may work at the Authority. The limit could be by time, contract, and/or project. The limit could provide an opportunity to evaluate whether the contractor's services are required on a temporary or permanent basis.</p>	<p>The current Program Management put in place in May of 2011 uses 3 firms to provide staff support for the Authority's Capital Improvement Program (CIP). This approach enables the Authority to mobilize or demobilize staff to meet the demands of the CIP program. FDD identified 7 positions that are intended as long-term type Authority positions slated to replace consultant positions. These positions are: 1 Senior Program Manager, 3 Project Managers, 1 Cost Analyst, and 2 Labor Compliance Specialists (Technician I and II). FDD will continuously evaluate the staffing needs in support of the implementation of the CIP by evaluating the projects' manpower, and by evaluating the department staffing needs six months prior to the expiration date of contracts, to determine whether the positions should be retained by the Authority or be augmented by the consultants.</p>
<p><b>Total Soft Savings:</b></p>	<p><b>\$835,566</b></p>		

<sup>3</sup> Calculation: Average cost saving from 5 positions (417.66/hour) \* 2080 hours \* 65% utilization.

**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 well 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 right at 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, 23 of 32 recommendations were implemented. Additionally, two (2) recommendations have been deemed "Not Accepted by Management" during the fiscal year. While the percentage of implemented recommendations appears under our goal, we are on track to achieve the goal, because we aim to have 90% of our recommendations implemented within the year.

*Going Forward*

For completion during the final quarter of FY14, the OCA has targeted all of the audits currently in progress, as well as the remaining three (3) audits on the FY14 audit plan. The completion of these audits will result in the accomplishment of 100% of the FY14 Audit Plan. As staff completes the remaining projects for FY14 staff may begin work on the FY15 Audit Plan. Figure 7 identifies the audits scheduled for completion in the fourth quarter.

*Figure 7: Audits Scheduled for Completion in the Fourth Quarter of Fiscal Year 2014*

Audit	Type of Audit
Ace Parking Management, Inc.	Expense Contract
Budget Rent A Car Systems	Revenue Contract
Debt Service Management	Internal Process
DTG Operations, Inc.	Revenue Contract
Elite Line Services	Revenue Contract
Emergency Medical Technician-Paramedic Services	Expense Contract
High Flying Foods	Revenue Contract
Human Resources Services Performance	Internal Process
Kimley-Horn and Associates, Inc.	Expense Contract
Merriwether Williams Insurance Services	Expense Contract
Nevada Lease and Rental, Inc. dba Payless Car Rental System	Revenue Contract
Procurement Card Program	Internal Process
RFP Threshold Compliance	Internal Process
Smarte Carte, Inc.	Revenue Contract
The Hertz Corporation	Revenue Contract
Timekeeping Payroll	Internal Process

## Bi-Annual Airline Revenue Audit

Report Number 14031, March 2014

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### ***Background***

Airlines operate at the San Diego International Airport (SDIA) under an Airline Operating Agreement (AOA) with the San Diego County Regional Airport Authority (Authority). During the audit period of April 1, 2012, to October 31, 2013, two AOAs were effective. The first had a term of July 1, 2008, through June 30, 2013, and the second July 1, 2013, through June 30, 2018. The Business and Financial Management Department is responsible for managing the AOAs, which specify landing fees required of the airlines for aircraft landings as well as rents and charges for terminal space use, joint use facilities, and common use facilities, as well as a variety of other airline revenues and credits.

Contractually specified calculations are utilized each month to determine the revenue due to the Authority by each airline. During the audit period of April 1, 2012, to October 31, 2013, the airlines paid \$33,822,198 in landing fees and \$110,743,021 in rents, fees, and charges to the Authority. For the same period, the Authority issued \$3,656,265 in janitorial credits and \$1,319,731 in refunds for Rates, Fees, & Charges.

The objective of the audit was to verify the accuracy of the payments made by all airlines during the audit period for rents, charges, and aircraft landing fees. Additionally, we evaluated the Authority's internal controls over the collection of the revenue and ensured compliance to the revenue stipulations of the AOA by the Airlines

### ***Audit Results***

Audit test work showed that monthly reports of aircraft landings and payments for landing fees, fixed rents, and other charges were, in general, accurate and reliable during the audit period. We also determined that the calculation of the landing rate is appropriate and reasonable. No findings or recommendations were issued.

## Simply Wheelz, LLC dba Advantage Rent-A-Car - Close-Out

Report Number 14035, March 2014

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### **Background**

Simply Wheelz, LLC dba Advantage Rent-A-Car (Simply Wheelz) operates at San Diego International Airport (SDIA) under a Nonexclusive Airport Car Rental License (License) with a five (5) year term from January 1, 2011, to December 31, 2015. The License grants Simply Wheelz 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 services at SDIA, the License requires Simply Wheelz to remit license fees to the San Diego County Regional Airport Authority (Authority) which 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".

In addition, pursuant to California Civil Code §1936(M)(2), the Authority collects a per transaction day Customer Facility Charge (CFC) from airport car rental companies. CFC funds collected are to be used for the purpose of designing, financing, and constructing a consolidated rental car facility and the design, construction, and operation of the associated common use transportation system at SDIA. During the audit period from July 1, 2013, through January 31, 2014, Simply Wheelz paid \$215,461 in license fees and \$270,635 in CFC. The Business & Financial Management Department (BFM) manages all Licenses for the Authority.

Simply Wheelz is owned and managed by Franchise Services of North America, Inc. (FSNA) following a purchase from the Hertz Corporation on December 12, 2012. On November 5, 2013, Simply Wheelz filed a petition in the United States Bankruptcy Court seeking relief under Chapter 11 of the United States Bankruptcy Code. Currently, the Authority holds an Irrevocable Standby Letter of Credit for Simply Wheelz in the amount of \$116,000 with an expiration of May 18, 2014. In addition, Simply Wheelz provided the Authority a security deposit on January 22, 2014, in the amount of \$382,871 to reserve space in the Rental Car Center being constructed on the north side of SDIA.

The objective of this audit was to determine if gross revenue reported by Simply Wheelz was accurate and that the license fees due were calculated in accordance with the terms of the Licenses and to verify the accuracy of revenues received related to CFC.

### **Audit Results**

In general, we found that Simply Wheelz properly reported monthly gross revenue and paid license fees to the Authority. Further, the revenue categories identified by Simply Wheelz as concessionable were in accordance with the License and Customer Facility Charges (CFC) and were generally properly calculated and paid. No significant audit issues were noted.

**Host International Inc.**  
Report Number 14023, March 2014

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**Background**

Host International, Inc. (Host) is one of twelve concessionaires selected by the San Diego County Regional Airport Authority ("Authority") in September 2011, as part of the Concession Development Program (CDP). The CDP was created to promote various San Diego based vendors (Food & Beverages and Retail) at the San Diego International Airport (SDIA). Prior to the formation of the CDP, Host was the master lessee for all Food & Beverage and merchandise at SDIA (The original contract was entered into in August 1994 with the San Diego Unified Port District ("District") with an extension issued for the period of January 1, 2003, through November 30, 2012). Currently, LE-0657 and LE-0658 serve as the primary contractual agreements or leases between Host and the Authority and both leases are managed by the Terminals and Tenants Department. Each lease contains a distinct "package" that details terms of a fixed Minimum Annual Guarantee (MAG) and percentage rents of gross sales within a specified range. LE-0658 is the primary lease for Package 2R, which is the focus of this audit. Package 2R consists of 10 individual Food & Beverage concessions as detailed in Appendix A.

The percentage rent defined in the lease was calculated monthly from 13% of Gross Receipts from the sale of food and non-alcoholic beverages and 16% of Gross Receipts from the sale of alcoholic beverages. In addition to the percentage rent, Host pays the Authority for miscellaneous expenses under a Cost Recovery Program. Host reported gross sales of \$8,872,657 and paid \$1,184,579 in percentage rent for Package 2R during the audit period.

**Finding # 1: *Monitoring Of Concessionaire Menu Price Listings by the Terminals and Tenants Department Should Be Documented and More Frequent (Repeat Finding)***

We reviewed the menu price listing at various concession locations and noted that Host increased some of the prices without obtaining approval from the Authority in violation of the Lease. We also identified a number of items sold by the concessionaire that were not priced on the menu. In addition, the Terminals and Tenants Department does not appear to be verifying on a consistent basis the menu prices of items sold, as only one of 10 of the Package 2R concessions had been reviewed during the audit period.

**Recommendation #1:** In addition to obtaining an annual price list from the concessionaire, as required by the lease agreement, the Terminals and Tenants Department should conduct regularly scheduled price reviews, track, and maintain documentation of any discrepancies that were identified.

## CONRAC Fund

Report Number 14028, March 2014

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### ***Background***

The Authority's May 2008 Airport Master Plan, the Destination Lindbergh Study dated February 12, 2009, and the conceptual analysis, included the general scope and location of a potential consolidated rental car facility. On March 5, 2009, Resolution 2009-0025R (Resolution) was adopted by the Board for the purpose of implementing and collecting a \$10 per transaction customer service charge from airport rental car companies.

The Resolution specified that the customer service charge funds collected are to be used for the purposes of designing, financing, and constructing a potential consolidated rental car facility and common use transportation system at San Diego International Airport. The customer service charge was to be implemented on May 1, 2009.

California Civil Code §1936 (a)(4)(A) defines a "Customer facility charge". California Civil Code §1936 (m)(1)(F) additionally provides that, "Revenues collected from the fee do not exceed the reasonable costs of financing, designing, constructing, or operating the facility or transportation services and shall not be used for any other purpose." California Civil Code §1936 allowed for the collection of a \$10 fee per transaction for each rental related to airport customers.

The California Civil Code §1936 was subsequently amended and allowed for the collection of the following CFC rates: (i) "Commencing January 1, 2011, the amount of the fee may not exceed six dollars (\$6) per day. (ii) Commencing January 1, 2014, the amount of the fee may not exceed seven dollars and fifty cents (\$7.50) per day. (iii) Commencing January 1, 2017, and thereafter, the amount of the fee may not exceed nine dollars (\$9) per day. (iv) At no time shall the fee authorized in this paragraph be collected from any customer for more than five days for each individual rental car contract." The Authority Board approved the adoption of these rates on October 4, 2012, in Resolution 2012-0111.

The Authority has collected CFC receipts of \$67,288,959 through February 28, 2014. The Authority has paid CFC expenses of \$29,075,015 for CONRAC site planning, conceptual design, and construction work through February 28, 2014. The bank balance on hand as of February 28, 2014, after accounting for interest, bank charges, and month-end deposits in transit, was \$41,569,087.83.

### ***Audit Results***

In general, audit work found that the Authority substantially complied with the requirements of both the State and Authority. Also, we found that the accounting for CFC funds was appropriate and well documented. We did not identify any reportable findings or observations.

Ethics Hotline Call Summary  
January - March, 2014

Code of Ethics Concerns	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)
<b>Potential Misuse of Public Funds</b>					
<i>Advertising</i>	12	7	0	n/a	5
<i>New Construction</i>	9	7	0	n/a	2
<i>Public Art</i>	6	6	0	n/a	0
<b>Potential Misuse of Resources</b>					
<i>Timekeeping</i>	1	1	1	Yes (1)	0
Receipt of Gifts	3	0	0	n/a	3
<b>Non Ethics Related Concerns</b>					
TSA Practices and Behavior	9	4	0	n/a	5
ATO Practices and Behavior	7	2	0	n/a	5
Aircraft Noise	5	4	0	n/a	1
<b>Workplace Concerns</b>					
Workplace Practices/Behavior	13	11	0	n/a	2
Employee Parties/Retirement/Gifts	10	7	0	n/a	3
Volunteer Opportunity Emails	7	7	0	n/a	0
Workplace Equitability	3	3	0	n/a	0

(1) Issue still under investigation.

Req. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2014	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 Automated Vehicle Identification (AVI) system has been designed. It should be installed in either Q4 2014 or in Q1 2015 and operational in the following quarter.	In Process	Q1 2015
14-02	AIRSIDE OPERATIONS DEPARTMENT	Audit Report #13026 dated July 1, 2013, Aircraft Rescue & Fire Fighting Expense Billings - FY2011 and FY2012	18	Impact: 10 Probability: 8	We recommend that Airside Ops notify the City of San Diego concerning the Fiscal Years 2011 and 2012 over-billings for overhead costs and determine the most appropriate method to receive the \$430,408 owed to the Authority.	The credit was applied to outstanding FY13 charges.	Completed	N/A
13-12	AIRSIDE OPERATIONS DEPARTMENT	Audit Report #11024 dated December 5, 2012, Aircraft Rescue & Fire Fighting Expense Billings - FY 2010	17	Impact: 10 Probability: 7	We recommend that the Airside Operations Department (OPS) notify the City concerning the Fiscal Year 2010 over-billing for ARFF services and determine the most appropriate method for the Authority to receive the additional \$222,823 owed to the Authority.	The credit was applied to outstanding FY13 charges.	Completed	N/A
13-11	AIRSIDE OPERATIONS DEPARTMENT	Audit Report #11024 dated December 5, 2012, Aircraft Rescue & Fire Fighting Expense Billings - FY 2010	16	Impact: 9 Probability: 7	We recommend that the Airside Operations Department (OPS) notify the City concerning the Fiscal Year 2010 over-billing for overhead costs and determine the most appropriate method for the Authority to receive the \$160,139 owed to the Authority.	The credit was applied to outstanding FY13 charges.	Completed	N/A

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.

APPENDIX C: Status of OCA Recommendations as of March 31, 2014

Rec No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2014	OCA's Assessment	Estimated Completion Date
12-38	GROUND TRANSPORTATION DEPARTMENT	Audit Report #12001 dated April 25, 2012, Public Parking	15	<b>Impact: 8 Probability: 7</b>	Policies and procedures should be developed and instituted by Ground Transportation, the Planning and Operations division, and the Finance Division regarding all areas of public parking management.	The policies and procedures are in development. Currently, they are in a draft form.	In Process	June 2014
14-11	FACILITIES DEVELOPMENT DEPARTMENT	Audit Report #14010 dated November 22, 2013, Abadjis Systems, Ltd.	13	<b>Impact: 7 Probability: 6</b>	We recommend that Management consider amending Authority Policy to limit the amount of continuous time an individual contractor may work at the Authority. The limit could be by time, contract, and/or project. The limit could provide an opportunity to evaluate whether the contractor's services are required on a temporary or permanent basis.			
14-14	AVIATION AND COMMERCIAL BUSINESS DEPARTMENT	Audit Report #14018, dated January 21, 2014, Simply Wheelz, LLC dba Advantage Rent-A-Car	17	<b>Impact: 9 Probability: 8</b>	Aviation and Commercial Business Department should request that the Accounting Department issue an invoice to Simply Wheelz in the net amount of \$282,778 for the underpayment of Customer Facility Charge (CFC) Funds and license fees.	Business & Financial Management have been in communication with Simply Wheelz ownership to ensure reimbursement.	In Progress	Unknown
14-15	AVIATION OPERATIONS & PUBLIC SAFETY	Audit Report #14026, dated February 14, 2014, Aircraft Rescue & Fire Fighting Expense Billings - Fiscal Year 2013	13	<b>Impact: 7 Probability: 6</b>	We recommend that Airside Operations notify the City concerning the overbilling of \$44,167 for overhead costs, the unsupported training and miscellaneous costs of \$32,562 and the adjustment in the credit for Tele Staff Desk activities of \$46,275. These adjustments should be included in the final calculation of amount due to the City for Fiscal Year 2013 ARFF Services. See Appendix A for calculation of the final true-up amount.	The City was notified and the invoice was paid.	Completed	N/A

000111

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, 2014	OCA's Assessment	Estimated Completion Date
14-16	AVIATION OPERATIONS & PUBLIC SAFETY	Audit Report #14026, dated February 14, 2014, Aircraft Rescue & Fire Fighting Expense Billings - Fiscal Year 2013	18	<b>Impact: 9 Probability: 9</b>	We recommend that Airside Operation and Accounting work together to ensure that all payments for services are properly supported by invoices and payments are made within the parameters of the contract. Specifically, consideration should be given to requesting the City to send the invoices directly to Accounting where receipt of the invoice can be logged and the payment due date can be recorded. The invoice would then be forwarded to Airside Operations for review for accurate billing of ARFF services and proper supporting documentation for all reimbursable expenses. The invoice would be recorded on the Airside Operations tracking worksheet listing the amount approved for payment and each disallowed expense submitted that is disputed or does not contain proper support. Accounting would follow-up with Airside Operations to ensure that the approved amounts are submitted for payment by the due date.	Accounting and Airside Operations are working together to implement this recommendation.	In Process	May 15, 2014
14-17	AVIATION SECURITY & PUBLIC SAFETY	Audit Report #14033, dated February 26, 2014, San Diego Unified Port District Billings - FY 2013	19	<b>Impact: 10 Probability: 9</b>	We recommend that the Aviation Security & Public Safety Department notify District staff concerning the Fiscal Year 2013 under-billing for Harbor Police Department services and determine the most appropriate method for the Authority to remit the additional \$371,145 owed to the District.	The District was notified and the Authority expects to remit the amount in April.	In Process	April 30, 2014
14-18	AVIATION SECURITY & PUBLIC SAFETY	Audit Report #14033, dated February 26, 2014, San Diego Unified Port District Billings - FY 2013	13	<b>Impact: 7 Probability: 6</b>	The Aviation Security & Public Safety Department should require the District to provide documentary evidence to support that direct and indirect charges of the amounts claimed were actually expended for Harbor Police Department Services at SDIA.	The Authority now requires the District to provide the documentation.	Completed	N/A

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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.

APPENDIX C: Status of OCA Recommendations as of March 31, 2014

FY14 Monthly Report

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2014	OCA's Assessment	Estimated Completion Date
14-19	TERMINALS AND TENANTS DEPARTMENT	Audit Report #14023, dated March 11, 2014, Host International, Inc.	15	Impact: 6 Probability: 9	In addition to obtaining an annual price list from the concessionaire, as required by the lease agreement, the Terminals and tenants Department should conduct regularly scheduled price reviews, track and maintain documentation of any discrepancies that were identified.	This recommendation was issued during the month so no follow up was performed.	Open	N/A

000112

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.  
**11**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Fiscal Year 2015 Proposed Audit Plan of the Office of the Chief Auditor**

**Recommendation:**

The Audit Committee recommends that the Board approve the proposed audit plan.

**Background/Justification:**

As directed in 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 their review and approval.

The Fiscal Year 2015 Audit Plan was prepared by the Chief Auditor based on the key elements of: 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 its May 12, 2014, Audit Committee Meeting, the proposed Fiscal Year 2015 Audit Plan (Attachment 1) was presented to the Committee for their review. Following some questions regarding how areas/vendors were identified for audit, as well as questions regarding auditing the Rental Car Center, the Audit Committee then voted unanimously to forward the proposed audit plan to the Board for approval.

**Fiscal Impact:**

The proposed FY15 Budget for the Office of the Chief Auditor is \$1,184,008.

**Authority Strategies:**

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

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

000113

**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

## PROPOSED FISCAL YEAR 2015 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 2015.

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 2015 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 Audits<sup>1</sup>
- Other Lease Contract Audits<sup>1</sup>
- Concession Contract Audits<sup>1</sup>

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 2015 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 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.

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<sup>1</sup> Car Rental, Other Lease and Concession are combined in Revenue Contract Audits in the Audit Plan.

# PROPOSED FISCAL YEAR 2015 AUDIT PLAN

**TABLE 1**  
**Staff Hours Available to Conduct Non-Annual Audits**

Total Available Staff Hours Per Year (See Attachment 1)	10,192
Annual Ongoing Audits	(880)
Ethics Program Activity	(375)
Construction Audit and Monitoring Activity	(1,275)
<b>Available Hours for Non-Annual Audits</b>	<b>7,662</b>

The final step was to develop the Fiscal Year 2015 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 2015 is presented in Attachment 1. The expense contracts selected for review account for 31.0% of the total actual expenses over a 12-month period. Car rental revenue contracts selected account for 78.7% of the total collected revenues over a 12-month period. Other lease revenue contracts selected account for 73.3% of the total collected revenues over a 12-month period. Concession revenue contracts selected account for 53.3% 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

**San Diego County Regional Airport Authority  
Proposed FY 2015 Audit Plan**

**BUSINESS PROCESS AUDITS (Attachment 3)**

Concessionaire Management and Performance	250
Cloud Management and Performance	300
Airport Noise Management	200
Business and Travel Expenses	300
Public Records Management	250
Consortium Agreement Compliance	250

**TOTAL BUSINESS PROCESS AUDIT HOURS**

1,550 15.2%

**EXPENSE CONTRACT AUDITS (Attachment 4)**

Cartwright Termite & Pest Control	150
Network Security Electronics, Inc.	150
Ninyo & Moore Geotechnical Consultants	150
PCL Construction Services, Inc.	150
Aztec Landscaping	150
CDW - Government	150
Demattei Wong Architecture, Inc.	200
Granite Construction Company	150
Hatch Mott MacDonald, LLC	150
Serco Management Services, Inc.	150

**TOTAL EXPENSE CONTRACT AUDIT HOURS**

1,550 15.2%

**REVENUE CONTRACT AUDITS (Attachments 5 and 6)**

Avis Rent A Car Systems LLC	300
Enterprise Rent A Car Company (Enterprise, Alamo, National)	400
Fox Rent A Car	300
The Hertz Corporation	300
EZ Rent A Car	250
Ace Parking	350
Airline & Others (Ogden Aviation)	150
JCDecaux, Inc.	200
Aircraft Services International Inc.	150
Gate Gourmet Inc.	150
High Flying Foods San Diego (FSP 7)	200
Paradies - San Diego LLC (RP1)	200
Hudson Group, Concourse Ventures Inc., Epicure and Martinez (RP 7)	200
Pacific Gateway Concessions and Procurement Concepts SD (RP 3)	200
SSP America Inc. (FSP 5)	200
Mission Yogurt Inc. (FSP 4)	200
Stellar Partners Inc. (RP 4)	200

**TOTAL REVENUE AUDIT HOURS**

3,950 38.8%

**ANNUAL ONGOING AUDITS AND SUPPORT**

Airport Rescue & Firefighters (ARFF)	150
Board Member Expenditures	50
CONRAC Fund Review	100
Procurement Card Spending	150
Audit of Contracts & Expenditures for Agreements <\$100,000	100
Emergency Medical Technician & Paramedic Services	80
San Diego Unified Port District Billing	250
Special Request Audits	612
Ethics Program Activities	375
Construction Audit and Monitoring Activity	1,275

**TOTAL ANNUAL ONGOING AUDITS AND SUPPORT HOURS**

3,142 30.8%

**TOTAL HOURS**

10,192 100.0%

**AVAILABLE AUDIT HOURS FROM OFFICE STAFF**

10,192

**DIFFERENCE**

0

**Fiscal Year 2015 Audit Plan  
Audit Unit Definitions**

**ATTACHMENT 2**

#	Audit Unit	Explanation
<b>Business Process Audits</b>		
1	Concession Management and Performance	Analyze the responsibilities, risks and controls identified by Terminal Operations & Tenant Relations Department and Aviation & Commercial Business Division within Business & Financial Management. These two separate business units were created early in 2014, and moved to separate Vice Presidents span of control, after being one business unit for several year. Our objective is to determine if all responsibilities, risk and controls have been identified, and that there is a clear understanding of which business unit is responsible for the necessary tenant and contract activities in meeting the Authority objectives and goals.
2	Cloud Management and Performance	Evaluate internal control and performance deficiencies within the Authority, evaluate Information Technology's interface with the service provider, and the quality of and the Authority's ability to rely upon the service provider's attestations regarding internal controls.
3	Airport Noise Management	Review controls, compliance and performance related to noise mitigation activities.
4	Business and Travel Expense	Review controls, compliance and performance related to business and travel expenses, and review check request process.
5	Public Records Management	Assess the effectiveness and efficiencies related to the Authority's public records management process, and evaluate compliance with applicable Authority, Federal and State requirements.
6	Consortium Agreement Compliance	Access the effectiveness and efficiencies of activities controls over airport consortium agreements.
<b>Expense Contract Audits</b>		
7	Cartwright Termite & Pest Control	Review contract expenditures related pest elimination services, with a maximum contract amount of \$5,000,000 over a five year period.
8	Network Security Electronics, Inc.	Review contract expenditures related to performing maintenance, repair, and on-call services on the Airport access control system, with a maximum contract amount of \$6,500,000 over a three year period.
9	Ninyo & Moore Geotechnical Consultants	Review contract expenditures related to providing on-call material testing, special inspection and geotechnical services, with a maximum contract amount of \$3,500,000 over a three year period.

000118

**Fiscal Year 2015 Audit Plan  
Audit Unit Definitions**

**ATTACHMENT 2**

#	Audit Unit	Explanation
10	PCL Construction Services, Inc.	Review expenditures related refurbishing concession support infrastructure in CT, Terminal 1, and Terminal 2 West, with estimated maximum contract amounts of \$7,925,819.
11	Aztec Landscaping	Review contract expenditures related to providing landscaping and tree maintenance services, with a maximum contract price of \$2,696,000 over a three year period.
12	CDW - Government	Review expenditures related to information technology purchase orders, with estimated maximum contract amounts of \$900,000 annually.
13	Demattei Wong Architecture, Inc.	Review contract expenditures related to providing architect and engineering services in support of the CONRAC development project, with a maximum contract amount of \$10,000,000 over three years.
14	Granite Construction Company	Review expenditures related to construction services at the former Teledyne Ryan site and Taxiway C, with estimated maximum contract amounts of \$6,062,483.
15	Hatch Mott MacDonald, LLC	Review contract expenditures related to providing on call airside/landside architect and engineering for Capital Improvement Program, with a maximum contract amount of \$5,000,000 over three years.
16	Serco Management Services, Inc.	Review contract expenditures related to providing ramp control facility services for the 12 new gates in Terminal 2, with estimated maximum contract amounts of \$3,925,000 over a three year.
<b>Revenue Contract Audits</b>		
17	Avis Rent A Car	Review the accuracy of revenues received from a car rental company.
18	Enterprise Rent A Car Company	Review the accuracy of revenues received from a car rental company.
19	Fox Rent A Car	Review the accuracy of revenues received from a car rental company.
20	The Hertz Corporation	Review the accuracy of revenues received from a car rental company.
21	EZ Rent A Car	Review the accuracy of revenues received from a car rental company.
22	Ace Parking	Review the accuracy of revenues in providing ground transportation and parking services at SDIA.
23	Airline & Others (Ogden Aviation)	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.

000119

**Fiscal Year 2015 Audit Plan  
Audit Unit Definitions**

**ATTACHMENT 2**

#	Audit Unit	Explanation
24	JCDecaux, Inc.	Review the accuracy of revenues and related expenditures for providing advertising services at SDIA.
25	Aircraft Services International, Inc.	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.
26	Gate Gourmet, Inc.	Review the accuracy of revenues and related expenditures for providing in-flight catering services at SDIA.
27	High Flying Foods San Diego (FSP 7)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
28	Paradies - San Diego LLC (RP1)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
29	Hudson Group, Concourse Ventures Inc., Epicure and Martinez San Diego JV (RP 7)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
30	Pacific Gateway Concessions and Procurement Concepts San Diego LLC (RP 3)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
31	SSP America Inc. (FSP 5)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
32	Mission Yogurt Inc. (FSP 4)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
33	Stellar Partners Inc. (RP 4)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
<b>Annual Ongoing Audits &amp; Support</b>		
34	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.
35	Board Member Expenditures	Review the appropriateness of Board Member expenditures, and compliance of these expenditures with Authority policy.
36	Consolidated Rental Car Facility (CONRAC) Fund	Review CONRAC Fund for compliance with Authority policies and State regulations.
37	Procurement Card Program	Review controls related to P-cards and appropriateness of expenditures.
38	Agreements with Expenditure Limits Not to Exceed \$100,000	Review sample of expenditures of contracts that are less than \$100,000 per year.
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.

000120

**Fiscal Year 2015 Audit Plan  
Audit Unit Definitions**

**ATTACHMENT 2**

#	Audit Unit	Explanation
40	San Diego Unified Port District Billing	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.
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.
<b><i>Other Audit Activity</i></b>		
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.

**Fiscal Year 2015 Audit Plan  
Business Processes – Descending Risk Scores**

**ATTACHMENT 3**

<b>Business Processes</b>	<b>Risk Score</b>	<b>Estimated Hours</b>
Concessionaire Management and Performance	4.38	250
Cloud Management and Performance	4.19	300
Airport Noise Management	4.13	200
Business and Travel Expenses	4.13	300
Consortium Agreement Compliance	4.13	250
Property Management	4.13	250
Airline Route Sales and Management	4.06	250
Public Records Management	4.00	250
Small Business Development Management	4.00	300
Treasury/Cash Performance and Management	4.00	300
Risk Service Management	3.94	250
Airport Security Management	3.88	300
Debt Service Management	3.88	250
Enterprise Risk Management	3.88	350
Environmental Compliance	3.88	300
Contract Management	3.81	300
Grant Revenue Procurement and Management	3.81	250
Information Technology Monitoring and Evaluation	3.81	350
Public Parking Management	3.81	350
Revenue and Business Development Management and Performance	3.81	300
Capital and Maintenance Project Selection and Planning	3.75	300
Information Technology Performance	3.75	350
Information Technology Acquisition and Implementation	3.75	350
Information Technology Delivery and Support	3.75	350
Procurement Management	3.75	300
Sustainability Management	3.75	250
Airline Services Management	3.71	300
Energy Usage Performance	3.69	300
Budget Management and Analysis	3.63	300
Business Continuity Management	3.63	300
Airport Land Use Management	3.56	300
Organizational Performance Measures	3.56	250
Marketing and Public Communications Performance	3.56	350
Restricted Fund Accountability	3.56	150
Transportation and Traffic Services Management	3.50	300
Attorney General MOU on Greenhouse Gases Compliance	3.44	200
Human Resources Services Performance	3.44	350
Timekeeping Payroll Compliance	3.38	250
Vehicle Fleet Management	3.31	300
Social Media Control and Performance	3.25	250
Airport Lost and Found	3.00	200
Special Event Management	2.31	200

**11,850**

000122

**Fiscal Year 2015 Audit Plan  
Expense Contract – Descending Risk Scores**

**ATTACHMENT 4**

Company	Risk Score	Estimated Hours
Cartwright Termite & Pest Control	4.13	150
CH2M Hill	4.13	150
G & G Specialty Contractors, Inc.	4.13	150
Network Security Electronics, Inc.	4.13	150
Ninyo & Moore Geotechnical Consultants	4.13	150
PCL Construction Services, Inc.	4.13	150
American Steel Builders	4.00	150
Aztec Landscaping	4.00	150
CDW - Government	4.00	150
Demattei Wong Architecture, Inc.	4.00	200
Frasca & Associates Inc.	4.00	150
Granite Construction Company	4.00	150
Hatch Mott MacDonald, LLC	4.00	150
Hazard Construction Company	4.00	150
Helix Electric, Inc.	4.00	150
Neal Electric Corporation dba Neal Electric Inc.	4.00	150
Nuera Contracting & Consulting LP	4.00	150
RJC Architects, Inc.	4.00	150
Serco Management Services, Inc.	4.00	150
VA Consulting, Inc.	4.00	150
West Coast General Corporation/ PK Mechanical Systems Inc. a Joint Venture	4.00	150
Ace Parking Management, Inc.	3.88	150
AGBW Corporation, dba BPI Plumbing	3.88	150
APEX Contracting & Restoration, Inc.	3.88	150
Jason Bruges Studio Limited	3.88	150
Merriwether and Williams Insurance Services Inc.	3.88	150
RAL Investment Corporation dba Silverstrand Construction	3.88	150
Statewide Stripes, Inc.	3.88	150
Abhe & Svoboda, Inc.	3.75	150
ACRO Service Corporation	3.75	150
Best Best Krieger LLP	3.75	150
Built Pacific, Inc.	3.75	150
C&S Engineering, Inc.	3.75	150
Calderon Builders Inc.	3.75	150
Campbell-Hill Aviation Group	3.75	150
CDM Smith, Inc.	3.75	150
CompuCom Systems Inc.	3.75	150
Dell Marketing Services	3.75	150
Dynamic Contracting Services, Inc.	3.75	150
Greenhaus Inc.	3.75	150
Haley and Aldrich, Inc.	3.75	150
J.P. Witherow Roofing Company, Inc.	3.75	150

**Fiscal Year 2015 Audit Plan  
Expense Contract – Descending Risk Scores**

**ATTACHMENT 4**

Company	Risk Score	Estimated Hours
Jacobs Project Management Co.	3.75	150
Jacobsen/Daniels Associates LLC	3.75	150
Koch-Armstrong General Engineering, Inc.	3.75	150
KONE, Inc.	3.75	150
Manatt, Phelps & Phillips LLP	3.75	150
McBee Strategic Consulting	3.75	150
Pacific Rim Mechanical	3.75	150
Paul Hobson	3.75	150
Siemens Industry Inc.	3.75	150
SOS Staffing Services, dba TOPS Staffing	3.75	150
The Vasquez Company	3.75	150
Verizon Wireless	3.75	150
Westgroup Designs, Inc.	3.75	150
Willis Insurance Services of California, Inc.	3.75	150
Xerox Corporation	3.75	150
Aon Consulting and Insurance Services, Inc.	3.63	150
AT&T, CALNET 2 Contract	3.63	150
EHMCKE Sheet Metal	3.63	150
Hellman, Obata & Kassabaum (HOK), Inc.	3.63	150
Ocean Blue Environmental Services	3.63	150
The Christmas Light Company	3.63	150
Alliant Insurance Services, Inc.	3.50	150
Allied Waste Systems, Inc. dba Republic Services	3.50	150
Ameri-Mex Plumbing Inc.	3.50	150
Audio Associates of San Diego	3.50	150
Aurora Industrial Hygiene, Inc.	3.50	150
Bear Fence	3.50	150
Bradford Airport Logistics	3.50	150
Cannon Pacific Services Inc.	3.50	150
Christian Moeller and Amy Landesberg Partnership	3.50	150
DFS Flooring	3.50	150
DIO, LLC formally Aviation Data Group, LLC	3.50	150
DuWright Construction Inc.	3.50	150
Endless Summer Heating and Cooling, Inc.	3.50	150
Erik J. Carlson	3.50	150
Flatiron West, Inc.	3.50	150
General Ledger Resources	3.50	150
Hawthorne Machinery Co.	3.50	150
HSS, Inc.	3.50	150
Insight Public Sector	3.50	150
Kleinfelder West Inc.	3.50	150
LCPTTracker, Inc.	3.50	150

**Fiscal Year 2015 Audit Plan  
Expense Contract – Descending Risk Scores**

**ATTACHMENT 4**

Company	Risk Score	Estimated Hours
Loren Smith Productions	3.50	150
M.B. Oliver Inc. dba Agricultural Pest Control Services	3.50	150
Microsoft Licensing, GP	3.50	150
Miki Iwasaki dba MI-Workshop	3.50	150
Passur Aerospace Inc.	3.50	150
Paul Plevin Sullivan & Connaughton LLP	3.50	150
PBS Engineers, Inc.	3.50	150
PFM Asset Management	3.50	150
Planetbids, Inc.	3.50	150
Riskconnect, Inc.	3.50	150
Robert Half International	3.50	150
Seasonal Innovations Inc. dba Greenleaf Plant Solutions	3.50	150
Service Tec International, Inc.	3.50	150
Sheryl Oring	3.50	150
Sign Age Identity Systems Inc.	3.50	150
Simon Wong Engineering, Inc.	3.50	150
Stanley Access, Inc.	3.50	150
Tetra Tech Inc.	3.50	150
United Storm Water Inc.	3.50	150
Wirtz Quality Installations, Inc.	3.50	150
Zoological Society of San Diego	3.50	150
Airport Concession Consultants, Inc.	3.38	150
County of San Diego Sheriff's Department, Regional Communications System	3.38	150
Gatzke, Dillon & Balance LLP	3.38	150
Jones Payne Group	3.38	150
Research Horizons LLC, dba Phoenix Marketing International	3.38	150
SITA Information Networking Computing USA	3.38	150
Xtreme Floor Covering Specialists Inc.	3.38	150
A-Advanced Locksmiths	3.25	150
Aircraft Service International, Inc.	3.25	150
All County Fire, Inc.	3.25	150
Allsup Corporation	3.25	150
Barney & Barney, LLC	3.25	150
CPS Human Resources	3.25	150
Diamond Environmental Services LP	3.25	150
Ensley Electric, Inc.	3.25	150
Epic Pest Control	3.25	150
GovConnection	3.25	150
Idea Integration Corp. dba Idea	3.25	150
Kutak Rock LLP	3.25	150
Marsh USA Inc.	3.25	150
Meyers Nave	3.25	150

**Fiscal Year 2015 Audit Plan  
Expense Contract – Descending Risk Scores**

**ATTACHMENT 4**

Company	Risk Score	Estimated Hours
Packet Telcom Solution, Inc.	3.25	150
PC Specialists, Inc. dba Technology Integration Group (TIG)	3.25	150
Phillips Painting, Inc.	3.25	150
Quality Fence Co. Inc.	3.25	150
Ricondo and Associates	3.25	150
San Diego Office Interiors	3.25	150
The Glass Company, Inc. dba C & C Glass	3.25	150
TruGreen Landcare LLC	3.25	150
UniFirst Corporation	3.25	150
Vector Resources, Inc.	3.25	150
Western Bay Sheet Metal, Inc.	3.25	150
WTS, Inc.	3.25	150
Zuheir Inc., dba Comprehensive Glassworks	3.25	150
Are & R Plumbing Inc.	3.13	150
Denovo Ventures LLC	3.13	150
Drain Medic Plumbing	3.13	150
JRM Consultants & Investigations Company	3.13	150
Leigh Fisher & Associates	3.13	150
Morrison & Foerster LLP	3.13	150
U.S. Bank National Association	3.13	150
William Nicholas Bodouva + Associates	3.13	150
24 Hour Fire Protection, Inc.	3.00	150
A Good Roofer, Inc.	3.00	150
Abadjis Systems, Ltd.	3.00	150
AMEC Environmental and Infrastructure, Inc.	3.00	150
Apex Consulting Group Inc.	3.00	150
Apex Lighting & Electric, Inc.	3.00	150
Atkins North America, Inc.	3.00	150
Best Contracting Services	3.00	150
Borrego Solar System, Inc.	3.00	150
Bruel & Kjeear EMS	3.00	150
Can-Do Electric, Inc.	3.00	150
Carter & Burgess, Inc.	3.00	150
Clark Telecom and Electric (CTE) Inc.	3.00	150
COR Security, Inc.	3.00	150
Creative Nerve	3.00	150
David Brush Consulting	3.00	150
Discount Glass & Mirror Inc.	3.00	150
EC Constructors, Inc.	3.00	150
Epoch Universal, Inc.	3.00	150
General Networks Corporation	3.00	150
Gilbert Angundaz Concrete	3.00	150

**Fiscal Year 2015 Audit Plan  
Expense Contract – Descending Risk Scores**

**ATTACHMENT 4**

Company	Risk Score	Estimated Hours
Gordon-Prill San Diego, Inc.	3.00	150
GTSI dba Government Technology Service Inc.	3.00	150
Helix Mechanical, Inc.	3.00	150
HPS Mechanical, Inc.	3.00	150
Inland Flooring Contractors, Inc.	3.00	150
Kimley-Horn and Associates Inc.	3.00	150
KRS, Inc., dba Kings Glass and Screen	3.00	150
Laser Electric Inc.	3.00	150
Law Management Inc. dba Designer Glass & Shower	3.00	150
Mags Harries & Lajos Heder Collaborative	3.00	150
MW Construction	3.00	150
PAL General Engineering, Inc.	3.00	150
Plumbright, Inc.	3.00	150
Porter Novelli Inc.	3.00	150
Profit Concepts International	3.00	150
Quateman LLP	3.00	150
RGC Construction, Inc.	3.00	150
S&L Specialty Contracting, Inc.	3.00	150
SIGMAnet, Inc.	3.00	150
SkillStorm Commercial Services, LLC	3.00	150
SOLPAC Construction, Inc., dba Soltek Pacific Construction Company	3.00	150
SSI, Inc.	3.00	150
Strong Tower Construction dba Koch Corporation	3.00	150
Sun Pacific Glazing, Inc.	3.00	150
Tabizi Incorporated dba Raider Painting Company	3.00	150
ThyssenKrupp Airport Systems, Inc.	3.00	150
TLC Staffing	3.00	150
Tower Glass, Inc.	3.00	150
United States Department of Agriculture	3.00	150
URS, Inc.	3.00	150
Visionary Painting Services Corporation	3.00	150
Windco Painting Inc.	3.00	150
Marsh Risk & Insurance Service	2.88	150
McKenna, Long & Aldridge LLP	2.88	150
Nolte Associates Inc.	2.88	150
Roger Buma	2.88	150
The Bernard Johnson Group, Inc.	2.88	150
Advantage Performance Group LLC	2.50	150
Accurate Engineering Integrated Construction Services, Inc.	2.25	150
Mactec Engineering and Consulting	2.25	150
Sadler Electric, Inc.	2.25	150

**31,400**

**Fiscal Year 2015 Audit Plan  
Car Rental Contracts – Descending Risk Scores**

**ATTACHMENT 5**

Company	Risk Score	Estimated Hours
Avis Rent A Car Systems LLC	4.00	300
Enterprise Rent A Car Company (Enterprise, Alamo, National)	4.00	400
Fox Rent A Car	4.00	300
The Hertz Corporation	4.00	300
EZ Rent A Car	3.50	250
Pneuma Enterprises Inc. dba TravCar	3.25	150
Midway Rent A Car, Inc.	3.25	250
DTG Operations Inc dba Thrifty & Dollar	3.00	300
Gitibin dba Go Rental	3.00	150
RLZ Corporation dba Pacific Rent-A-Car	3.00	150
South CA A1 Car Rental dba A1 Rent a Car	3.00	150
BW - Budget - SDA, LLC	2.75	250
Simply Wheelz LLC dba Advantage Rent-A-Car	2.75	250
Nevada Lease and Rental Inc dba Payless Car Rental System	2.50	250
		<b><u>3,450</u></b>

**Fiscal Year 2015 Audit Plan  
Other Lease Contracts – Descending Risk Scores**

**ATTACHMENT 6**

Company	Risk Score	Estimated Hours
Ace Parking	4.67	350
Airline & Others (Ogden Aviation)	4.33	150
JCDecaux, Inc.	4.33	200
Aircraft Services International Inc.	4.33	150
Gate Gourmet Inc.	4.17	150
ABX Air Inc.	4.00	150
Airport Terminal Services Inc.	4.00	150
Primeflight Aviation Services	4.00	150
Huntleigh USA Corporation	3.83	150
San Diego Air and Space Technology	3.83	150
US General Services Administration	3.83	250
Smarte Carte Inc.	3.67	250
Aviation Port Services	3.67	150
Bank of America NA a National Banking Association	3.67	300
Flying Food Group LLC	3.67	150
GGTW	3.67	150
Integrated Airline Services Inc.	3.67	150
Worldwide Flight Services	3.67	150
Advanced Wireless Group LLC	3.33	150
Bags of California, LLC	3.33	150
Cargo Airport Services USA LLC	3.33	150
Certified Folder Display Services Inc.	3.33	150
G2 Secure Staff, LLC	3.33	150
GAT Airline Ground Support Inc.	3.33	150
Gate Safe	3.33	150
Ground Equipment Services	3.33	150
Injai Corporation dba Stevie's Catering	3.33	150
Irvine Leasing dba Rainbow Concessions	3.33	150
Jaroth, Inc. dba Pacific Telemanagement Services	3.33	150
Jetstream Ground Services Inc.	3.33	150
SCIS Air Security Corporation	3.33	150
Security Point Media LLC	3.33	150
SLB, Inc dba Goodfellows Shoeshine	3.33	150
Travelex America	3.33	150
US Aviation Services Corporation	3.33	250
ABM Services dba OneSource	3.17	150
Accufleet International	3.00	150
Air Transport International, LLC	3.00	150
Certified Aviation Services LLC	3.00	150
Clean Before Flight Inc.	3.00	150
Hallmark Aviation Services	3.00	150
Immaculate Flight Inc.	3.00	150

**Fiscal Year 2015 Audit Plan  
Other Lease Contracts – Descending Risk Scores**

**ATTACHMENT 6**

Company	Risk Score	Estimated Hours
Jet Wash Inc.	3.00	150
Landmark Aviation GSO-SAN, LLC	3.00	150
LGSTX Services Inc.	3.00	150
Master Lightning Security Services	3.00	150
Moody's Lunch Services	3.00	150
Pacific Aircraft Maintenance	3.00	150
Pristine Fleet LLC	3.00	150
RAC & Associates dba SpecialCare	3.00	150
Traveler's Aid Society of San Diego	3.00	150
San Diego Convention Center	2.83	150
Aeronautical Radio	2.67	150
Arinwine Aircraft Maintenance LLC dba F&E Aircraft	2.67	150
DAL Global Services LLC	2.67	150
Sky Chef Inc. dba LSG Sky Chefs	2.67	150
Elite Line Services Inc.	2.00	150
		<b><u>9,250</u></b>

**Fiscal Year 2015 Audit Plan  
Concession Contracts – Descending Risk Scores**

**ATTACHMENT 7**

Company	Risk Score	Estimated Hours
High Flying Foods San Diego (FSP 7)	4.67	200
Paradies - San Diego LLC (RP1)	4.33	200
Hudson Group, Concourse Ventures Inc., Epicure and Martinez San Diego JV (RP 7)	4.33	200
Pacific Gateway Concessions and Procurement Concepts San Diego LLC (RP 3)	4.20	200
SSP America Inc. (FSP 5)	4.20	200
Mission Yogurt Inc. (FSP 4)	4.20	200
Stellar Partners Inc. (RP 4)	4.20	200
Host International Inc. (FSP 2)	4.00	200
SSP America Inc. (FSP 6R)	3.83	200
SSP America Inc. (FSP 3)	3.83	200
High Flying Foods San Diego (FSP 8)	3.67	200
Host International Inc. (FSP 1)	3.67	200
Duty Free Americans San Diego LLC	3.67	200
Project Horizon Inc. (RP 8)	3.67	200
Spa Didacus Inc. (RP 5)	3.67	200
New Zoom Inc. dba ZoomSystems (RP 6)	3.67	200
Swissport Lounge LLC	3.67	200
Hudson Group - CV - Epicure - Martinez San Diego (RP 2)	3.67	200

**3,600**



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

Item No.  
**12**

Meeting Date: **JUNE 5, 2014**

**Subject:**

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

**Recommendation:**

The Finance Committee recommends that the Board adopt Resolution No. 2014-0050, 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

000132

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 in relation to the Authority's compliance obligations;
- Clarify that reserve funding requirements are deducted from Revenues prior to calculating subordinate lien Rate Covenant;
- Modify and enhance certain Authority debt affordability indicators;
- Identify direct loans as a type of approved financing;
- Clarify that the Debt Service Reserve Fund requirement must be satisfied for senior and subordinate bonds.
- Add Language to clarify post issue compliance, training requirements and the type of information that can be provided to investors;
- Revise 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.

**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. 2014-0050

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, 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; and

WHEREAS, Policy 4.40, as amended (EXHIBIT A), has been reviewed and approved by the Authority’s financial advisors and bond counsel.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves Authority Policy 4.40, 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 5th day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

000136

**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 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 ~~tax-exempt~~ debt obligations.
- 3) 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, 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 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.

### 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 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

000139

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

000140

## 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

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.

~~For The Green Build/TDP program, the Authority has established a CPE goal of no more than \$12 per enplaned passenger.~~

The Authority will regularly review ~~and~~ monitor CPE and seek to maintain a competitive rate. ~~update this metric from time to time as may be necessary.~~

### 5) Debt Per O&D Enplaned Passenger

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.

~~For The Green Build/TDP program, Tthe 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

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 ~~425~~ 500 days of budgeted operating and maintenance expenses for the current fiscal year.

### 7) Credit Ratings

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

000141

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:

000142

(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 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 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;

(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%

000143

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.

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.

000144

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 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.

000145

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.

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

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

000146

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.

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

000147

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.

000148

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 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>	Years to the first Call Date		
	After the First Call Date to Up to 1 Year Before	1 to 3 Years Before the First Call Date	More than 3 Years Before the First Call Date
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

000149

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 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 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) ~~Balance Sheet~~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

000150

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 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.

~~Balance Sheet~~ 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.

000151

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**

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.

000152

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 capially funded Underwriters.
- 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.

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.

000153

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 new 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 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;

000154

- (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:

(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

000155

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.

000156

## 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.

000157

**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.

000158

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.

000160

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.

000161

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: 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.

000162

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 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.]

000163





# Debt Issuance and Management Policy - Overview

- Governs existing and anticipated debt obligations
- Sets forth certain financial management practices in capital budgeting that supports **the Authority's ability to manage its** projected debt issuance
- Policy is updated from time to time to reflect changes in the law and the market



# Debt Issuance and Management Policy Objectives

- Protect the Authority's assets and funds
- Manage and monitor existing debt to:
  - Optimize financial structure
  - Control costs
  - Ensure compliance with bond financing covenants
- Oversee the issuance of new debt in order to maintain access to capital markets
- Obtain and maintain the highest possible credit ratings on debt



# Debt Issuance and Management Policy Objectives

- Explore and implement prudent debt structuring
- 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 and federal tax and securities law compliance



# Debt Policy - Amendments

The title of Vice President/Treasurer has been updated to reflect current title. This change occurs in 23 places through out policy

“The Vice President, Finance and Asset Management/Treasurer”

The description of Balance Sheet has been updated to reflect the current name: Statement of Net Position. This change occurs in 2 places in the policy

“~~Balance Sheet~~Statement of Net Position”



# Debt Policy - Amendments

Section (I)(4) Introduction and Executive Summary: Modified language to clarify that Authority's objectives include compliance with securities law

“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”



# Debt Policy - Amendments

Section (II) Roles and Responsibilities: Modified language to clarify that the role of the President/CEO and Vice President , Finance and Asset Management /Treasurer includes compliance with securities law.

“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 ~~tax-exempt~~ debt obligations”



# Debt Policy - Amendments

Section (IV)(1) Rate Covenants: Modified language to clarify that senior reserve funding requirements are deducted before calculating the subordinate lien rate covenant

“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 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).”

Section (IV)(4) Airline Cost per Enplaned Passenger: Modified language to clarify Authority goal given substantial completion of the Green Build Program

“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. ~~For The Green Build/TDP program, the Authority has established a CPE goal of no more than \$12 per enplaned passenger.~~

The Authority will regularly review and monitor CPE and seek to maintain a competitive rate~~update this metric from time to time as may be necessary.~~”



# Debt Policy - Amendments

Section (IV)(5) Debt per O&D Enplaned Passenger: Added language to clarify Authority goal given substantial completion of the Green Build Program

~~“For The Green Build/TDP program t~~The Authority has established a debt (excluding special facility financings) per O&D enplaned passenger goal of no more than \$150 per enplaned passenger.”



# Debt Policy - Amendments

Section (IV)(6) Liquidity: Added language recommended by our financial advisor to strengthen Authority goal

“...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 ~~425~~ 500 days of budgeted operating and maintenance expenses for the current fiscal year.”



# Debt Policy - Amendments

Section (V)(10) Types of Financing: Added language to incorporate direct loans as a type of financing approved by policy

## “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.”



# Debt Policy - Amendments

Section (VI)(4) Sizing of Debt Service Reserve Fund: Added language to clarify that the Debt Service Reserve Fund requirement must be satisfied for senior and subordinate bonds

“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.”



# Debt Policy - Amendments

Section (XII)(1) Compliance with Federal Tax law and Market disclosure Obligations. Added Language to emphasize post issue compliance requirements

“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”



# Debt Policy - Amendments

Section (XII)(2) Compliance with Federal Tax law and Market disclosure Obligations. Added Language to emphasize the importance of training

“When necessary, the Vice President, Finance and Asset Management/Treasurer shall provide training covering new developments and disclosure responsibilities to ~~new~~ staff members.”



# Debt Policy - Amendments

Section (XIII)(10) Investor Relationship: Added language to clarify the type of information provided to investors.

“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.”



- Agenda item is requesting the following action:
  - Adopt Resolution No. 2014-\_\_\_\_\_ approving amendments to Authority Policy 4.40 – Debt Issuance and Management



SAN DIEGO  
INTERNATIONAL  
AIRPORT

# Questions





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

Item No.  
**13**

Meeting Date: **JUNE 5, 2014**

**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:**

The Finance Committee recommends that the Board adopt Resolution No. 2014-0051, approving 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.

**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 California Government Code and clarify the role of investment advisor and the use of security dealers.

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.

000164

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 a 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.

**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. 2014-0051

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 DELEGATION OF 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 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, Policy 4.20, as amended (EXHIBIT A), has been reviewed and approved by the Authority’s financial and investment advisors; 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 approves amendments to Authority Policy 4.20 governing the investment policies and practices of the Authority; and

BE IT FURTHER RESOLVED that the Board delegates the authority to invest and manage the funds of the Authority to the Authority’s 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), Cal Pub. Res. Code §21065; and is not a “development” as defined by the California Coastal Act, Cal Pub. Res. Code §30106.

000167

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 5th day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

000168

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY****POLICIES****ARTICLE 4 - FINANCE AND ACCOUNTING**  
**PART 4.2 - INVESTMENTS**  
**SECTION 4.20 - POLICY GUIDELINES FOR PRUDENT INVESTMENTS**

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**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 ~~chief financial advisor~~ 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. ~~An~~ The investment advisor designated to execute trades on behalf of the Authority shall be bound by ~~applicable this policies policy~~ of the Authority and the Treasurer's written approval of the investment strategy. ~~—, and 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.~~ 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 ~~an~~ 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~~The Treasurer shall maintain a list of security dealers~~ 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) 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)

(d) 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)

(e) 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 Certificates of Deposits (PSCDs) 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. 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)

(f) Placement Service Certificates of Deposits (PSCDs). Certificates of 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 PSCDs shall be three years. Placement Service Certificates of Deposits (PSCDs) together with Negotiable Certificates of Deposit (NCDs) may not exceed 30% in aggregate of the market value of the portfolio. The amount invested in PSCDs 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

(g) 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.*

(h) 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)

(i) 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)

(j) 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.

(k) 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.

(l) 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.

(m) 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).

(n) 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)

(o) 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).

(p) 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) Certificates of Deposits (TCDs & PSCDs), 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, ~~Placement Service 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.

**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 Certificates of Deposit (PSCD):** A type of ~~CD~~ 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. 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

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

Presented by: Scott Brickner, CPA

Vice President, Finance and Asset Management/Treasurer

June 5, 2014



- Serves as the foundation of investment goals and objectives
- Mandates investing in a manner that provides the highest security while meeting Authority cash flow needs
- Demonstrates our fiduciary responsibility, thereby promoting trust and confidence from the public we serve
- Adheres to or exceeds the requirements of California Government Code Section 53600 et seq.



# Investment Policy Overview

- Adheres to state law requirements that return on investment be subordinate to safety and liquidity objectives
- Developed and annually reviewed in conjunction with our financial and investment advisors
- Annual Board review is not required by State Code, but is an Authority practice
- Awarded Investment Policy Certificate of Excellence Award in 2008, 2010 and 2012 by Association of Public Treasurers of United States and Canada. An application has been submitted for 2014.



Section (3) Authority to Invest Funds: Added language to clarify the role of the 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 ~~chief financial advisor~~ 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.



Section (3) Authority to Invest Funds: Added language to clarify the role of the investment advisor:

~~"An~~The investment advisor designated to execute trades on behalf of the Authority shall be bound by ~~applicable~~ this ~~policies~~ policy ~~of the Authority and the Treasurers written approval of the investment strategy~~ and 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.



Section (3) Authority to Invest Funds: Added language to clarify the role of the investment advisor:

“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.**”

Section (5) Placement of Trade Execution Orders: Clarifying the use of security dealers by adding the following sentence and modifying existing subsection (b)

(b) Other than investments with depository institutions and approved pools, the Treasurer shall only execute trades with security dealers that have been~~The Treasurer shall maintain a list of security dealers~~ approved to execute security trades on behalf of the Authority.



Section (6) Authorized Investments (e) and (f) Placement Service Deposits: Aligning with California Code which now allows local agencies to use placement services on any type of FDIC insured deposits: **(This change also effects descriptions in section 8 and 12)**

“Placement Service ~~Certificates of~~ Deposits (PS€Ds).  
~~Certificates of d~~Deposits ... The maximum term for PS€Ds shall be three years. Placement Service ~~Certificates of~~ Deposits (PS€Ds) together with Negotiable Certificates of Deposit (NCDs) may not exceed 30% in aggregate of the market value of the portfolio. The amount invested in PS€Ds 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.”<sup>8</sup>



# Delegation of Investment Authority

- The board delegates the authority to invest and manage funds to the Vice President of Finance and Asset Management/Treasurer
- This delegation is on a fiscal year basis and subject to renewal by the Board



- Agenda item is requesting the following action:
  - Adopt Resolution No. 2014-\_\_ approving amendments to Authority Policy 4.20 - Guidelines for Prudent Investments, and
  - Delegation of authority to invest and manage Authority funds to the Vice President of Finance and Asset Management / Treasurer



SAN DIEGO  
INTERNATIONAL  
AIRPORT

# Questions





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

Item No.  
**14**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Grant an Easement for Gas Services to San Diego Gas & Electric**

**Recommendation:**

Adopt Resolution No. 2014-0052, authorizing the President/CEO to negotiate and execute an Easement with San Diego Gas & Electric for Gas Services in support of the Rental Car Center and Fixed Base Operator.

**Background/Justification:**

On November 7, 2013, the Board of the San Diego County Regional Airport Authority ("Authority") adopted Resolution No. 2013-0127 authorizing the President/CEO to negotiate and execute an easement with San Diego Gas & Electric ("SDG&E") for a gas line for gas services. On December 6, 2013, the easement was executed and recorded. The easement was necessary to provide gas service to the Rental Car Center ("RCC") and Fixed Base Operator. The gas line is being installed as part of the North Side Interior Road Project ("Interior Road Project").

The location of the gas line and connection to the RCC must be modified due to conflicts with other utilities being constructed as part of the Interior Road Project, and the connection to the gas line for the future cargo facility must be eliminated. (SDG&E will not allow gas line connection to a project that is not yet under construction.) Exhibit "A" depicts the original delineation of the gas line and the new location of the gas line. A new easement must be executed due to the change of the alignment of the gas line. Pursuant to the proposed easement, SDG&E will provide the Authority with a quitclaim deed of all right, title and interest derived from the previously granted easement approved under Resolution No. 2013-0127.

The proposed gas line easement ("Proposed Easement") as depicted in Exhibit "A" is approximately 623 linear feet and covers 3,638 square feet of property on the north side of San Diego International Airport. The Proposed Easement is necessary to allow SDG&E the right to maintain, operate and repair the gas line at its cost, including any and all appurtenances thereto, together with the right of ingress and egress along the Proposed Easement area.

The property affected by the Proposed Easement is leased by the Authority from the San Diego Unified Port **District ("Port")** under the December 17, 2002 Master Lease (Authority Document No. LE-0009) covering the former General Dynamics leasehold. The duration of the term for the Proposed Easement will be coterminous with the term **of the Authority's Lease from the Port which expires on December 31, 2068**; and any extensions thereof.

### **Fiscal Impact:**

The proposed gas line will serve only the Authority and its tenants. Therefore, the Proposed Easement does not provide for monetary consideration to be paid to or by the Authority and there is no direct 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

### **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:**

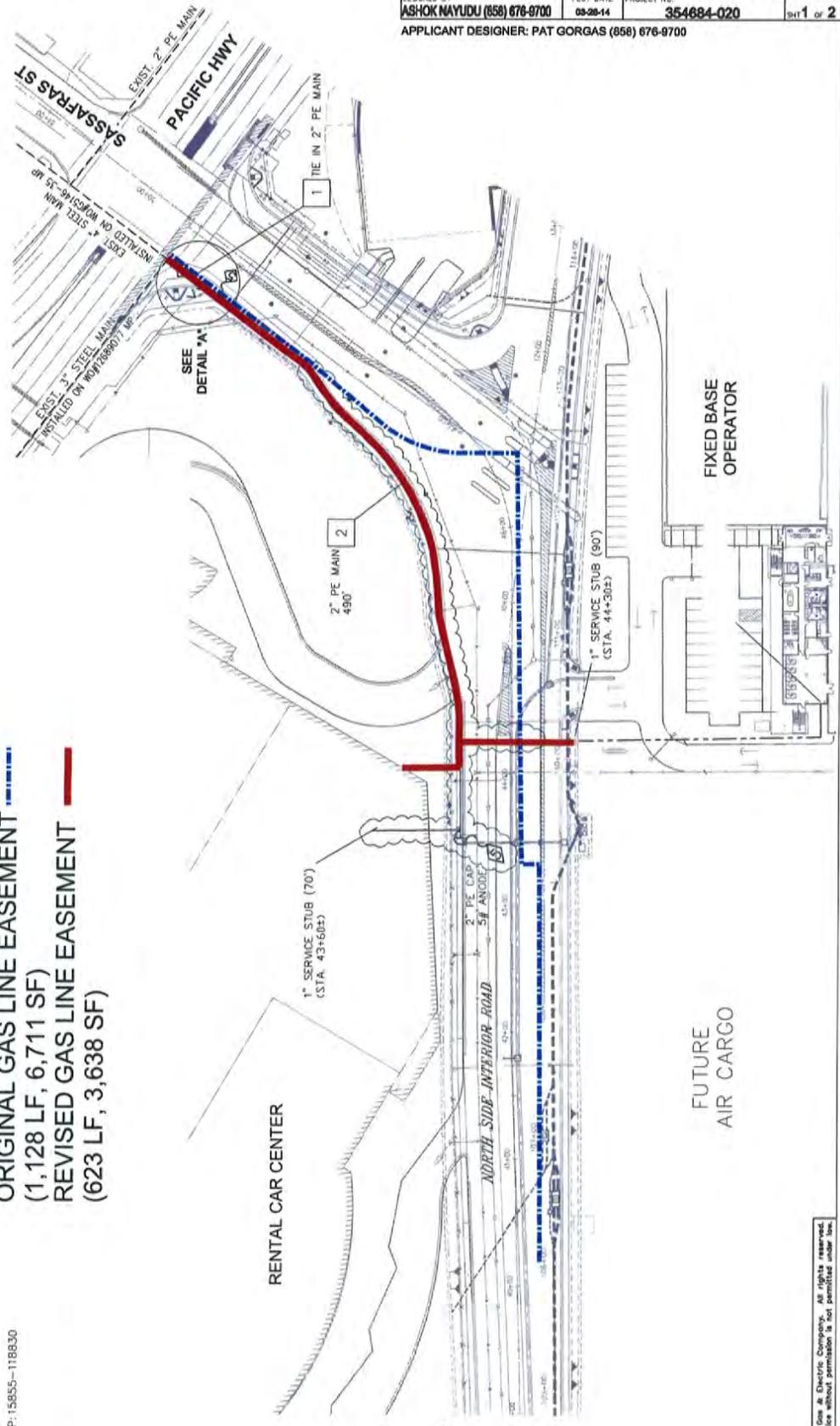
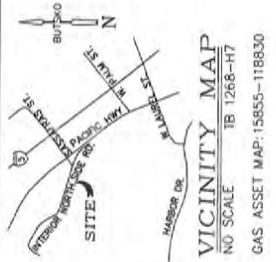
Not Applicable

### **Prepared by:**

SUSAN C. DIEKMAN  
REAL ESTATE MANAGER

# EXHIBIT "A"

**LEGEND**  
 ORIGINAL GAS LINE EASEMENT   
 (1,128 LF, 6,711 SF)  
 REVISED GAS LINE EASEMENT   
 (623 LF, 3,638 SF)



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RESOLUTION NO. 2014-0052

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY AUTHORIZING THE PRESIDENT/CEO  
TO NEGOTIATE AND EXECUTE AN EASEMENT  
WITH SAN DIEGO GAS & ELECTRIC FOR GAS  
SERVICES IN SUPPORT OF THE RENTAL CAR  
CENTER AND FIXED BASE OPERATOR

WHEREAS, the San Diego County Regional Airport Authority ("Authority") currently leases Airport property from the San Diego Unified Port District ("Port") pursuant to that certain Lease dated December 17, 2002 and bearing Authority Document No. LE-0009; and

WHEREAS, paragraph 4 in said Lease specifies that the Authority may, at its own expense, make alterations or changes, or cause to be made, built, installed, or remove any structures, machines, appliances, utilities, signs, or other improvements necessary or desirable for the authorized use of the Leased Airport without the approval of the Port; and

WHEREAS, on November 7, 2013, the Board of the Authority adopted Resolution No. 2013-0127 authorizing the President/CEO to negotiate and execute an easement with San Diego Gas & Electric ("SDG&E") for a gas line to provide gas services;

WHEREAS, the Authority is constructing a two-inch gas line that will provide gas service to the Rental Car Center ("RCC") and the Fixed Base Operator; and

WHEREAS, the location of the gas line and connection to the RCC must be modified due to conflicts with other utilities and a new easement must be executed due to the change of the alignment of the gas line; and

WHEREAS, SDG&E will provide the Authority with a quitclaim deed of all right, title and interest derived from the easement approved under Resolution No. 2013-0127; and

WHEREAS, the proposed easement is necessary to allow SDG&E the right to construct, reconstruct, maintain, operate and repair the gas line at their cost and the right to ingress and egress along the easement.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President/CEO to negotiate and execute an Easement with San Diego Gas & Electric for Gas Services in support of the Rental Car Center and the Fixed Base Operator; 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") (California Public Resource Code §21065); and is not a "development" under the California Coastal Act Review, this Board action 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 5<sup>TH</sup> day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

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

Item No.  
**15**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Approve and Authorize the President/CEO to Execute a Second Amendment to Increase the Duration of the Turner/PCL/Flatiron Joint Venture Agreement for the Terminal Development Program Contract 1: Terminal 2 West Building and Airside Expansion**

**Recommendation:**

Adopt Resolution No. 2014-0053, approving and authorizing the President/CEO to execute a Second Amendment to the agreement with Turner/PCL/Flatiron – A Joint Venture agreement, extending the agreement time from 1247 days to 1420 days, for Project No. 201301, Terminal Development Program ("TDP") Contract 1: Terminal 2 West Building and Airside Expansion, at San Diego International Airport ("SDIA").

**Background/Justification:**

On April 2, 2009, the San Diego County Regional Airport Authority Board ("Board") authorized the President/CEO to award and execute a Design-Build agreement for work under the Terminal Development Program (The Green Build) with Turner/PCL/Flatiron – A Joint Venture ("Contractor") for Terminal Development Program ("TDP") Contract 1: Terminal 2 West Building and Airside Expansion [Resolution No. 2009-0049] to build the Terminal 2 West Expansion, expand the airside apron and build ancillary support facilities at SDIA. A Notice to Proceed with the Terminal 2 West Expansion was issued to the Contractor on June 30, 2011, with a contract time of 946 days and a completion date of January 31, 2014.

On November 7, 2013, the Board authorized the President/CEO to increase the contract time from 946 days to 1247 days for TDP Contract 1: Terminal 2 West Building and Airside Expansion. This resulted in a completion date of November 29, 2014.

Hawaiian Airlines currently uses international Gate 22. Due to an increase in international air service it is necessary to relocate Hawaiian Airlines from Gate 22 to Gate 51 in Terminal 2 West, in order to ensure sufficient aircraft gate time for current and new international service. After Hawaiian Airlines relocates in June 2014, only one 500 square foot space with one ticket counter having two positions, will be available, providing inadequate ticket counter and office space for expansion or new entrant.

000191

This project provides for the build out of approximately 1,000 square feet of office space adjacent to the new Hawaiian Airlines office, five additional ticket counters (10 ticketing positions) including all operating equipment (e.g., back wall monitors, baggage belt, etc.). Hawaiian Airlines will utilize eight ticketing positions and 12 positions will be available for growth.

Therefore, a Change Order is anticipated for an increase of 83 days and completion date of February 20, 2015. Work will include extending the ticket counters, baggage system, and common use equipment in the Terminal 2 West Expansion ticket lobby, including two additional airline ticket offices. Also, an additional 90 days is estimated for the contract close-out phase. The new completion date for the Terminal 2 West Building and Airside Expansion is May 21, 2015.

Pursuant to San Diego County Regional Airport Authority ("Authority") Policy 5.02 (4)(b)(i), Board approval is required to authorize the President/CEO to execute change orders increasing the contract time for completion beyond 90 days.

### **Fiscal Impact:**

Adequate funds for Terminal 2 West Building and Airside Expansion are included within the Board approved Program Budget for The Green Build in Project No. 201301, TDP Contract 1: Terminal 2 West Building and Airside Expansion. Sources of funding for this project include Airport Revenue Bonds, Commercial Paper, Passenger Facility Charges, and Airport Cash.

This requested action does not require additional funding.

### **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 did not utilize federal funds and at the time of this RFQ, April 2009, Policy 5.14 was not in place. However, Policy 5.12 was in place but only applied to those businesses enrolled in the Bonding and Contract Financing program. No preferences were applied to the award of the prime joint venture contract with Turner/PCL/Flatiron, however, Turner/PCL/Flatiron committed to working with the Airport Authority to maximize participation by small, local, historically underrepresented businesses on the project.

**Prepared by:**

BOB BOLTON  
DIRECTOR, AIRPORT DESIGN & CONSTRUCTION

RESOLUTION NO. 2014-0053

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH TURNER/PCL/FLATIRON – A JOINT VENTURE AGREEMENT, EXTENDING THE AGREEMENT TIME FROM 1247 DAYS TO 1420 DAYS, FOR PROJECT NO. 201301, TERMINAL DEVELOPMENT PROGRAM CONTRACT 1: TERMINAL 2 WEST BUILDING AND AIRSIDE EXPANSION, AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, on April 2, 2009, the San Diego County Regional Airport Authority Board (“Board”) authorized the President/CEO to award and execute a Design-Build agreement for work under the Terminal Development Program (The Green Build) with Turner/PCL/Flatiron – A Joint Venture (“Contractor”) for Terminal Development Program (“TDP”) Contract 1: Terminal 2 West Building and Airside Expansion [Resolution No. 2009-0049] to build the Terminal 2 West Expansion, expand the airside apron and build ancillary support facilities at San Diego International Airport; and

WHEREAS, a Notice to Proceed with Terminal 2 West Expansion was issued to the Contractor on June 30, 2011, with a contract time of 946 days with a completion of January 31, 2014; and

WHEREAS, on November 7, 2013, the Board authorized the President/CEO to increase the contract time from 946 days to 1247 days for TDP Contract 1: Terminal 2 West Building and Airside Expansion. This resulted in a completion date of November 29, 2014; and

WHEREAS, Hawaiian Airlines currently uses international Gate 22. Due to an increase in international air service it is necessary to relocate Hawaiian Airlines from Gate 22 to Gate 51 in Terminal 2 West, in order to ensure sufficient aircraft gate time for current and new international service; and

WHEREAS, after Hawaiian Airlines relocates in June 2014, only one 500 square foot space with one ticket counter having two positions, will be available, providing inadequate ticket counter and office space for expansion or new entrant; and

000194

WHEREAS, this project provides for the build out of approximately 1,000 square feet of office space adjacent to the new Hawaiian Airlines office, five additional ticket counters (10 ticketing positions) including all operating equipment (e.g., back wall monitors, baggage belt, etc.); and

WHEREAS, Hawaiian Airlines will utilize eight ticketing positions and 12 positions will be available for growth; and

WHEREAS, a Change Order is anticipated for an increase of 83 days and a completion date of February 20, 2015; and

WHEREAS, Work will include extending the ticket counters, baggage system, and common use equipment in the Terminal 2 West Expansion ticket lobby, including two additional airline ticket offices; and

WHEREAS, Also, an additional 90 days is estimated for the contract close-out phase; and

WHEREAS, The new completion date for the Terminal 2 West Building and Airside Expansion is May 21, 2015; and

WHEREAS, pursuant to San Diego County Regional Airport Authority ("Authority") Policy 5.02 (4)(b)(i), Board approval is required to authorize the President/CEO to execute change orders increasing the contract time for completion beyond 90 days; and

WHEREAS, there is no increase in the amount of this contract, which is accommodated by current project funding.

NOW, THEREFORE, BE IT RESOLVED that the Board approves and authorizes the President/CEO to execute a Second Amendment to the agreement with Turner/PCL/Flatiron – A Joint Venture agreement, extending the agreement time from 1247 days to 1420 days, for Project No. 201301, Terminal Development Program ("TDP") Contract 1: Terminal 2 West Building and Airside Expansion, at San Diego International Airport ("SDIA"); and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are 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 the Board 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 5th day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

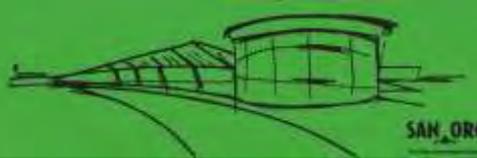
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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

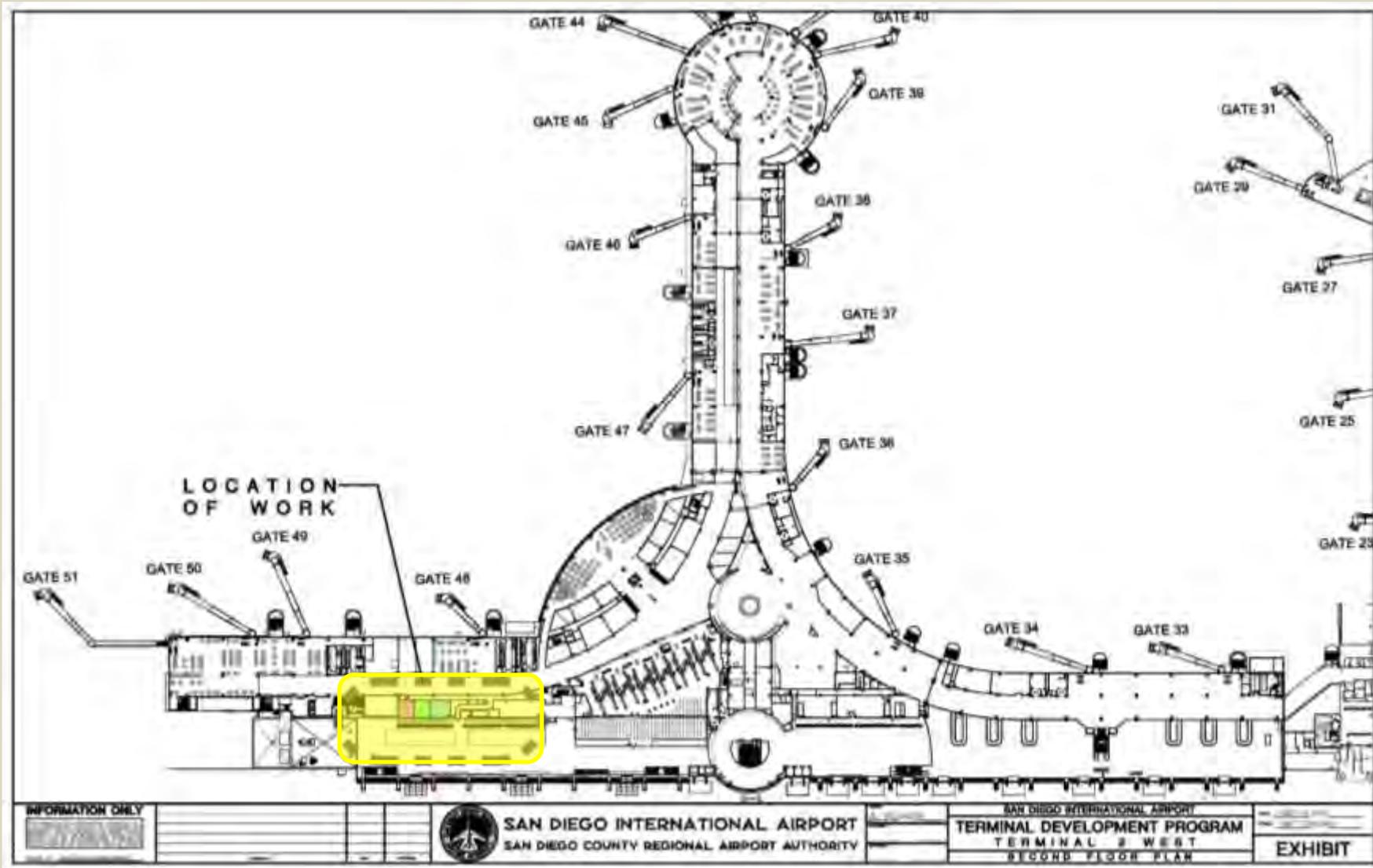
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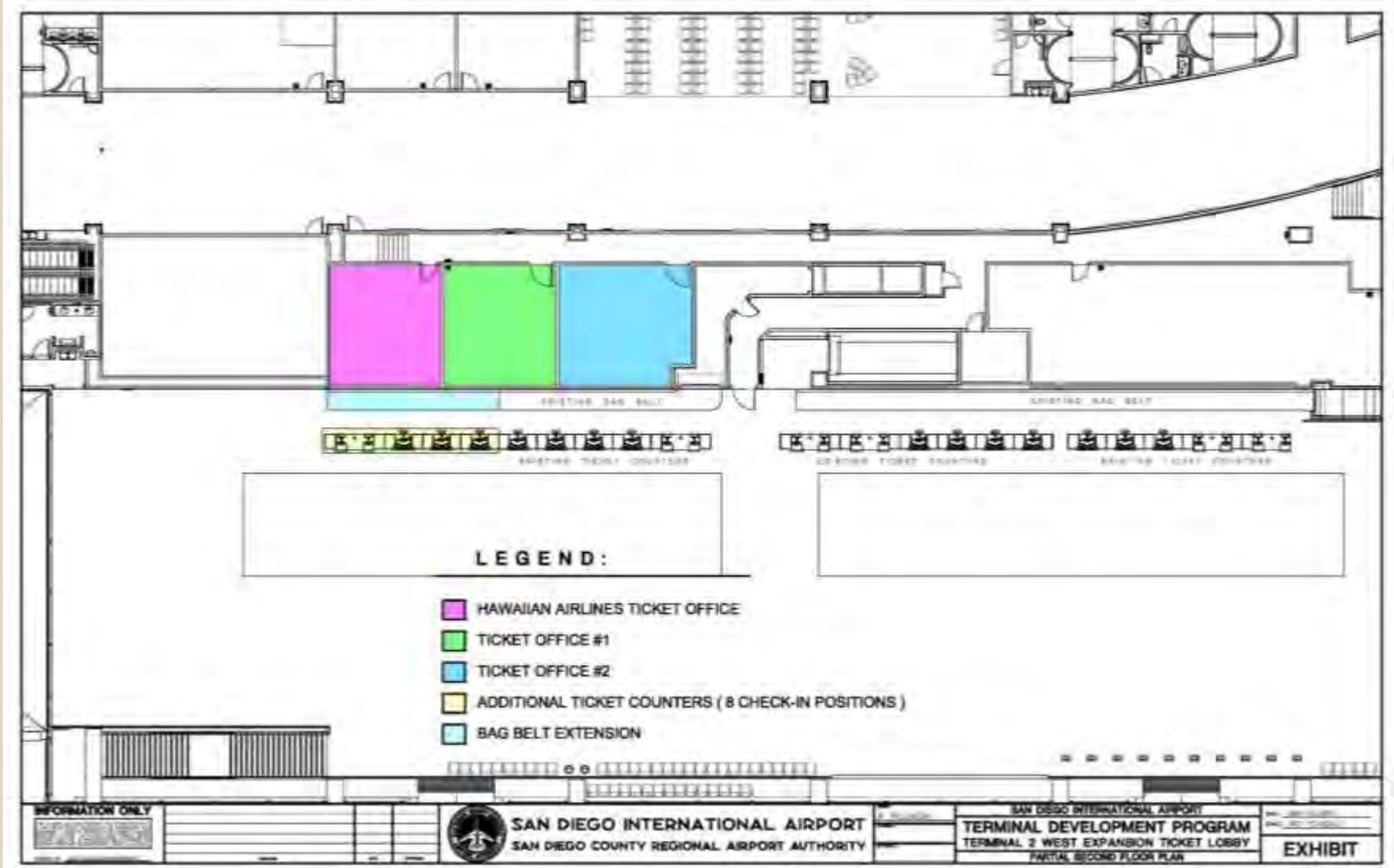
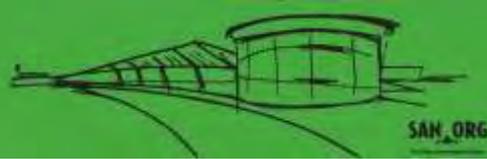
BRETON K. LOBNER  
GENERAL COUNSEL

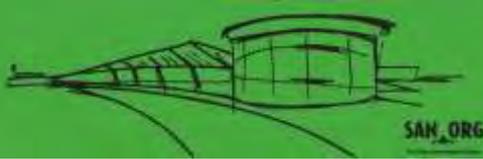


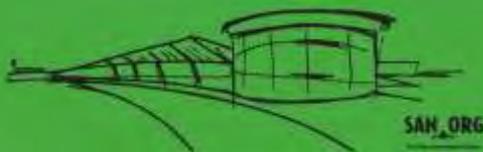
**Approve and Authorize the President/CEO to Execute a Second Amendment to Increase the Duration of the Turner/PCL/Flatiron Joint Venture Agreement for the Terminal Development Program Contract 1: Terminal 2 West Building and Airside Expansion**

**June 5, 2014**







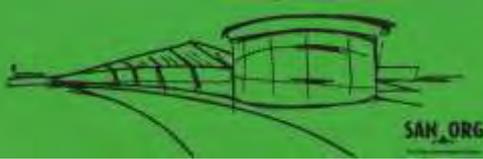


## Project Budget

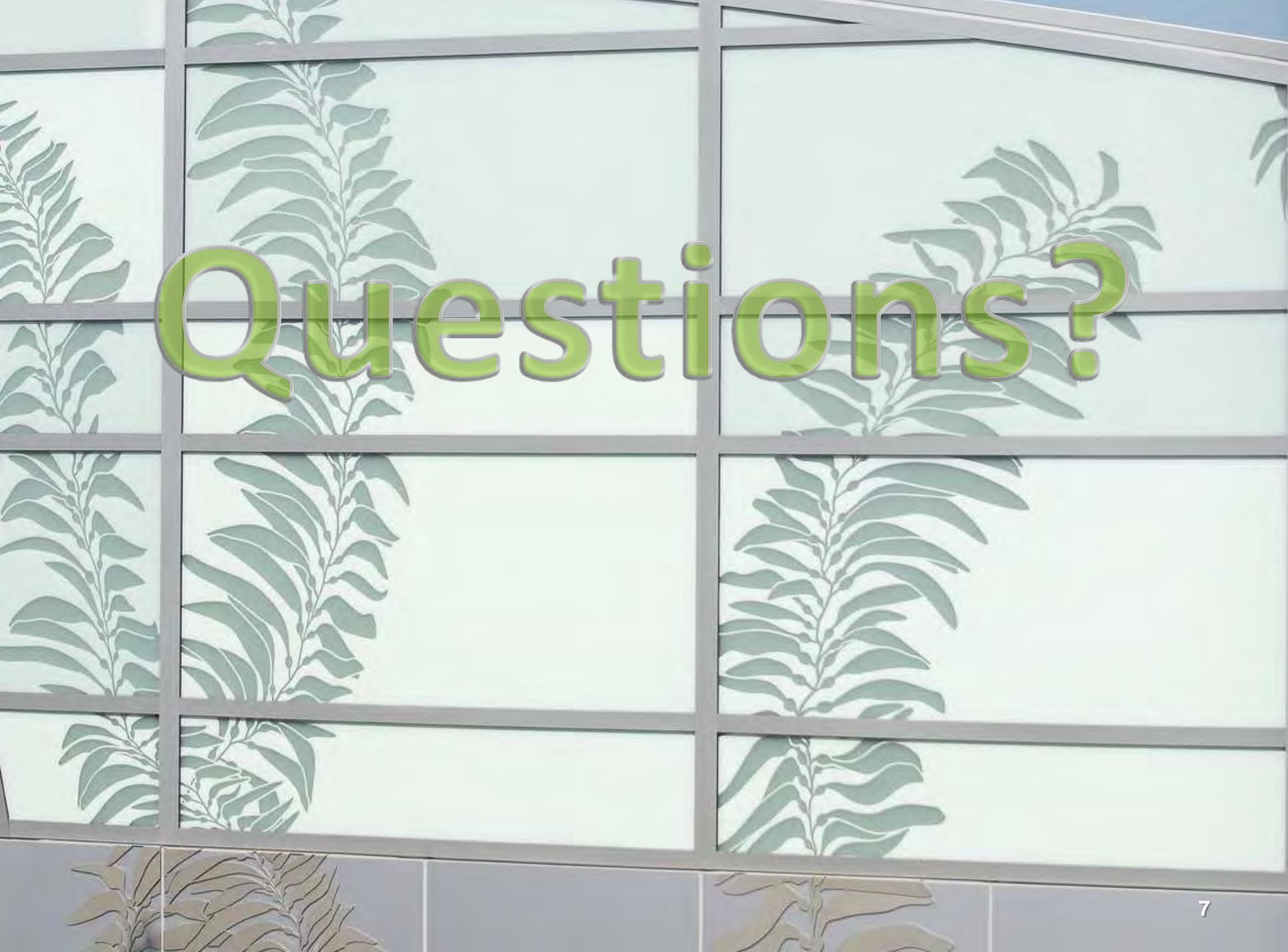
Soft Cost (PM / CM)	\$ 625,000
Construction (Design-Build)	\$ 2,875,000
<b>Total Project Budget:</b>	<b>\$ 3,500,000</b>

## Project Schedule

Construction Start	October 2014
Construction Completion	February 2015



Approve and authorize the President/CEO to execute a Second Amendment to the agreement with Turner/PCL/Flatiron – A Joint Venture agreement, extending the agreement time from 1247 days to 1420 days, for Project No. 201301, Terminal Development Program (“TDP”) Contract 1: Terminal 2 West Building and Airside Expansion, at San Diego International Airport.



Questions?



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

Item No.  
**16**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Award a Contract to S&L Specialty Contracting, Inc., for Quieter Home Program Phase 7, Group 10 (20 Non-Historic Single and Multi-Family Units on 12 Residential Properties and 38 Non-Historic Dwelling Units in Two Condominium Buildings Located East and West of the Airport)**

**Recommendation:**

Adopt Resolution No. 2014-0054, awarding a contract to S&L Specialty Contracting, Inc., in the amount of \$1,691,450, for Phase 7, Group 10, Project No. 380710, 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 7, Group 10, project includes installation of new acoustical windows, doors, insulation, and ventilation improvements to reduce aircraft-related noise levels inside the homes. This project will provide sound attenuation to 20 non-historic single and multi-family units on 12 residential properties and 38 non-historic dwelling units in two condominium buildings located east and west of the airport (refer to Attachment A).

To date, the Program has completed 2,791 residences, of which 705 are historic and 2,086 are non-historic; 1,800 residences are located west of SDIA and 991 are located east of SDIA.

Project No. 380710 was advertised on April 8, 2014, and bids were opened on May 8, 2014. The following bids were received (refer to Attachment B):

<b>Company</b>	<b>Total Bid</b>
S&L Specialty Contracting, Inc.	\$1,691,450
G&G Specialty Contractors, Inc.	\$1,915,686

The **Engineer's** estimate is \$1,777,921

The low bid of \$1,691,450, is considered responsive, and S&L Specialty Contracting, Inc. is considered responsible. Award to S&L Specialty Contracting, Inc. is, therefore, recommended in the amount of \$1,691,450.

**Fiscal Impact:**

Adequate funds for FY2014 expenditures, under the S&L Specialty Contracting, Inc. contract, are included within the adopted FY2014 operating budget in the **Authority's** Quieter Home Program. 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.

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.

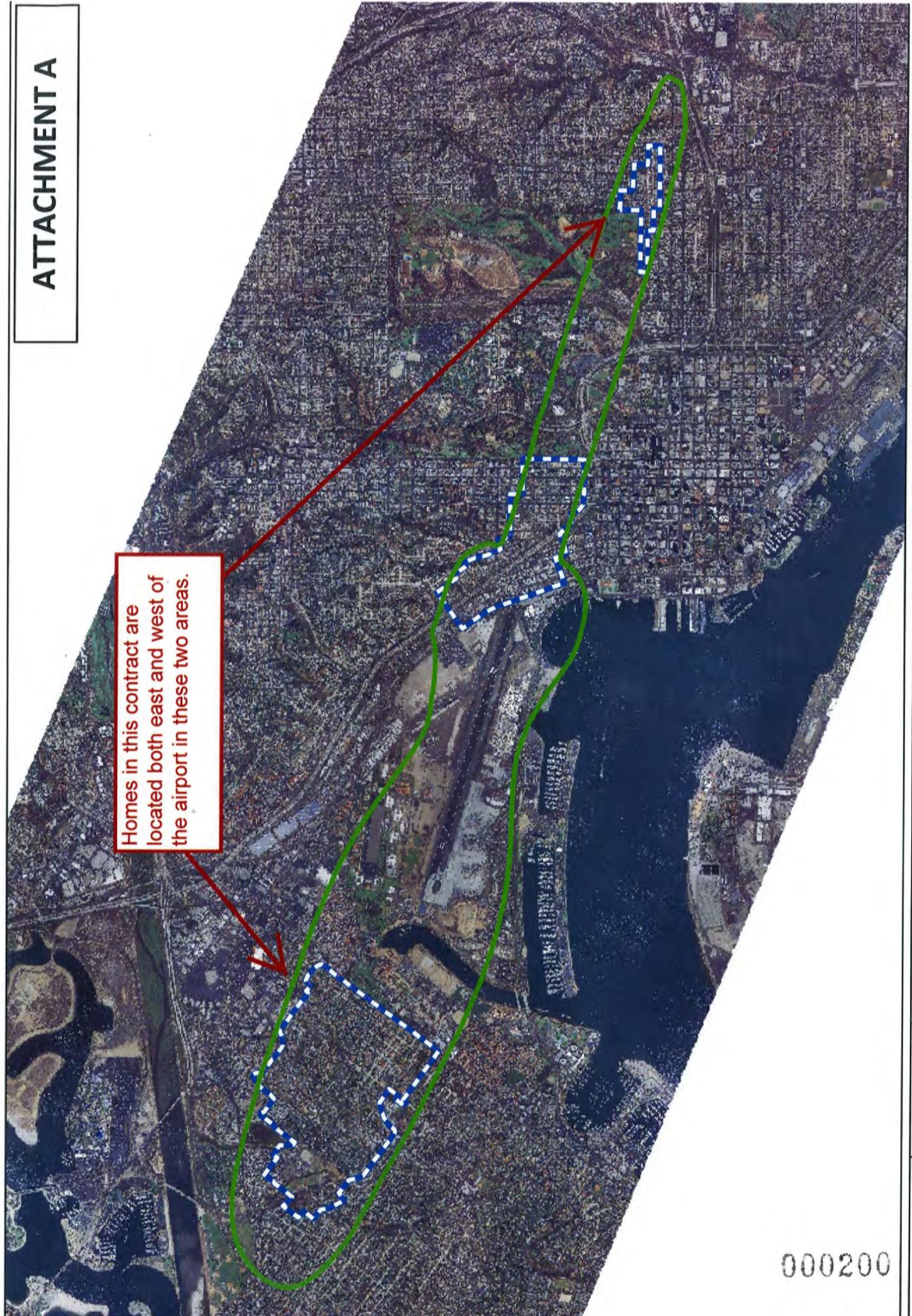
This project utilizes federal funds; therefore, it will be applied toward the Authority's overall DBE goal. S&L Specialty Contracting, Inc. is proposing 7% DBE participation on QHP Phase 7, Group 10.

**Prepared by:**

KEITH WILSCHETZ  
DIRECTOR, AIRPORT PLANNING

# ATTACHMENT A

Homes in this contract are located both east and west of the airport in these two areas.



000200

San Diego County Regional Airport Authority  
 Quieter Home Program  
 Project 380710

67 dB Boundary  
 65 dB CNEL Contour  
 Address Point

QHP Completed  
 QHP Ineligible  
 County Parcel

Land Use - SanGIS 2/07  
 Single-Family Residential  
 Multi-Family Residential  
 Condominiums

1 inch = 3,898 feet

Map Notes:  
 Report Attachment A

SPECIFICATION NO. 380710

TABULATION OF BIDS

ATTACHMENT B

TITLE: QUIETER HOME PROGRAM PROJECT NO. 380710  
 BIDS OPENED: May 8, 2014, 2:00 p.m.  
 ENGINEER'S ESTIMATE: \$1,777,921.00

CONTRACTOR:

S & L Specialty Contracting, Inc. 315 S. Franklin Street, Syracuse, NY 13202		G & G Specialty Contractors, Inc. 4633 S. 36th Street, Phoenix, AZ 85040									
Hartford Casualty Insurance Company		Hartford Fire 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)
380704	Casola Condominiums	1	Lump Sum	4,000.00	2,000.00	0.00	6,000.00	61,606.00	3,875.00	0.00	65,481.00
380704.01	2244 2nd Ave., Unit 10	1	Lump Sum	15,250.00	8,750.00	2,000.00	26,000.00	18,281.00	6,355.00	2,840.00	27,476.00
380704.02	2244 2nd Ave., Unit 11	1	Lump Sum	17,500.00	7,500.00	2,000.00	27,000.00	18,747.00	6,355.00	2,840.00	27,942.00
380704.05	2244 2nd Ave., Unit 15	1	Lump Sum	15,000.00	8,000.00	2,000.00	25,000.00	18,638.00	6,355.00	2,840.00	27,833.00
380704.08	2244 2nd Ave., Unit 18	1	Lump Sum	20,000.00	8,000.00	2,000.00	30,000.00	19,461.00	6,355.00	2,920.00	28,736.00
380704.13	2244 2nd Ave., Unit 23	1	Lump Sum	11,000.00	8,000.00	2,000.00	21,000.00	14,208.00	6,355.00	2,760.00	23,324.00
380704.15	2244 2nd Ave., Unit 25	1	Lump Sum	14,000.00	8,000.00	2,000.00	24,000.00	15,700.00	6,355.00	2,840.00	24,895.00
380704.17	2244 2nd Ave., Unit 27	1	Lump Sum	16,000.00	8,000.00	2,000.00	26,000.00	16,492.00	6,355.00	0.00	22,847.00
380704.18	2244 2nd Ave., Unit 28	1	Lump Sum	18,000.00	8,000.00	2,000.00	28,000.00	17,241.00	6,355.00	3,040.00	26,636.00
380704.19	2244 2nd Ave., Unit 29	1	Lump Sum	17,000.00	8,000.00	2,000.00	27,000.00	16,858.00	6,355.00	2,840.00	26,053.00
380704.20	2244 2nd Ave., Unit 30	1	Lump Sum	16,000.00	8,000.00	2,000.00	26,000.00	16,782.00	6,355.00	2,840.00	25,957.00
380704.21	2244 2nd Ave., Unit 31	1	Lump Sum	18,000.00	8,000.00	2,000.00	28,000.00	16,445.00	6,355.00	2,920.00	25,720.00
380704.22	2244 2nd Ave., Unit 32	1	Lump Sum	12,000.00	8,000.00	2,000.00	22,000.00	13,540.00	6,355.00	2,760.00	22,655.00
380704.23	2244 2nd Ave., Unit 33	1	Lump Sum	12,000.00	8,000.00	2,000.00	22,000.00	14,274.00	6,355.00	2,760.00	23,389.00
380704.24	2244 2nd Ave., Unit 34	1	Lump Sum	13,000.00	8,000.00	2,000.00	23,000.00	15,365.00	6,355.00	2,760.00	24,480.00
380704.25	2244 2nd Ave., Unit 35	1	Lump Sum	14,000.00	8,000.00	2,000.00	24,000.00	15,875.00	6,355.00	2,760.00	24,990.00
380704.26	2244 2nd Ave., Unit 36	1	Lump Sum	17,000.00	8,000.00	2,000.00	27,000.00	16,806.00	6,355.00	2,840.00	26,001.00
380704.28	2244 2nd Ave., Unit 38	1	Lump Sum	19,000.00	8,000.00	2,000.00	29,000.00	17,753.00	6,355.00	2,840.00	26,948.00
380704.01	Livingstone	1	Lump Sum	25,000.00	8,000.00	2,000.00	35,000.00	33,687.00	7,074.00	3,240.00	44,001.00
380704.04	2677 Jonquil Dr.	1	Lump Sum	33,000.00	9,000.00	3,000.00	45,000.00	33,743.00	7,770.00	3,640.00	45,153.00
380704.05	2462 Caminito Venido	1	Lump Sum	23,000.00	9,000.00	3,000.00	35,000.00	32,875.00	7,184.00	4,240.00	44,299.00
380704.07	3619 Alexander Dr.	1	Lump Sum	34,400.00	14,000.00	4,000.00	52,400.00	35,699.00	13,165.00	4,920.00	53,784.00
380704.08	Gonzales	1	Lump Sum	39,000.00	9,000.00	3,000.00	51,000.00	36,964.00	8,452.00	3,900.00	49,206.00
380704.10	Friel	1	Lump Sum	20,000.00	7,000.00	5,000.00	32,000.00	26,913.00	7,074.00	5,240.00	39,227.00
380704.10	Friel	1	Lump Sum	19,000.00	7,000.00	5,000.00	31,000.00	19,986.00	7,074.00	5,040.00	32,060.00
380704.12	Teton Mount Management, LLC 2756 A. St.	1	Lump Sum	27,000.00	8,000.00	2,000.00	37,000.00	25,511.00	7,770.00	3,440.00	36,721.00
380704.13	Sevilla	1	Lump Sum	10,000.00	7,000.00	7,000.00	24,000.00	15,953.00	7,074.00	4,040.00	27,067.00
380704.14	RAM Capital Group, LLC	1	Lump Sum	14,000.00	8,000.00	2,000.00	24,000.00	16,364.00	2,320.00	2,640.00	45,002.00
380704.14	RAM Capital Group, LLC	1	Lump Sum	12,000.00	3,000.00	3,000.00	18,000.00	13,640.00	2,320.00	960.00	16,920.00
380704.14	RAM Capital Group, LLC	1	Lump Sum	14,000.00	3,000.00	3,000.00	20,000.00	14,957.00	2,320.00	2,320.00	19,597.00
380704.15	May	1	Lump Sum	17,000.00	8,000.00	2,000.00	27,000.00	19,000.00	2,320.00	2,840.00	33,333.00
380704.16	Jaeger	1	Lump Sum	17,000.00	8,000.00	2,000.00	27,000.00	20,698.00	10,258.00	2,840.00	33,796.00
380704.17	Fulbright	1	Lump Sum	19,000.00	9,000.00	2,000.00	30,000.00	20,155.00	10,258.00	2,920.00	33,333.00
380704.18	Marquez	1	Lump Sum	17,000.00	9,000.00	2,000.00	28,000.00	21,054.00	10,258.00	2,920.00	34,232.00
380704.20	Dimokson	1	Lump Sum	16,000.00	9,000.00	3,000.00	28,000.00	20,155.00	10,258.00	2,920.00	33,333.00
380704.21	Andersen	1	Lump Sum	12,000.00	7,000.00	2,000.00	21,000.00	16,399.00	7,400.00	2,760.00	26,549.00
380704.22	Sprouse	1	Lump Sum	15,000.00	7,000.00	3,000.00	25,000.00	19,348.00	7,400.00	2,760.00	29,508.00
380704.23	Pham	1	Lump Sum	13,000.00	11,000.00	2,000.00	26,000.00	18,983.00	7,400.00	2,760.00	29,153.00
380704.24	Shade	1	Lump Sum	14,000.00	11,000.00	2,000.00	27,000.00	19,951.00	7,400.00	2,760.00	30,111.00
380704.25	Judy	1	Lump Sum	18,000.00	9,000.00	2,000.00	29,000.00	21,637.00	10,258.00	2,920.00	34,815.00
380704.26	Farber	1	Lump Sum	16,000.00	9,000.00	2,000.00	27,000.00	17,670.00	10,258.00	2,920.00	34,945.00
380704.27	Meyers	1	Lump Sum	16,000.00	9,000.00	2,000.00	27,000.00	20,623.00	10,258.00	2,920.00	33,801.00
380704.28	Jaeger	1	Lump Sum	19,000.00	9,000.00	2,000.00	30,000.00	22,842.00	10,258.00	2,920.00	35,820.00
380704.29	Applebaum	1	Lump Sum	20,000.00	9,000.00	2,000.00	31,000.00	22,611.00	10,258.00	2,920.00	35,789.00
380704.30	Pryor	1	Lump Sum	15,000.00	8,000.00	2,000.00	25,000.00	20,250.00	7,400.00	2,760.00	30,410.00
380704.31	Colgan	1	Lump Sum	15,000.00	7,000.00	2,000.00	24,000.00	20,590.00	7,400.00	2,760.00	30,750.00
380704.32	Theil	1	Lump Sum	18,000.00	7,000.00	2,000.00	27,000.00	19,758.00	7,400.00	2,760.00	29,918.00
380704.33	Tate	1	Lump Sum	15,000.00	7,000.00	2,000.00	24,000.00	20,862.00	7,400.00	2,760.00	31,042.00
380704.34	Cox	1	Lump Sum	15,000.00	7,000.00	2,000.00	24,000.00	20,862.00	7,400.00	2,760.00	31,042.00

TITLE: QUIETER HOME PROGRAM PROJECT NO. 380710  
 BIDS OPENED: May 8, 2014, 2:00 p.m.  
 ENGINEER'S ESTIMATE: \$1,777,921.00

ADDRESS:

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)
380710.35	Richards	1	Lump Sum	16,000.00	7,000.00	2,000.00	25,000.00	20,385.00	7,400.00	2,760.00	30,545.00
380710.36	4012 Valeta St, Unit 308	1	Lump Sum	14,000.00	3,000.00	2,000.00	19,000.00	16,565.00	2,320.00	2,240.00	21,125.00
380710.36	4225 Montalvo St., Unit 1	1	Lump Sum	12,000.00	3,000.00	2,000.00	17,000.00	16,491.00	2,320.00	2,240.00	21,051.00
380710.36	Wardlow-Kellogg II, LLC	1	Lump Sum	12,000.00	3,000.00	2,000.00	17,000.00	15,584.00	2,320.00	2,240.00	20,144.00
380710.36	4225 Montalvo St., Unit 2	1	Lump Sum	14,000.00	3,000.00	2,000.00	19,000.00	17,061.00	2,320.00	2,240.00	21,621.00
380710.36	Wardlow-Kellogg II, LLC	1	Lump Sum	12,000.00	3,000.00	2,000.00	17,000.00	15,829.00	2,320.00	2,240.00	20,389.00
380710.36	4225 Montalvo St., Unit 3	1	Lump Sum	12,000.00	3,000.00	2,000.00	17,000.00	15,704.00	2,320.00	2,240.00	20,264.00
380710.36	4225 Montalvo St., Unit 4	1	Lump Sum	12,000.00	3,000.00	2,000.00	17,000.00				
380710.36	4225 Montalvo St., Unit 5	1	Lump Sum	12,000.00	3,000.00	2,000.00	17,000.00				
380710.36	4225 Montalvo St., Unit 6	1	Lump Sum	12,000.00	3,000.00	2,000.00	17,000.00				
						<b>Subtotal</b>	<b>1,541,400.00</b>			<b>Subtotal</b>	<b>1,765,636.00</b>
				Allowance for Structural, HVAC, Electrical Repairs			97,500.00	Allowance for Structural, HVAC, Electrical Repairs			97,500.00
				Building and Utility Permits and Fees			50,000.00	Building and Utility Permits and Fees			50,000.00
				Allowance for 150 Required T-Shirts			2,550.00	Allowance for 150 Required T-Shirts			2,550.00
				<b>TOTAL BID</b>			<b>\$1,691,450.00</b>	<b>TOTAL BID</b>			<b>\$1,915,686.00</b>

Addendas No. 1, 2, 3, & 4 noted

Note: Miscalculation by contractor, contractor bid \$1,684,950.00; actual amount is \$1,691,450.00

Addendas No. 1, 2, 3, & 4 noted

RESOLUTION NO. 2014-0054

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AWARDING A CONTRACT TO S&L SPECIALTY CONTRACTING, INC., IN THE AMOUNT OF \$1,691,450, FOR PHASE 7, GROUP 10, PROJECT NO. 380710, 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; and

WHEREAS, Phase 7, Group 10, of the Program will include installation of new acoustical windows, doors, insulation, and ventilation improvements to reduce aircraft-related noise levels inside the homes; and

WHEREAS, Phase 7, Group 10, of the Program provides sound attenuation to 20 non-historic single and multi-family units on 12 residential properties and 38 non-historic dwelling units in two condominium buildings located east and west of the airport; and

WHEREAS, the Authority issued a Bid Solicitation Package for Phase 7, Group 10, on April 8, 2014; and

WHEREAS, on May 8, 2014, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the apparent low bidder S&L Specialty Contracting, Inc., submitted a bid of \$1,691,450; and the Authority's staff has duly considered the bid and has determined S&L Specialty Contracting, 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 S&L Specialty Contracting, Inc., the lowest bidder, the contract for Phase 7, Group 10, 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 S&L Specialty Contracting, Inc., in the amount of \$1,691,450, for Phase 7, Group 10, Project No. 380710, of the Authority's Quieter Home Program; and

000203

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee is hereby authorized to execute and deliver such contract to S&L Specialty Contracting, 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 of the San Diego County Regional Airport Authority 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 5th day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL



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

**Item No.  
17**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Award a Contract to Marcon Engineering, Inc. to Construct Triturator for Terminal Link Road Project No. 104134**

**Recommendation:**

Adopt Resolution No. 2014-0055, awarding a contract to Marcon Engineering, Inc., in the amount of \$1,718,428.35, for Project No. 104134, to Construct Triturator, at San Diego International Airport.

**Background/Justification:**

The Terminal Link Road ("TLR") is a key component of the North Side Development providing access to the Rental Car Center ("RCC") and New Economy Lot buses to the Terminals, south side of the Airport (See Attachment A). The TLR includes the construction of a perimeter road that begins at the proposed southerly end of Sassafras Street and terminates at a new signalized intersection on Harbor Drive. The North Side Development project scope also includes construction of a new Triturator facility, demolition of the existing Triturator, and relocation of the existing Jet Blast Deflector ("JBD") to construct the new road.

The scope of work for this contract is to construct a new Triturator and Wash Bay facility, east of the existing waste disposal facility, prior to demolition of the existing Triturator to provide space for the construction of the northerly segment of the TLR, under a separate contract.

This contract was advertised on April 3, 2014, and sealed bids were opened on May 6, 2014. The following bids were received (see Attachment B):

<b>Company</b>	<b>Total Bid</b>
Marcon Engineering, Inc.	\$1,718,428.35
Wier Construction Corp.	\$2,073,623.00

The Engineer's estimate is \$1,729,372 (See Attachment B).

The requirements of Board Policy 5.14 (**"Policy 5.14"**), small business, local business and service disabled veteran owned small business goal and preference program, were applied to this bid solicitation. Under Policy 5.14, for purposes of determining the lowest responsible bidder, bid amounts are reduced by a maximum of \$100,000 for bidders that meet or exceed the goals established in the bid solicitation.

The lowest bidder, Marcon Engineering, Inc. (**"Marcon"**) submitted a bid in the amount of \$1,718,429.26. After evaluation of bids, one minor mathematical error was found resulting in a correct bid amount of \$1,718,428.35. With the corrected bid amount, Marcon is still considered the lowest bidder. Marcon met the requirements of the Small Business goal of 36% and did not meet the 3% Service Disabled Veteran Owned Small Business goal that was established for this Contract. Under Policy 5.14, Marcon Engineering, Inc. is entitled to \$51,552.85 contract reduction for purposes of determining the lowest bidder, and as such, remains the lowest responsive and responsible bidder.

The low bid of \$1,718,428.35, is responsive, and Marcon Engineering, Inc., is considered responsible. An award to Marcon Engineering, Inc., is, therefore, recommended in the amount of \$1,718,428.35.

**Fiscal Impact:**

Adequate funds for the contract are included within the FY2014-FY2018 Capital Program Budget in the Project No. 104134, Terminal Link Road. Sources of funding for this project includes Airport Revenue Bonds, Cash, and Customer 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. The terminal link road and utilities in support of the Northside Improvements were evaluated subject to the CEQA, Cal. Pub. Res. Code §21065 as a project component of the San Diego International Airport Master Plan Final Environmental Impact Report (SCH #2005091105; SDCRAA #EIR-06-01) certified May 1, 2008 and the Northside Improvements Final Supplemental Environmental Impact Report (also SCH #2005091105; SDCRAA #EIR-10-01) certified September 1, 2011.
- B. The terminal link road and utilities in support of the Northside Improvements were approved by the California Coastal Commission on August 14, 2013 in accordance with the California Coastal Act (Coastal Development Permit #6-13-011).

**Application of Inclusionary Policies:**

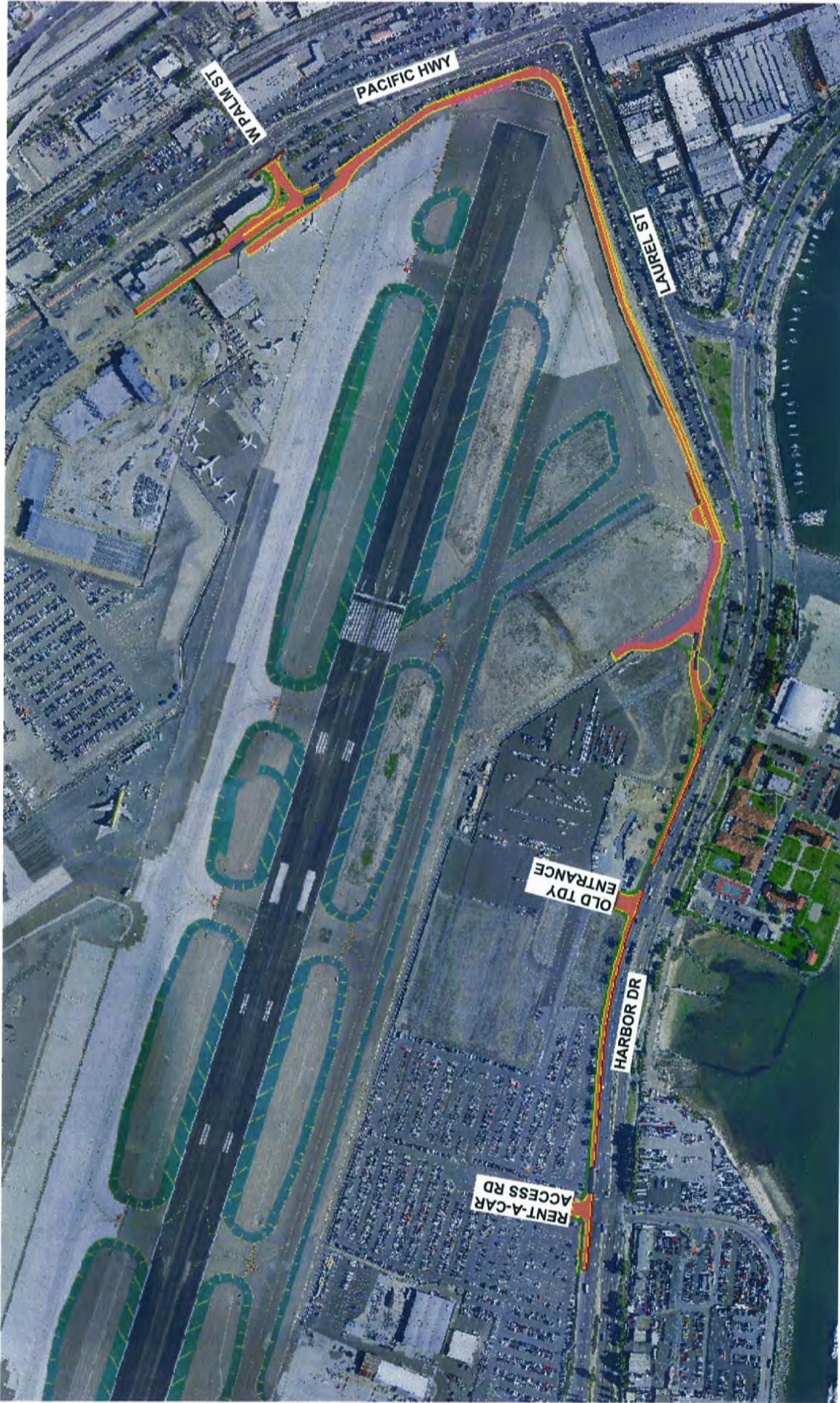
The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service 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 opportunities for sub-contractor participation; therefore; at the option of the Authority, Policy 5.14 was applied. Policy 5.14 establishes separate goals for the participation of: (1) small businesses; (2) local businesses; and, (3) service disabled veteran owned small businesses (SDVOSB). The local business participation goal can only be applied when the overall local business participation of all Authority contracts at the time of solicitation is less than 60%. The maximum preference applied under Policy 5.14 is seven percent (7%): three percent (3%) for small business participation; two percent (2%) for local business participation; and, two percent (2%) for SDVOSB participation. When bid price is the primary selection criteria, the maximum amount of the preference cannot 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. When bid price is not the primary selection criteria, the preference is only applied to determine which proposers are interviewed for final consideration. Per Policy 5.14, the preference is not applied in the final selection.

Per Policy 5.14, Marcon Engineering, Inc. received the maximum 3% small business preference and no preference for service disabled veteran owned small business for a total 3% preference.

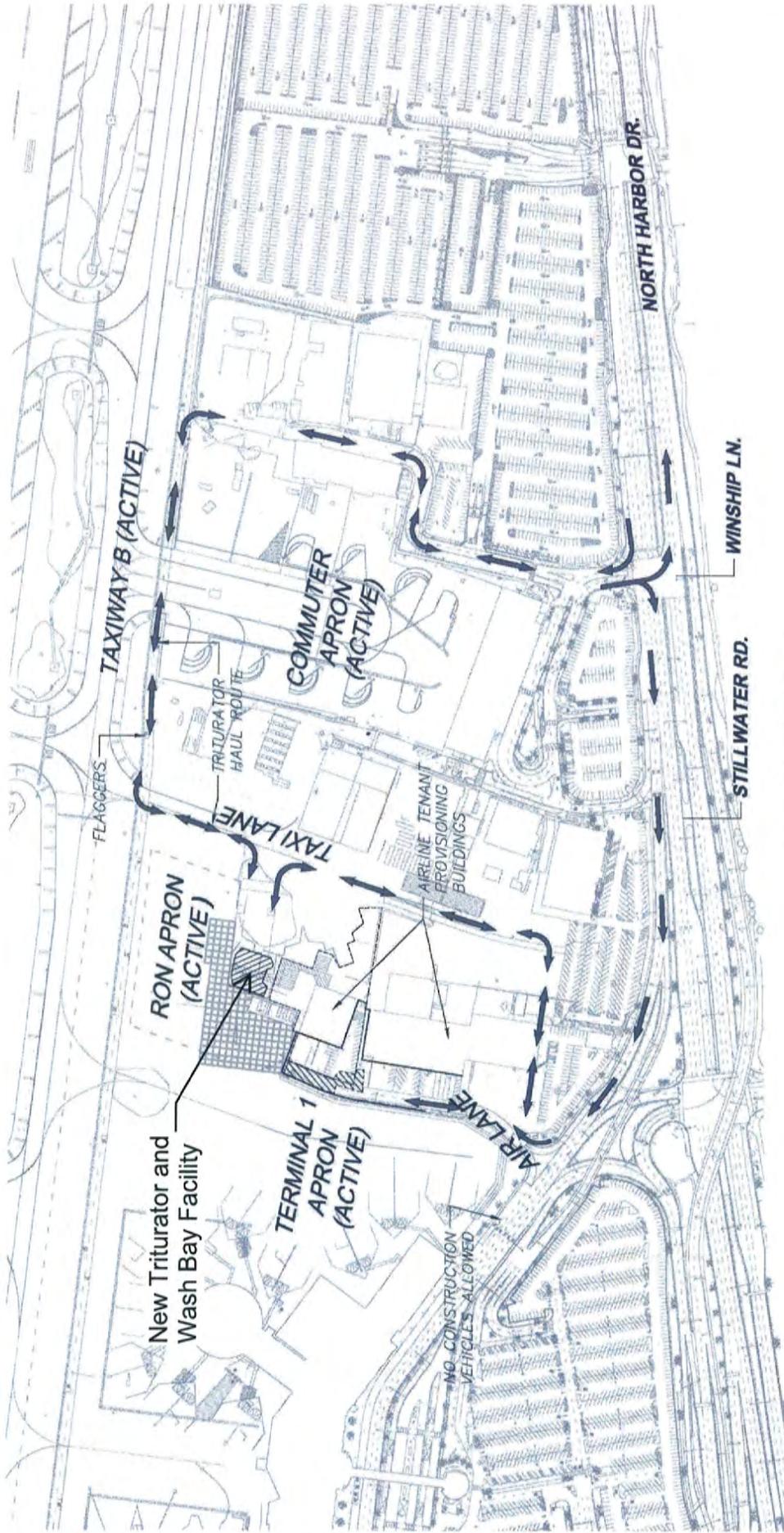
**Prepared by:**

KEITH WILSCHETZ  
DIRECTOR, AIRPORT PLANNING



**ATTACHMENT A**  
**TERMINAL LINK ROAD**

000208



**ATTACHMENT A**  
**TRITURATOR & WASH BAY FACILITY**

000209

BID TABULATION  
 CIP 104134 - Terminal Link Road - Triturator

BIDS OPENED: May 6, 2014 @ 10:00 AM  
 ENGINEERS ESTIMATE: \$1.7 Million

CONTRACTOR:		ENGINEER'S ESTIMATE		1		2			
ADDRESS:		Marcon Engineering, Inc.		Wear Construction Corp.		State National Insurance Company, Inc.			
GUARANTEE OF GOOD FAITH:		876 N. Broadway Escondido, CA 92025 State Nat'l Insurance Company		2255 Barnam Drive Escondido, CA 92029 State National Insurance Company, Inc.					
BID SCHEDULE A		Unit Cost In Figures		Total In Figures		Unit Cost In Figures		Total In Figures	
Item	Title	Estimated Quantity	Unit	Figures	Total	Figures	Total	Figures	Total
1	MOBILIZATION / DEMOBILIZATION	1	LS	\$ 40,000.00	\$ 40,000.00	\$ 31,479.33	\$ 31,479.33	\$ 277,680.00	\$ 277,680.00
2	ENVIRONMENTAL HEALTH MITIGATION PLAN	1	LS	\$ 7,000.00	\$ 7,000.00	\$ 3,529.46	\$ 3,529.46	\$ 6,000.00	\$ 6,000.00
3	SOIL MANAGEMENT PLAN	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 2,350.46	\$ 2,350.46	\$ 6,000.00	\$ 6,000.00
4	SAMPLES AND TESTS	20	EA	\$ 1,500.00	\$ 30,000.00	\$ 2,770.65	\$ 55,413.00	\$ 600.00	\$ 12,000.00
5	DAILY OVERHEAD FOR FIELD CONSTRUCTION	120	DAY	\$ 2,400.00	\$ 288,000.00	\$ 1,632.52	\$ 195,902.40	\$ 1,440.00	\$ 172,800.00
6	TRAFFIC CONTROL	1	LS	\$ 15,000.00	\$ 15,000.00	\$ 7,045.02	\$ 7,045.02	\$ 18,000.00	\$ 18,000.00
7	AIRFIELD CONSTRUCTION AREA CONTROL	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 67,522.05	\$ 67,522.05	\$ 58,200.00	\$ 58,200.00
8	DEWATERING EQUIPMENT	1	LS	\$ 20,000.00	\$ 20,000.00	\$ 14,148.01	\$ 14,148.01	\$ 36,000.00	\$ 36,000.00
9	TEMPORARY EROSION / SEDIMENT CONTROL	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 13,038.41	\$ 13,038.41	\$ 14,400.00	\$ 14,400.00
10	SAWCUT AC OR PCC PAVEMENT	1,818	LF	\$ 1.50	\$ 2,727.00	\$ 6.09	\$ 11,071.62	\$ 15.00	\$ 32,724.00
11	REMOVE AND DISPOSE EXISTING PCC CURB	63	LF	\$ 6.00	\$ 378.00	\$ 106.37	\$ 6,701.31	\$ 6.00	\$ 378.00
12	REMOVE AND DISPOSE EXISTING BOLLARD AND	9	EA	\$ 175.00	\$ 1,575.00	\$ 227.28	\$ 2,045.52	\$ 120.00	\$ 1,080.00
13	REMOVE AND DISPOSE EXISTING AC PAVEMENT	1,430	SY	\$ 35.00	\$ 50,050.00	\$ 25.68	\$ 36,722.40	\$ 18.00	\$ 25,740.00
14	REMOVE AND DISPOSE EXISTING PCC PAVEMENT	7	SY	\$ 70.00	\$ 490.00	\$ 749.35	\$ 5,245.45	\$ 360.00	\$ 2,520.00
15	REMOVE AND DISPOSE EXISTING CHAIN LINK	63	LF	\$ 7.50	\$ 472.50	\$ 29.50	\$ 1,843.50	\$ 30.00	\$ 1,800.00
16	REMOVE AND DISPOSE EXISTING ADA GATE	1	LS	\$ 1,000.00	\$ 1,000.00	\$ 1,654.92	\$ 1,654.92	\$ 1,500.00	\$ 1,500.00
17	REMOVE AND DISPOSE EXISTING UTILITY	200	LF	\$ 10.00	\$ 2,000.00	\$ 203.27	\$ 40,654.00	\$ 48.00	\$ 9,600.00
18	REMOVE AND DISPOSE EXISTING MANHOLE	2	EA	\$ 500.00	\$ 1,000.00	\$ 3,553.04	\$ 7,106.08	\$ 1,800.00	\$ 3,600.00
19	ADJUST EXISTING SURFACE UTILITY TO GRADE	7	EA	\$ 900.00	\$ 6,300.00	\$ 833.88	\$ 6,337.02	\$ 360.00	\$ 2,400.00
20	REMOVE AND DISPOSE EXISTING AC PIPE	20	LF	\$ 1,500.00	\$ 30,000.00	\$ 284.53	\$ 5,246.60	\$ 1,440.00	\$ 2,400.00
21	REMOVE AND DISPOSE EXISTING 6-IN SEWER	1	LS	\$ 45.00	\$ 45.00	\$ 3,522.12	\$ 3,522.12	\$ 1,440.00	\$ 1,440.00
22	REMOVE AND DISPOSE MISC. REINFORCED	75	TON	\$ 10,000.00	\$ 750,000.00	\$ 82.49	\$ 6,166.75	\$ 360.00	\$ 27,000.00
23	ELECTRICAL DEMOLITION	1	LS	\$ 1,000.00	\$ 1,000.00	\$ 9,432.01	\$ 9,432.01	\$ 3,600.00	\$ 3,600.00
24	CONCRETE FOUNDATION - TRITURATOR	71	CY	\$ 600.00	\$ 42,000.00	\$ 862.63	\$ 61,246.73	\$ 900.00	\$ 63,900.00
25	INSTALL 6-IN BOLLARD	13	EA	\$ 215,000.00	\$ 2,795,000.00	\$ 844.58	\$ 10,979.87	\$ 1,000.00	\$ 10,000.00
26	TRITURATOR BUILDING	1	LS	\$ 15,000.00	\$ 15,000.00	\$ 64,986.53	\$ 64,986.53	\$ 88,000.00	\$ 88,000.00
27	CONDUCTOR, 600V, CU, THHW/THWN	1	LS	\$ 25,000.00	\$ 25,000.00	\$ 6,767.47	\$ 6,767.47	\$ 10,800.00	\$ 10,800.00
28	GROUNDING	1	LS	\$ 750.00	\$ 750.00	\$ 11,082.61	\$ 11,082.61	\$ 4,800.00	\$ 4,800.00
29	TELECOM	1	LS	\$ 50,000.00	\$ 50,000.00	\$ 51,805.30	\$ 51,805.30	\$ 54,000.00	\$ 54,000.00
30	HANDHOLES	1	EA	\$ 3,000.00	\$ 3,000.00	\$ 5,455.62	\$ 5,455.62	\$ 9,600.00	\$ 9,600.00
31	EXTERIOR LIGHTING	1	EA	\$ 45.00	\$ 45.00	\$ 20,846.22	\$ 20,846.22	\$ 14,400.00	\$ 14,400.00
32	SURPLUS MATERIAL EXPORT	177	TON	\$ 15.00	\$ 2,625.00	\$ 44.91	\$ 7,943.07	\$ 36.00	\$ 6,372.00
33	IMPORT FILL	118	TON	\$ 40.00	\$ 4,720.00	\$ 28.86	\$ 3,405.48	\$ 60.00	\$ 7,680.00
34	CLASS 2 AGGREGATE BASE, ON-AIRPORT	385	CY	\$ 30.00	\$ 11,550.00	\$ 49.23	\$ 19,445.85	\$ 48.00	\$ 18,960.00
35	CLASS 2 AGGREGATE BASE, OFF-AIRPORT	52	CY	\$ 20.00	\$ 1,040.00	\$ 79.32	\$ 4,124.64	\$ 48.00	\$ 2,496.00
36	SUBGRADE BRIDGING MATERIAL, 3-IN MINUS	143	TON	\$ 82.00	\$ 11,826.00	\$ 94.42	\$ 13,502.08	\$ 90.00	\$ 12,870.00
37	HOT MIX ASPHALT (TYPE A), ON-AIRPORT	563	TON	\$ 82.00	\$ 46,166.00	\$ 134.62	\$ 75,701.06	\$ 142.00	\$ 75,848.00
38	HOT MIX ASPHALT (TYPE A), OFF-AIRPORT	49	TON	\$ 82.00	\$ 4,018.00	\$ 300.26	\$ 14,714.21	\$ 238.00	\$ 11,662.00
39	COLD PAVEMENT AND OVERLAY	191	SY	\$ 35.00	\$ 6,675.00	\$ 50.30	\$ 9,603.30	\$ 55.00	\$ 10,595.00
40	PCC PAVEMENT	19	CY	\$ 1,000.00	\$ 19,000.00	\$ 546.50	\$ 11,205.50	\$ 600.00	\$ 11,400.00
41	PAVEMENT MARKINGS, STRIPING & REFLECTIVE	1	LS	\$ 7,000.00	\$ 7,000.00	\$ 2,847.50	\$ 2,847.50	\$ 1,200.00	\$ 1,200.00
42	MANUAL SEWER DUMP STATION	1	LS	\$ 12,000.00	\$ 12,000.00	\$ 3,650.41	\$ 3,650.41	\$ 7,600.00	\$ 7,600.00
43	SEWER BYPASS PUMPING	1	LS	\$ 2,500.00	\$ 2,500.00	\$ 6,659.20	\$ 6,659.20	\$ 18,000.00	\$ 18,000.00
44	JOIN 8-IN SEWER TO EXISTING MANHOLE	3	EA	\$ 6,000.00	\$ 18,000.00	\$ 7,786.40	\$ 23,395.20	\$ 10,200.00	\$ 30,600.00
45	4-X SANITARY SEWER MANHOLES - (SDS-107)	208	LF	\$ 500.00	\$ 104,000.00	\$ 100.97	\$ 21,001.76	\$ 744.00	\$ 154,752.00
46	8-INCH PVC SDR-35 SEWER PIPE - BY PTM	212	LF	\$ 200.00	\$ 42,000.00	\$ 100.18	\$ 21,238.16	\$ 552.00	\$ 117,024.00
47	2-INCH GAS PIPE - BY PTM (TRENCHLESS)	204	LF	\$ 25.00	\$ 5,100.00	\$ 75.48	\$ 15,397.92	\$ 65.00	\$ 13,200.00
48	2-INCH PVC SCH 80 WATER PIPE - (SDW-107, SDW-107)	260	LF	\$ 1,000.00	\$ 260,000.00	\$ 296.07	\$ 76,878.20	\$ 1,200.00	\$ 312,000.00
49	CONNECT 2-IN WATER TO EXISTING WATER	1	EA	\$ 50.00	\$ 50.00	\$ 90.35	\$ 90.35	\$ 102.00	\$ 102.00
50	6-INCH PVC SDR-35 SEWER PIPE (SDS-110)	136	LF	\$ 5,000.00	\$ 680,000.00	\$ 7,251.40	\$ 14,502.80	\$ 21,600.00	\$ 28,800.00
51	CLEARWATER STORMWATER TREATMENT BMP	2	EA	\$ 35.00	\$ 70.00	\$ 85.63	\$ 171.26	\$ 72.00	\$ 144.00
52	SDG&E GAS MAIN AND SERVICE EXTENSION	123	LF	\$ 25.00	\$ 3,075.00	\$ 161.39	\$ 19,851.83	\$ 72.00	\$ 8,640.00
53	2 1/2-INCH GAS PIPE - OPEN CUT	97	LF	\$ 60,000.00	\$ 5,820,000.00	\$ 126,021.53	\$ 12,364,157.89	\$ 90,000.00	\$ 8,100,000.00
54	TRITURATOR SYSTEM	1	LS	\$ 1,337,871.30	\$ 1,337,871.30	\$ 1,304,251.85	\$ 1,304,251.85	\$ 1,785,779.00	\$ 1,785,779.00
<b>TOTAL BID SCHEDULE A =</b>						\$	\$	\$	\$

02000

**BID TABULATION**  
 CIP 104134 - Terminal Link Road - Triturator

BIDS OPENED: May 6, 2014 @ 10:00 AM  
 ENGINEER'S ESTIMATE: \$1.7 Million

CONTRACTOR:		ENGINEER'S ESTIMATE		1		2	
ADDRESS:				Marcon Engineering, Inc. 8716 N. Broadway Escondido, CA 92025 Sure-Tec Insurance Company		Water Construction Corp. 2755 Balaam Drive Escondido, CA 92029 State National Insurance Company, Inc.	
GUARANTEE OF GOOD FAITH:				Sure-Tec Insurance Company			
BID SCHEDULE B		BID SCHEDULE B		BID SCHEDULE B		BID SCHEDULE B	
Item	Title	Estimated Quantity	Unit Items	Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures
1	ALLOWANCE FOR PERMITS AND FEES (Excludes	1	Allowance	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
2	ALLOWANCE FOR DISPOSAL FEES - SOIL	1	Allowance	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00
3	ALLOWANCE FOR DEWATERING FEES	1	Allowance	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00
<b>TOTAL BID SCHEDULE B =</b>				\$ 72,500.00	\$ 72,500.00	\$ 72,500.00	\$ 72,500.00
<b>TOTAL BID SCHEDULE A &amp; B =</b>				\$ 1,429,257.88	\$ 1,429,257.88	\$ 1,869,278.00	\$ 1,869,278.00
CONTRACTOR'S Submitted Bid Amount				\$ 1,429,257.88	\$ 1,429,257.88	\$ 1,869,278.00	\$ 1,869,278.00
BID SCHEDULE C		BID SCHEDULE C		BID SCHEDULE C		BID SCHEDULE C	
Item	Title	Estimated Quantity	Unit Items	Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures
1	CONCRETE FOUNDATION - WASH BAY BUILDING	66	CY	\$ 708.38	\$ 46,753.08	\$ 800.00	\$ 59,400.00
2	INSTALL 6-IN BOLLARD	5	EA	\$ 734.47	\$ 3,672.35	\$ 1,800.00	\$ 9,000.00
3	WASH BAY BUILDING	1	LS	\$ 75,319.30	\$ 75,319.30	\$ 68,400.00	\$ 68,400.00
4	WASH BAY REUSE SYSTEM	1	LS	\$ 183,425.73	\$ 183,425.73	\$ 66,544.00	\$ 66,544.00
<b>TOTAL BID SCHEDULE C =</b>				\$ 289,179.46	\$ 289,179.46	\$ 205,344.00	\$ 205,344.00
<b>TOTAL BID SCHEDULE A, B, &amp; C =</b>				\$ 1,718,429.26	\$ 1,718,429.26	\$ 2,073,623.00	\$ 2,073,623.00
Notes: Addendum No. 1 Addendum No. 2				Acknowledged: Yes	Acknowledged: Yes	Acknowledged: Yes	Acknowledged: Yes
CONTRACTOR'S Submitted Bid Amount				\$ 1,718,429.26	\$ 1,718,429.26	\$ 2,091,167.00	\$ 2,091,167.00
Policy 5.14 Points and Bid Adjustment Amount Table				Policy 5.14 Bid Adjustment Amount			
Points	Bid Adjustment Amount Based on the Lowest Bid or Max. of \$100,000			Points		Adjustment Amount	
5 or 5%	\$85,921.42			3		(\$ Enter Amount from Table Based on Number of Points)	
4 or 4%	\$68,737.13			3		\$17,184.26	
3 or 3%	\$51,552.85			3		\$1,869,278.00	
2 or 2%	\$34,368.57			3		\$1,869,278.00	
1 or 1%	\$17,184.28			3		\$1,869,278.00	
<b>ADJUSTED TOTAL BID SCHEDULE A, B, &amp; C =</b>				\$ 1,869,278.00	\$ 1,869,278.00	\$ 1,869,278.00	\$ 1,869,278.00

000211

RESOLUTION NO. 2014-0055

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AWARDING A CONTRACT TO MARCON ENGINEERING, INC., IN THE AMOUNT OF \$1,718,428.35, FOR PROJECT NO. 104134, TO CONSTRUCT TRITURATOR, AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, the Terminal Link Road ("TLR") is a key component of the North Side Development providing access to the Rental Car Center ("RCC") and for New Economy Lot buses to the Terminals, south side of the Airport; and

WHEREAS, the TLR project includes the construction of a perimeter road that begins at the proposed southerly end of Sassafras Street and terminates at a new signalized intersection on Harbor Drive; and

WHEREAS, the North Side Development project scope also includes construction of a new Triturator facility, demolition of the existing Triturator, and relocation of existing Jet Blast Deflector ("JBD") to construct the Terminal Link Road; and

WHEREAS, the scope of work of this contract is to construct a new Triturator and Wash Bay facility, east of the existing waste disposal facility, prior to demolition of the existing Triturator to provide space for the construction of the northerly segment of the TLR, under a separate contract; and

WHEREAS, this contract was advertised on April 3, 2014; and

WHEREAS on May 6, 2014, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the requirements of Board Policy 5.14 ("Policy 5.14"), small business, local business and service disabled veteran owned small business goal and preference program, were applied to this bid solicitation; and

WHEREAS, the apparent low bidder, Marcon Engineering, Inc., submitted a bid in the amount of \$1,718,429.26; and

WHEREAS, after evaluation of bids, one minor mathematical error was found resulting in a correct bid amount of \$1,718,428.35; and

WHEREAS, Marcon Engineering, Inc., met the requirements of the Small Business goal of 36% and did not meet the 3% Service Disabled Veteran Owned Small Business that was established for this Contract; and

WHEREAS, under Policy 5.14 and with the corrected bid amount, Marcon Engineering, Inc. remains the lowest bidder; and

WHEREAS, the apparent low bidder, Marcon Engineering, Inc., submitted a bid of \$1,718,428.35; and the Authority's staff has duly considered the bid, and has determined Marcon Engineering, 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 for the Board to award Marcon Engineering, Inc., the contract for Project No. 104134, to construct Triturator for Terminal Link Road 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 Marcon Engineering, Inc., in the amount of \$1,718,428.35 for Project No. 104134, to construct Triturator for Terminal Link Road (Triturator) at San Diego International Airport; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee is hereby authorized to execute and deliver such contract to Marcon Engineering, Inc.; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents are hereby authorized, and directed to do and perform such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolution; and

BE IT FURTHER RESOLVED that the Board hereby finds that the terminal link road and utilities in support of the Northside Improvements were evaluated subject to the California Environmental Quality Act ("CEQA"), Cal. Pub. Res. Code §21065, as a project component of the San Diego International Airport Master Plan Final Environmental Impact Report (SCH #2005091105; SDCRAA #EIR-06-01) certified May 1, 2008 and the North Side Improvements Final Supplemental Environmental Impact Report (also SCH #2005091105; SDCRAA #EIR-10-01) certified September 1, 2011; and the proposed project was approved by the California Coastal Commission on August 14, 2013 in accordance with the California Coastal Act (Coastal Development Permit #6-13-011).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 5<sup>th</sup> day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

000214



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

Item No.  
**18**

Meeting Date: **JUNE 5, 2014**

**Subject:**

**Authorize the President/CEO to consent to the Assignment of the Power Purchase Agreement and Site Lease From Borrego Solar System, Inc., to Lindberg Field Solar 1, LLC**

**Recommendation:**

Adopt Resolution No. 2014-0056, authorizing the President /CEO to consent to the assignment of the Power Purchase Agreement and Site Lease from Borrego Solar Systems, Inc., to Lindberg Field Solar 1, LLC.

**Background/Justification:**

In October, 2013, the San Diego County Regional Airport Authority ("Authority") issued a Request for Proposals (RFP) soliciting proposals from qualified firms to provide a solar photovoltaic (PV) system at the Airport. As a result of the RFP process, the Board awarded a site lease ("Lease") for the development and installation of a solar PV system and a power purchase agreement ("PPA") for a maximum term of twenty years to Borrego Solar Systems, Inc. (Borrego). [Resolution No. 2014-0019]

Borrego has requested the Authority consent to an assignment of the PPA and Lease to Lindberg Field Solar 1, LLC ("Assignee"). Borrego is the sole member and manager of 1115 Solar Development, LLC, which is its holding company for all of its project companies; and 1115 Solar Development, LLC is the sole member and manager of Assignee. 1115 Solar Development, LLC is directly owned by Borrego, its sole member and manager. 1115 Solar Development LLC, currently owns 30 special purpose project entities, all of which are parties to leases, PPAs and interconnection agreements. This structure has been used by Borrego for over 60 megawatts of facilities placed in service and over 80 megawatts in varying degrees of construction, financing or development. The creation of a special purpose entity to carry out the project is a proven approach to energy and infrastructure financing and has been used over the last four decades to put trillions of dollars of assets, including real estate, capital equipment, infrastructure and energy assets like wind and solar projects in service.

Borrego's proposal, submitted in response to the RFP, identified the use of the LLC structure described above on all of its projects. The three projects identified in the RFP to demonstrate ability to perform the project were each successfully completed using the above-described structure. In addition, the Project Development Team, Project Finance Team, Engineering and Design Team, Resources Group, Construction and Project Management Team and Operations and Maintenance identified in Borrego's proposal would remain unchanged and would carry out the project, except to the extent such persons are no longer employed by Borrego.

000215

Lindberg Field Solar 1, LLC is a special purpose entity created specifically to carry out the solar PV project at the Airport. Critical to Borrego's ability to finance the project is the ability to pass through the tax credit for the solar installation to investors. An LLC can own the facility which qualifies for the tax credit, generate the credit and pass through to multiple owners, whereas Borrego as a C Corporation would have to use the tax credit itself. The majority of investment tax credit facilities are owned by pass-through entities such as LLCs because of such tax considerations.

Article 16.2 of the PPA allows Borrego to assign its interests in the PPA to an assignee that is an affiliate of Borrego provided that the Authority consents to the assignment, that the assignee agrees to assume all of the Assignor's obligations and liabilities under the PPA, and that the assignee has the financial capability to perform all of Assignor's obligations under the PPA as demonstrated by, amongst other things, an executed Output Guarantee Agreement that guarantees the Authority a minimum monetary value from the overall electricity output.

The Assignee is a special purpose entity whose only assets would be those related to this solar development project. Borrego and 1115 Solar Development, LLC. ("1115 Solar") will be the members of the Assignee.

This assignment is being sought by Borrego to facilitate investment into the solar photovoltaic project by its investors. Borrego has indicated that investors in solar development projects are typically interested in long-term revenues and will finance construction only if certain criteria are met. Amongst these criteria is the requirement that project assets be owned directly by a single entity which does not have encumbrances from other relationships. This exclusive ownership allows the investors to take secure collateral in the project assets and simplifies the purchase of stock in the project.

There are no other changes proposed to the above-referenced PPA and Lease.

### **Fiscal Impact:**

The proposed assignment does not change the monetary terms of the PPA or Lease, and with the Output Guarantee Agreement, the Authority retains the same fiscal protections it currently has. Therefore, there is no new fiscal impact to the Authority.

### **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:**

BOB BOLTON  
DIRECTOR, AIRPORT DESIGN & CONSTRUCTION

RESOLUTION NO. 2014-0056

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AUTHORIZING THE PRESIDENT /CEO TO CONSENT TO THE ASSIGNMENT OF THE POWER PURCHASE AGREEMENT AND SITE LEASE FROM BORREGO SOLAR SYSTEMS, INC., TO LINDBERG FIELD SOLAR 1, LLC

WHEREAS, the San Diego County Regional Airport Authority ("Authority") and Borrego Solar Systems, Inc. ("Assignor") are parties to a Power Purchase Agreement ("PPA") and Lease, Contract Number 209027 OS, executed May 16, 2014; and

WHEREAS, the Assignor has requested the Authority consent to an assignment of the PPA and Lease from the Assignor to Lindberg Field Solar 1, LLC ("Assignee"); and

WHEREAS, Article 16.2 of the PPA allows the Assignor to assign its interests in the PPA to an assignee that is an affiliate of the Assignor provided that the Authority consents to the assignment, that the assignee agrees to assume all of the Assignor's obligations and liabilities under the PPA, and that the assignee has the financial capability to perform all of Assignor's obligations under the PPA as demonstrated by, amongst other things, an executed Output Guarantee Agreement that guarantees the Authority a minimum monetary value from the overall electricity output; and

WHEREAS, the Assignee is a special purpose entity whose only assets would be those related to this solar development project. The Assignor and 1115 Solar Development, LLC. ("1115 Solar") will be the members of the Assignee. 1115 Solar is directly owned by the Assignor and was formed by the Assignor in 2012 to own all of the Assignor's solar development projects. 1115 Solar currently owns 30 special purpose project vehicles such as the Assignee; and

WHEREAS, this assignment is being sought by the Assignor to facilitate investment into the solar photovoltaic project by the Assignor's investors; and

WHEREAS, there are no other changes proposed to the PPA and Lease; and

WHEREAS, the Authority will retain the fiscal protections it currently has, and its contractual and fiscal interests remain unchanged within the two above-referenced agreements.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President /CEO to consent to the assignment of the Power Purchase Agreement and Site Lease from Borrego Solar Systems, Inc., to Lindberg Field Solar 1, LLC.

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 5<sup>th</sup> day of June, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL



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

Item No.  
**19**

Meeting Date: **JUNE 05, 2014**

**Subject:**

**Approval and Adoption of the Operating Budget for Fiscal Year 2015, the Capital Program for Fiscal Years 2015-2019, and Conceptual Approval of the Operating Budget for Fiscal Year 2016**

**Recommendation:**

Adopt Resolution No. 2014-0057, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2015, the Capital Program for Fiscal Years 2015-2019, and conceptually approving the Operating Budget for Fiscal Year 2016.

**Background/Justification:**

On May 22, 2014 the Board participated in a Board Workshop regarding the proposed FY 2015 and FY 2016 Operating Budgets and FY 2015 – FY 2019 Capital Program. After an in-depth presentation and discussion, the proposed FY 2015 Operating Budget and FY 2015 – FY 2019 Capital Program were forwarded for Board approval and adoption at the June 5, 2014 Board meeting. In addition, the proposed FY 2016 Operating Budget was forwarded for conceptual approval at the June 5, 2014 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 2015 Operating Budget ("Budget") of \$236,364,000 marks the Authority's twelfth fiscal year operating budget. The Budget reflects major programs becoming fully operational (e.g., The Green Build, Concession Development Program), operational and environmental challenges, and continued economic and industry recovery, albeit slowly. 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 2015. 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.

000220

The FY 2015 Budget Expenses are comprised of the following divisional expenditure levels:

<b>Division</b>	<b>FY 2015</b>
Operations	\$ 94,793,984
Debt Service	64,658,631
Finance & Asset Management	34,162,512
Development	25,104,841
Executive	17,644,032
Total	<u>\$236,364,000</u>

This operating budget reflects a total increase of \$23.28 million, or 10.9%, over the FY 2014 Budget. The increase over the FY 2014 Budget is mostly attributed to a \$6.63 million increase in debt service costs, an increase of \$6.91 million in non-personnel operating expenses, and an increase of \$9.84 million in personnel costs. The non-cash SDCERS Unfunded Actuarial Liability (UAL) of \$7.60 million comprises the majority of the personnel cost increase. This non-cash expense does not affect the Authority's Debt Service Coverage, Cost Per Enplaned Passenger or Days Cash on Hand metrics.

On the revenue side, the budgeted operating and non-operating revenue of \$307.98 million is an increase of \$14.17 million, or 4.8%, over the FY 2014 Budget. The increase over the FY 2014 Budget reflects an increase of \$7.76 million in airline revenue, an increase of \$12.40 million in non-airline revenue, a decrease of \$0.58 million in interest income, and a decrease of \$5.41 million in non-operating revenue.

Total FY 2015 airline revenue is projected to be \$105.69 million as compared to \$97.92 million in the FY 2014 Budget, a \$7.76 million increase. The projected landing fee rate is increasing from \$1.98 to \$2.10 per thousand pound units and the terminal gross rental rate per square feet is increasing from \$120.12 to \$130.44. In consultation with the airlines, rates, fees, and charges are monitored and adjusted, if necessary.

The net increase of \$12.40 million in non-airline revenue predominantly consists of increases of \$4.40 million in parking revenue, \$3.16 million in ground rental revenue, \$2.57 million in concession revenue, \$1.32 million in ground transportation permits, and \$0.87 million in other license fees.

The net decrease of \$5.41 million in non-operating revenue consists of increases of \$3.82 million in Customer Facility Charges (CFC) and \$1.46 million in Passenger Facility Charges (PFC), offset by decreases of \$10.32 million in Capital Grant contributions, \$0.27 million in the Quieter Home Program and \$0.10 million in Build America Bond (BAB) rebates.

**Page 3 of 5**

The projected FY 2015 revenues will cover the FY2015 proposed budgeted expenses and debt service requirements, and will also provide for adequate working capital.

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 CIP 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. The proposed total is \$846.8 million.

The Green Build provides for 10 additional passenger gates, a new dual-level roadway at Terminal 2, and additional aircraft Remain Overnight parking areas. The project is substantially complete and final closeout tasks are currently underway. The budget for the Green Build is \$820.0 million.

Funding sources for the projects include Airport Improvement Program (AIP) grants, TSA grants, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), airport cash, airport system revenue bonds, special facility bonds, and may include short-term borrowing using commercial paper or bank facility financing. The FY 2015 – FY 2019 proposed Capital Program total is \$1,666.8 million.

Use of Funds (in millions):

Green Build	\$ 820.0
Landside	558.1
Terminal	143.3
Airside	125.7
Administrative	<u>19.7</u>
Total Use of Funds	\$1,666.8

Source of Funds (in millions):

Airport System Revenue Bonds	\$ 773.4
Airport System Revenue Bonds	244.6
Airport Cash	199.1
PFC Revenues	188.5
Federal Grants	142.7
CFC Revenues	<u>118.5</u>
Total Use of Funds	\$1,666.8

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 for FY 2015.

The Authority also embarked on its fifth year of preparing a biennial budget. As such, a budget for FY 2016 was developed and proposed for conceptual approval.

The proposed FY 2016 Budget Expenses total \$245,421,000 and are comprised of the following divisional expenditure levels:

<b>Division</b>	<b>FY 2016</b>
Operations	\$101,918,323
Debt Service	73,037,120
Finance & Asset Management	27,134,413
Development	25,045,096
Executive	18,286,048
Total	<u>\$245,421,000</u>

This budget reflects a total increase of \$9.06 million, or 3.8%, above the proposed FY 2015 Budget. This increase is mostly attributed to a \$8.38 million increase in debt service costs, an increase of \$6.38 million in non-personnel operating expenses, and a decrease of \$5.62 million in personnel costs.

On the revenue side, the budgeted operating and non-operating revenues of \$314.82 million are an increase of \$6.84 million, or 2.2%, over the proposed FY 2015 Budget. This net increase reflects an increase of \$4.22 million in airline revenue, an increase of \$3.78 million in non-airline revenue, an increase of \$0.52 million in Customer Facility Charges, an increase of \$0.62 million in Passenger Facility Charges, and an increase of \$0.46 million in interest income, partially offset by decreases of \$2.59 million in Capital Grant contributions and \$0.18 million in Quieter Home Program.

The conceptually approved FY 2016 budget will be brought back to the Board next year for review, revisions, and adoption in June 2015.

**Fiscal Impact:**

If the proposed FY 2015 Budget is approved and adopted and the proposed FY 2016 Budget is conceptually approved, funding of \$236,364,000 will be authorized for FY 2015 and funding of \$245,421,000 will be established as the framework for the FY 2016 Budget, which will be brought back to the Board next year for review, revisions, and adoption in June 2015. If the Capital Program is approved, \$1,666,769,570 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



# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Communication

**Date:** May 30, 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 2015 Proposed & FY 2016 Proposed Conceptual Budgets

During the Board Budget Workshop which was held on May 22, 2014, the Board members asked for additional information or clarification on the following items:

- 1) Provide a break-down on percentage of parking by time period; also show how much of the increase in revenue is due to volume versus the fee increase.

The break-down on percentage of parking by time period is as follows:

<i>In Thousands</i>		<b>YTD FY 2014</b>	
<b>Length of Stay Category</b>	<b>Number of Transactions</b>	<b>% of Total</b>	
0-30 minutes	295	24.9%	
30-60 minutes	327	27.6%	
1 hour - 1.5 hours	116	9.8%	
1.5 - 24 hours	140	11.8%	
+ 24 hours	308	26.0%	
<b>Total</b>	<b>1,186</b>	<b>100.0%</b>	

The Authority also provides a cell phone lot free of charge for up to an hour.

During FY 2012 construction impacts significantly affected parking operations and revenue. As a result, the Finance and Ground Transportation Departments engaged Walker Parking Consultants ("Walker") to perform a parking assessment and functional design review to identify recommendations for parking rate strategies, among other things. The recommendations were intended to optimize the product portfolio, promote efficient use of the parking lots, and improve gross parking revenues. At that time, a recommendation to increase parking rates was approved by the Board in February 2012 and is the Authority's last increase to parking rates to date.

This proposed July 2014 parking rate increase is also consistent with the Walker study recommendations for the Authority's parking rate strategies. The rate increase promotes efficient lot usage by reducing short-term lot dwell time, thereby freeing up spaces for customers dropping off and picking up passengers as well as enhancing revenue.

The Authority's plan of finance includes an assumption that parking rates will be periodically increased. This July 2014 recommended increase was included in the FY 2015 Conceptually Approved Budget last year and is included in the proposed FY 2015 Operating Budget. The associated increase in revenue is an important component of the Authority's debt service coverage ratio related to the Authority's General Airport Revenue Bond debt of nearly \$1 billion.

One minor change has been made subsequent to the Budget Workshop discussions. Staff proposes to keep the 0-30 minute parking rate static at \$2.00 rather than increasing it to \$3.00 as originally proposed. The effect on parking revenue is a reduction of \$136,000 in FY 2015 and a reduction of \$138,000 in FY 2016.

The increase of \$4.4M in FY 2015 budgeted parking revenue vs. FY 2014 budget is predominantly attributable to the following factors:

1. Increase in enplanements, increase in duration of stay, and quicker recovery than expected of the T2 lot utilization upon completion of the Green Build: \$2.6M.
2. Increase in parking rates: \$1.8M.

For additional information, the table below provides parking rates of selected California and other airports for comparison purposes.

**Comparable parking rates for selected airports**

(\$)

<b>City</b>	<b>Airport</b>	<b>Valet</b>	<b>0-30 Mins</b>	<b>Daily</b>	<b>Long Term</b>	<b>Economy</b>
Wash DC, Reagan	DCA		5	36	22	14
Oakland, CA	OAK	36	3	36	22	16
Los Angeles, CA	LAX		3	30	30	12
Chicago Midway, IL	MDW		3	30	30	12
San Francisco, CA	SFO	45	3	36	18	18
San Jose, CA	SJC		2	30	22	15
Salt Lake City, UT	SLC		2	28	28	9
San Diego, CA	SAN	38	2	30	20	13
Sacramento, CA	SMF		2	29	17	10

**2) Provide the premium fees budgeted for non-Alternative Fuel Vehicles (AFV).**

- FY 2015 Proposed Budget premium fees: \$1.0M
- FY 2016 Proposed Conceptual Budget premium fees: \$0.4M

During the March 6, 2014 Board meeting, the Board directed staff to provide a comprehensive update on Ground Transportation directives, including a plan for a conversion incentive program that is workable and legal, at the September 2014 Board meeting. Staff is currently evaluating options to present in September.

Prior to the Budget Workshop, the Transportation Alliance Group ("TAG") presented a proposed change to the conversion incentive program. TAG's proposal was to permanently institute a 25% discount for AFVs and a 25% premium for non-AFVs.

Staff believes that the TAG proposal does not provide the incentive for conversions that the current Authority incentive program provides. Conversions over the last two fiscal years with a 100% discount incentive and no premium have been limited. The premium fees for non-AFVs, which begin in FY 2015 at 75% of the base fee and increases to 200% of the base fee in FY 2018 will encourage operators to convert their vehicles.

During the May 1, 2014 Board meeting, the Board provided direction on the Vehicle for Hire operating model and directed staff to not move forward with implementing a concession but instead develop a Memorandum of Understanding with stronger standards and requirements that can be enforced. At the meeting, many Vehicle for Hire operators discussed current efforts to convert to AFVs, some pending a Board decision regarding concessions. With clear Board guidance on the issue, the expectation is that these VFH operators will now proceed with their represented conversions.

**3) Are we doing all we can to prevent non-licensed Transportation Network Companies (TNCs) from operating at SAN?**

The following restrictions/actions are currently in place to prevent TNCs from operating at SAN:

- The California PUC in their Decision Rules specifically prohibited TNCs from operating at California Airports without the Airport Operator's approval.
- UBER and LYFT have been formally notified that TNC operations are not permitted at SAN. The TNCs have stated their operators are not picking up at airport because the smartphone app. has been restricted to not allow the reservation to be made.
- All ATOs have been alerted to the TNCs and that TNCs are not permitted to operate at the airport. They will cite any TNC vehicle (generally those displaying the trade dress) or if they observe a suspicious passenger pick up.
- MTS and HPD very recently have conducted an enforcement operation to enforce the Airport's prohibition against TNCs
- The Airport has provided the TNCs with our Charter/Limo permits for their comment. We will continue to work with the TNCs to create a specific permit.

**4) Provide a breakdown of headcount, including limited duration positions.**

Please see Attachment A

**5) Provide the list of rental car companies by percentage of market share; also provide additional Small Market Operator (SMO) information.**

	Transactions	Market Share
Hertz/Dollar/Thrifty	404,886	31.69%
Enterprise/Alamo/National	334,049	26.14%
Avis	203,067	15.89%
Budget	98,136	7.68%
Fox	70,122	5.49%
Advantage	41,893	3.28%
Payless	19,987	1.56%
EZ	12,450	0.97%
Midway	12,450	0.97%
Sixt	12,450	0.97%
Future SMOs (up to 4 companies)	<u>68,250</u>	5.35%
	1,277,741	

What constitutes a SMO and how was the space allocated to the SMO?

All space within the RCC at the time of final lease negotiations was allocated on a market share formula utilizing annual transactions.

Rather than delivering a shell space to SMOs, the Authority will finance and build-out the tenant improvements for the SMOs at its expense and the SMOs will lease them back at a rate that includes a return to the Authority as consideration for its investment. This approach is necessary because SMOs do not hold sufficient market share to warrant leasing enough space to have exclusive store fronts and they will predominantly have joint use spaces. This allows greater flexibility to the Authority as market shares fluctuate to reallocate and reassign space among the small operators.

There is sufficient space to accommodate up to eight SMOs. Currently, we have leases executed with four companies that will occupy this space: Sixt, Payless, Midway, and E-Z Rent A Car. Any unoccupied space will be available for potential new entrants.

- **Customer Service Building (CSB)**

Companies with less than 5% market share are located within the shared Small Market Operator Area of approximately 4000 square feet.

- **Ready Return Area (RR)**

Companies with less than 3% market share are located within the shared Small Market Operator Area of approximately 70,000 square feet.

- **Quick Turnaround Area (QTA)**

Companies with less than 3% market share are located within the shared Small Market Operator Area of approximately 22,000 square feet.

**6) Provide the number of parking spaces to be recaptured for revenue generation in T1 and T2 lots as a result of expanding the employee parking lot.**

Approximately 300 parking spaces will be recaptured for revenue generation.

**7) Provide a schedule for the Capital Improvement Program (CIP) over the five years by project.**

Please see Attachment B.

The Parking Plaza project is included in the proposed FY 2015 – FY 2019 Capital Program Budget but the project will not proceed until further discussion is held with the Board.

The Board also asked about the roof and pavement replacement projects for the Integrated Air Freight Buildings. The leases for these facilities require the tenants to maintain the facilities. However, there is an expectation that the Authority, as the landlord and property owner, be responsible for the capital infrastructure replacement when it has exhausted its useful life. The roofs of these buildings have exceeded the typical useful life by many years and are no longer repairable. They are proposed to be replaced with roofs that have an expected life of 10 years. This timeframe coincides with the remaining useful life of the freight buildings. The pavement replacement adjacent to the buildings similarly is proposed to replace an improvement that has exceeded the typical useful life. Both the roof and pavement replacement are necessary to ensure the property remains in a leasable condition.

Please contact Scott Brickner at (619) 400-2838 if you have questions or need additional information.

**ATTACHMENT A**

**Breakdown of limited duration positions**

	FY 2014 Authorized & Funded Positions	FY 2014 Limited Positions	FY 2014 Authorized & Unfunded Positions	Proposed FY 2015 Authorized & Funded Positions	Proposed FY 2015 Limited Positions	Proposed FY 2015 Authorized & Unfunded Positions	Proposed FY 2016 Authorized & Funded Positions	Proposed FY 2016 Limited Positions	Proposed FY 2016 Authorized & Unfunded Positions
Executive	69	1*	1	66	1*	1	66	1*	1
Operations	180	4**	3	179	6**	1	180	6**	1
Finance and Asset Management	81	-	1	80	-	1	80	-	1
Development	78	-	1	83	-	1	83	-	1
<b>TOTAL</b>	<b>408</b>	<b>5</b>	<b>6</b>	<b>408</b>	<b>7</b>	<b>4</b>	<b>409</b>	<b>7</b>	<b>4</b>
<b>Total Authorized Positions</b>	FY 2014 419			FY 2015 419			FY 2016 420		

\* Art Coordinator I position budgeted for RCC through January 2016

\*\* FY14 Budget: 4 ATOs; FY15-16 Budget: 4 ATOs, 2 Maintenance Workers I



**SAN DIEGO  
INTERNATIONAL  
AIRPORT**

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ATTACHMENT B

**CIP FY 2015 – FY 2019 Active and Proposed Projects  
as of May 28, 2014**

Project ID	Project Name	A = Active	
		Start	Finish
104056	104056.0 EXPAND T2E FACILITIES	21-Jan-08 A	25-Sep-14
104056C	104056C Expand T2E Facilities - Tenant Improvement Support Services	04-Oct-11 A	31-Jul-14
104087	104087 Runway 09 Displaced Threshold Relocation - 9.18.14 Publication	28-Nov-07 A	31-Oct-18
104118	104118 NORTH SIDE INTERIOR ROAD AND UTILITIES	04-Jan-10 A	23-Oct-14
104118E	104118E NORTH SIDE UTILITY; STORM DRAIN TRUNK	01-Jul-10 A	24-Sep-15
104122A	104122A TENANT IMPROVEMENT SUPPORT SERVICES	17-Nov-11 A	2-Jul-14
104128	104128 CONSTRUCT FBO TAXI LANE	17-Aug-12 A	24-Sep-14
104128A	104128A FBO DEVELOPMENT	21-Mar-13 A	18-Dec-14
104133	104133; COMPREHENSIVE STRATEGIC MASTER DRAINAGE PLAN	26-Sep-13 A	26-Mar-15
104134	104134 TERMINAL LINK ROAD	17-Nov-11 A	26-Nov-15
104136	104136 AIRPORT ELECTRICAL DISTRIBUTION SYSTEM - 12KV	21-Jul-10 A	28-May-15
104151	104151 RCC: RENTAL CAR CENTER	10-Oct-11 A	25-Feb-16
104152	104152 CONCESSIONS DEVELOPMENT PROGRAM SUPPORT	17-Nov-11 A	22-Jan-15
104163	104163; PRE-CONDITIONED AIR UNITS, TERMINAL 1, AND TERMINAL T2 EAST	01-Nov-12 A	23-Oct-14
104164	104164 UPGRADE TO 12 REMAINING NOISE MONITOR POLES	24-Jan-13 A	20-Nov-14
104166	104166; Upgrade Ground Transportation Software	21-Mar-13 A	11-Mar-15
104168	104168 SAN DIEGO INTERNATIONAL AIRPORT WAYFINDING STUDY	21-Mar-13 A	24-Mar-16
104171	104171; ACQUIRE RCC BUSES	21-Jan-13 A	27-Aug-15
104172	104172; ENERGY CONSULTING SERVICES	24-May-13 A	22-Jan-15
104173	104173; NORTH SIDE ADDITIONAL LANDSCAPING	25-Jul-13 A	25-Feb-16
104174	104174; RELOCATE CELL PHONE LOT with FDD Material Procurement	22-Aug-13 A	18-Dec-14
104176	104176; CONSTRUCT NORTH SIDE BYPASS	22-Aug-13 A	27-Aug-15
104177	104177; REHABILITATE CROSS TAXIWAY B8 AND TERMINAL APRONS	22-Aug-13 A	1-Jun-16
104178	104178; REPLACE PASSENGER BOARDING BRIDGES AT TERMINAL 1	26-Sep-13 A	25-Jun-15



000232

104179	104179; RECONFIGURE SEC. CHECKPOINT 2/ REFURBISH T1 ROTUNDAS & BAGGAGE CLAIM AREA	26-Sep-13 A	25-Jun-15
104180	104180; TERMINAL FLIGHT INFORMATION DISPLAY SYSTEM (FIDS ) UPGRADE	24-Oct-13 A	22-Jan-15
104181	104181; RCC BUS PARKING FACILITY	21-Nov-13 A	27-Aug-15
104182	104182; T2E CUPPS [COMMON USE PASSENGER PROCESSING SYSTEMS]	19-Dec-13 A	26-Mar-15
104183	104183; DEVELOP ADMINISTRATIVE SPACES	07-Apr-14 A	25-Feb-16
CIP15.002	CIP15.002; CONSTRUCT TAXI HOLD LOT	3rd Qtr 2014	2nd Qtr 2016
CIP15.003	CIP15.003; EMPLOYEE PARKING LOT 6 EXPANSION	3rd Qtr 2014	2nd Qtr 2016
CIP15.004	CIP15.004; FIS PASSENGER PROCESSING IMPROVEMENTS	3rd Qtr 2014	3rd Qtr 2016
CIP15.005	CIP15.005; TERMINAL SEATING	4th Qtr 2014	2nd Qtr 2017
CIP15.006	CIP15.006; SOLID WASTE DISPOSAL & RECYCLING FACILITY	4th Qtr 2014	3rd Qtr 2016
CIP15.007	CIP15.007; MODERNIZE SIEMANS APOGEE (BUILDING AUTOMATION CONTROL SYSTEM	4th Qtr 2014	2nd Qtr 2017
CIP15.008	CIP15.008; PAVEMENT REHABILITATION	1st Qtr 2015	2nd Qtr 2016
CIP15.009	CIP15.009; AIR FREIGHT BUILDING ROOF REHABILITATION (STILLWATER ROAD AND AIR LANE ROAD)	1st Qtr 2015	4th Qtr 2016
CIP15.010	CIP15.010; LIBERTY STATION ROOF REPLACEMENT IMPROVEMENTS	1st Qtr 2015	2nd Qtr 2016
CIP15.015	CIP15.015; PASSENGER BOARDING BRIDGES (7) (PBB)	2nd Qtr 2015	1st Qtr 2018
CIP15.016	CIP15.016; HAZARDOUS WASTE FACILITY	2nd Qtr 2015	2nd Qtr 2016
CIP15.019	CIP15.019; GATE 19 CONVERSION	2nd Qtr 2015	2nd Qtr 2016
CIP15.020	CIP15.020; RCC SMALL MARKET SHARE FITOUTS	3rd Qtr 2014	4th Qtr 2016
CIP14.006FAA	CIP14006; Commuter Terminal Blast Fence	3rd Qtr 2014	4th Qtr 2016
CIP14.029A	CIP14029A; Improve Taxiway "B" Object Free Area	3rd Qtr 2014	3rd Qtr 2017
ACIP2017.01	ACIP2017.01; Rehabilitate Runway 9/27 Wing Pavement	3rd Qtr 2015	3rd Qtr 2018
ACIP2017.02	ACIP2017.02; Rehabilitate Cross Taxiways B4-7, C3-6 & Commuter Terminal Apron	3rd Qtr 2015	3rd Qtr 2017
CIP14.029	CIP14029; Reconstruct Aprons at Cargo Terminal & T1	3rd Qtr 2016	3rd Qtr 2019
CIP14.029B	CIP14029B; Relocate & Rehabilitate Taxiway "B"	3rd Qtr 2016	3rd Qtr 2019
ACIP2019.01	ACIP2019.01; Rehabilitate Runway 9/27 Keel Pavement	3rd Qtr 2017	3rd Qtr 2020

000233



SAN DIEGO  
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AIRPORT

RESOLUTION NO. 2014-0057

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 2015, THE CAPITAL PROGRAM FOR FISCAL YEARS 2015 - 2019, AND CONCEPTUALLY APPROVING THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2016

WHEREAS, Authority management prepared and presented the Proposed Fiscal Year 2015 and 2016 Conceptual Operating Budgets and the Capital Program to the Authority Board for review at a duly noticed public workshop on May 22, 2013; 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 2015 and 2016 Operating Budgets and Capital Program; and

WHEREAS, the Proposed Fiscal Year 2015 and 2016 Conceptual Operating Budgets present a financial operating expenditure budget of \$236,364,000 and \$245,421,000, respectively, and a Capital Program for the next five (5) years of \$1,666,769,570, 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 2015 and 2016; and

WHEREAS, the Proposed Fiscal Year 2015 and 2016 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 2015 and 2016 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 22, 2014 and June 5, 2014, is in the best interests of the Authority and the public that it serves.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and adopts the Authority's Annual Operating Budget for Fiscal Year 2015, the Capital Program for Fiscal Years 2015-2019, and conceptually approves the Operating Budget for Fiscal Year 2016.

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 2015 and the Capital Program.

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 5th day of June, 2014 by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL



**San Diego County Regional Airport Authority  
FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget  
June 5, 2014**



# Budget Overview



# Revenue Budget Overview

## Parking Revenue

**Effect of keeping the 0-30 Minute short-term parking rate the same as the current rate**

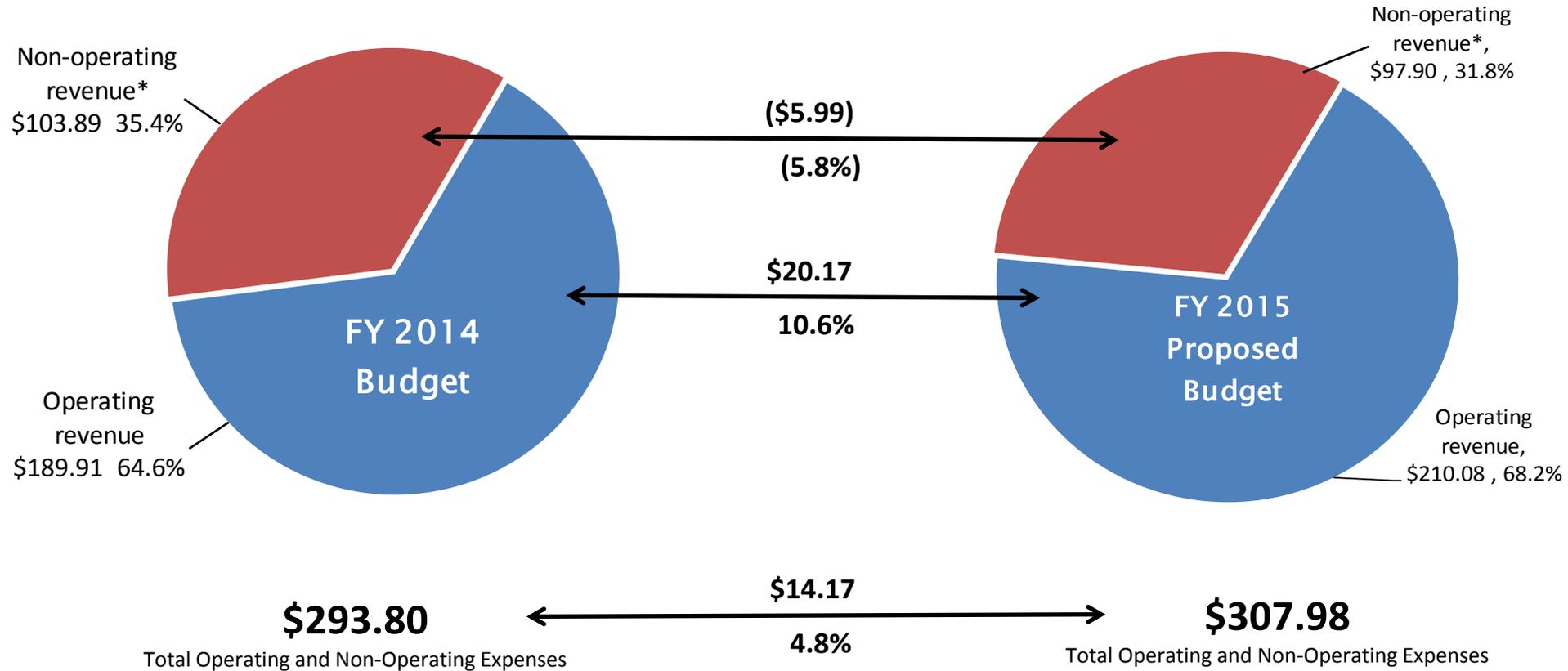
- **FY 2015 parking revenue budget reduced by \$136K to \$38.7M**
- **FY 2016 parking revenue budget reduced by \$138K to \$39.3M**



# Revenue Budget Overview Continued

## FY 2014 Budget vs. FY 2015 Proposed Budget Revenue Comparison

(in Millions)



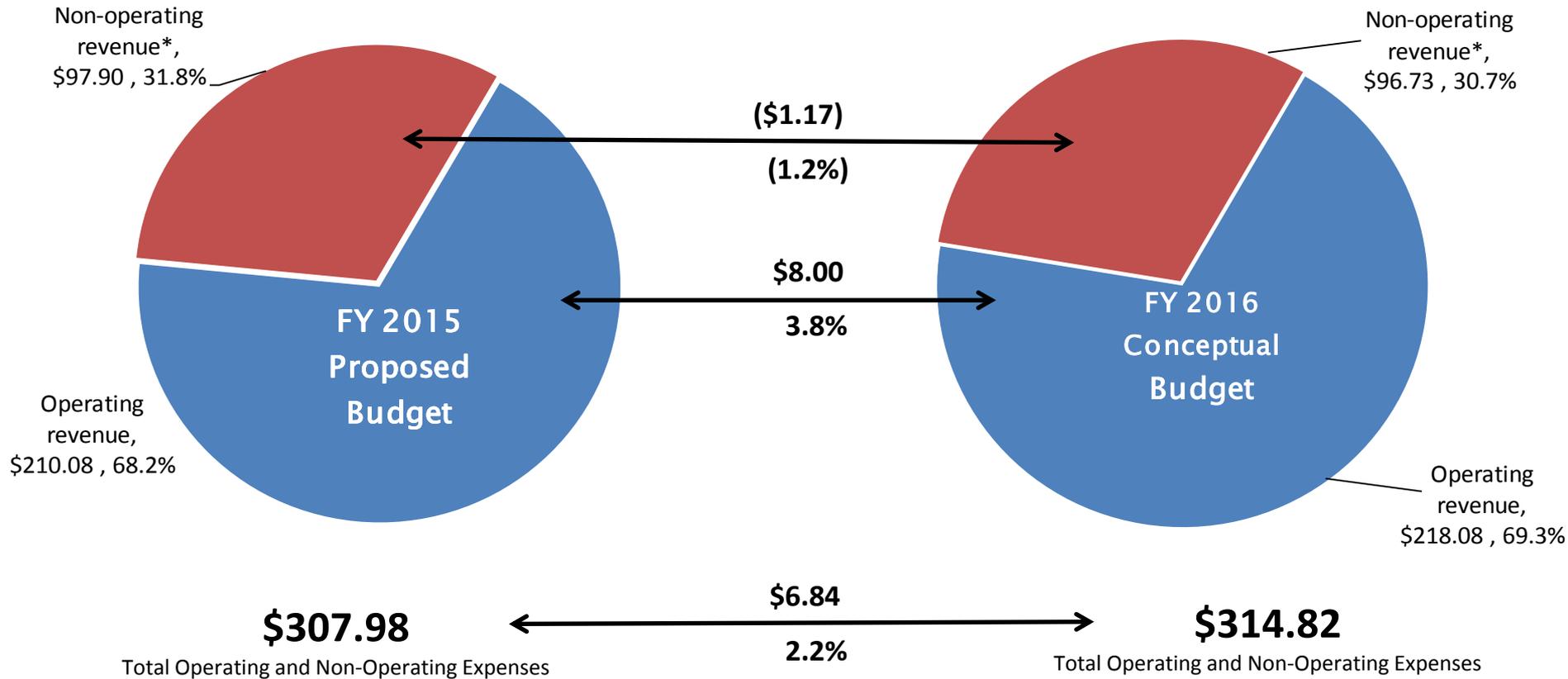
\* Non-Operating revenue includes Interest Income, PFC, CFC, QHP, Capital Grant Contributions and BAB Interest Rebate



# Revenue Budget Overview Continued

## FY 2015 Proposed Revenue Budget vs. FY 2016 Conceptual Revenue Budget

(in Millions)



\* Non-Operating revenue includes Interest Income, PFC, CFC, QHP, Capital Grant Contributions and BAB Interest Rebate

### FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY2015 Proposed Budget	Inc/(Dec) FY15 Proposed vs FY14 Budget	% Change	FY2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Proposed	% Change
<b>Operating Revenue:</b>									
<b>Airline Revenue</b>									
Landing Fees	\$ 19,658,173	\$ 21,814,724	\$ 24,055,014	\$ 23,704,477	\$ 1,889,753	8.7%	\$ 24,403,943	\$ 699,466	3.0%
Aircraft Parking Fees	3,190,928	2,559,493	2,799,267	2,768,087	208,594	8.1%	2,830,215	62,128	2.2%
Building Rentals	41,839,619	45,869,700	47,237,652	49,969,936	4,100,236	8.9%	52,306,370	2,336,433	4.7%
Common Use System Support Charges	-	1,116,900	1,116,900	1,124,994	8,094	0.7%	1,145,548	20,554	1.8%
Other Aviation Revenue	1,591,266	1,592,288	1,595,586	1,589,711	(2,577)	-0.2%	1,592,957	3,246	0.2%
Security Surcharge	23,359,938	24,969,500	27,091,200	26,529,900	1,560,400	6.2%	27,632,400	1,102,500	4.2%
<b>Total Airline Revenue</b>	<b>89,639,923</b>	<b>97,922,606</b>	<b>103,895,618</b>	<b>105,687,106</b>	<b>7,764,501</b>	<b>7.9%</b>	<b>109,911,434</b>	<b>4,224,327</b>	<b>4.0%</b>
<b>Non-Airline Revenue</b>									
Terminal rent non-Airline	971,790	1,024,234	1,069,154	1,500,586	476,352	46.5%	1,569,133	68,547	4.6%
Terminal concessions	14,150,898	17,216,343	19,475,281	19,783,233	2,566,890	14.9%	19,870,544	87,311	0.4%
Rental Car License Fees	24,401,371	25,061,200	26,073,700	24,576,100	(485,100)	-1.9%	24,993,700	417,600	1.7%
License Fees Other	3,488,472	3,277,200	3,299,800	4,146,700	869,500	26.5%	4,217,100	70,400	1.7%
Parking Revenue	33,883,703	34,290,532	38,492,545	38,688,776	4,398,243	12.8%	39,324,542	635,767	1.6%
Ground Transportation Permits and Citations	1,866,781	2,261,247	3,545,439	3,576,416	1,315,169	58.2%	3,289,603	(286,813)	-8.0%
Ground Rentals	8,189,723	8,193,071	11,558,786	11,356,903	3,163,831	38.6%	14,139,787	2,782,884	24.5%
Grant Reimbursements	189,181	223,200	227,700	292,000	68,800	30.8%	292,000	-	0.0%
Other Operating Revenue *	715,970	441,900	451,600	469,744	27,844	6.3%	473,200	3,456	0.7%
<b>Total Non-Airline Revenue</b>	<b>87,857,889</b>	<b>91,988,928</b>	<b>104,194,005</b>	<b>104,390,457</b>	<b>12,401,529</b>	<b>13.5%</b>	<b>108,169,609</b>	<b>3,779,152</b>	<b>3.6%</b>
<b>Total Operating Revenue</b>	<b>177,497,812</b>	<b>189,911,534</b>	<b>208,089,623</b>	<b>210,077,564</b>	<b>20,166,030</b>	<b>10.6%</b>	<b>218,081,043</b>	<b>8,003,479</b>	<b>3.8%</b>
<b>Interest Income</b>	<b>4,140,067</b>	<b>5,290,220</b>	<b>5,583,586</b>	<b>4,707,690</b>	<b>(582,530)</b>	<b>-11.0%</b>	<b>5,165,382</b>	<b>457,692</b>	<b>9.7%</b>
<b>Non-Operating Revenue</b>									
Passenger facility charges	35,437,453	35,155,100	35,858,200	36,614,900	1,459,800	4.2%	37,237,200	622,300	1.7%
Customer facility charges (Rental Car Center)	19,117,217	26,528,528	30,065,665	30,350,379	3,821,851	14.4%	30,866,210	515,831	1.7%
Quieter Home Program	13,241,658	12,069,400	12,069,700	11,804,573	(264,827)	-2.2%	11,627,849	(176,724)	-1.5%
BAB Interest Rebate	4,778,599	4,741,129	4,741,129	4,636,215	(104,914)	-2.2%	4,636,215	-	0.0%
Capital grant contributions	16,077,280	20,108,089	10,615,097	9,786,680	(10,321,409)	-51.3%	7,201,101	(2,585,579)	-26.4%
<b>Total Non-Operating Revenue</b>	<b>84,420,210</b>	<b>98,602,246</b>	<b>93,349,791</b>	<b>93,192,747</b>	<b>(5,409,500)</b>	<b>-5.5%</b>	<b>91,568,575</b>	<b>(1,624,172)</b>	<b>-1.7%</b>
<b>Total Revenue</b>	<b>\$ 266,058,089</b>	<b>\$ 293,804,000</b>	<b>\$ 307,023,000</b>	<b>\$ 307,978,000</b>	<b>\$ 14,174,000</b>	<b>4.8%</b>	<b>\$ 314,815,000</b>	<b>\$ 6,837,000</b>	<b>2.2%</b>

\*Other Operating Revenue includes Finger Printing Fees, Utilities Reimbursements, Service Charges, Equipment Rental and Miscellaneous Revenues.

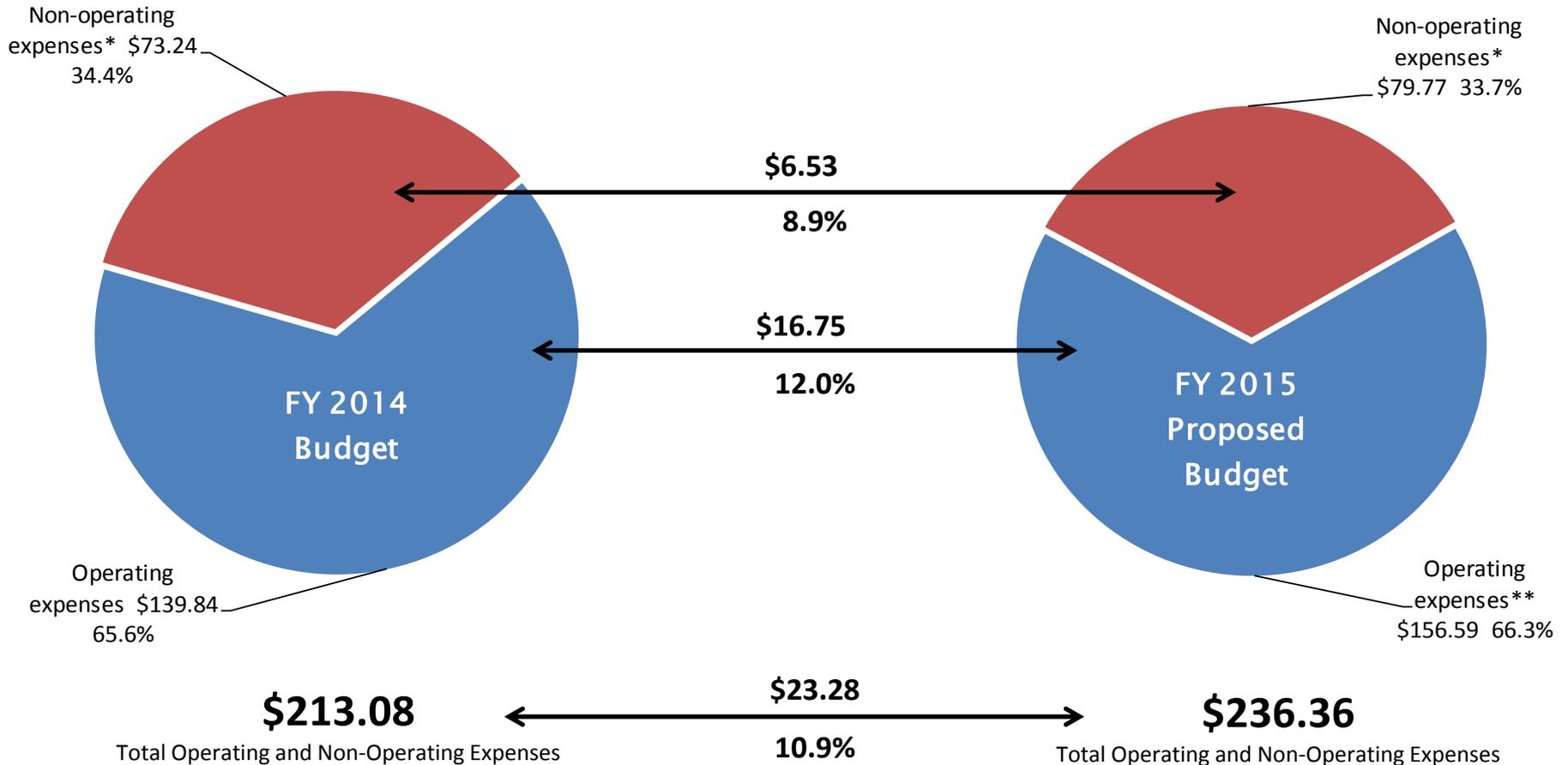


# Expense Budget Overview



## FY 2014 Budget vs. FY 2015 Proposed Budget Expense Comparison

(in Millions)



\* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

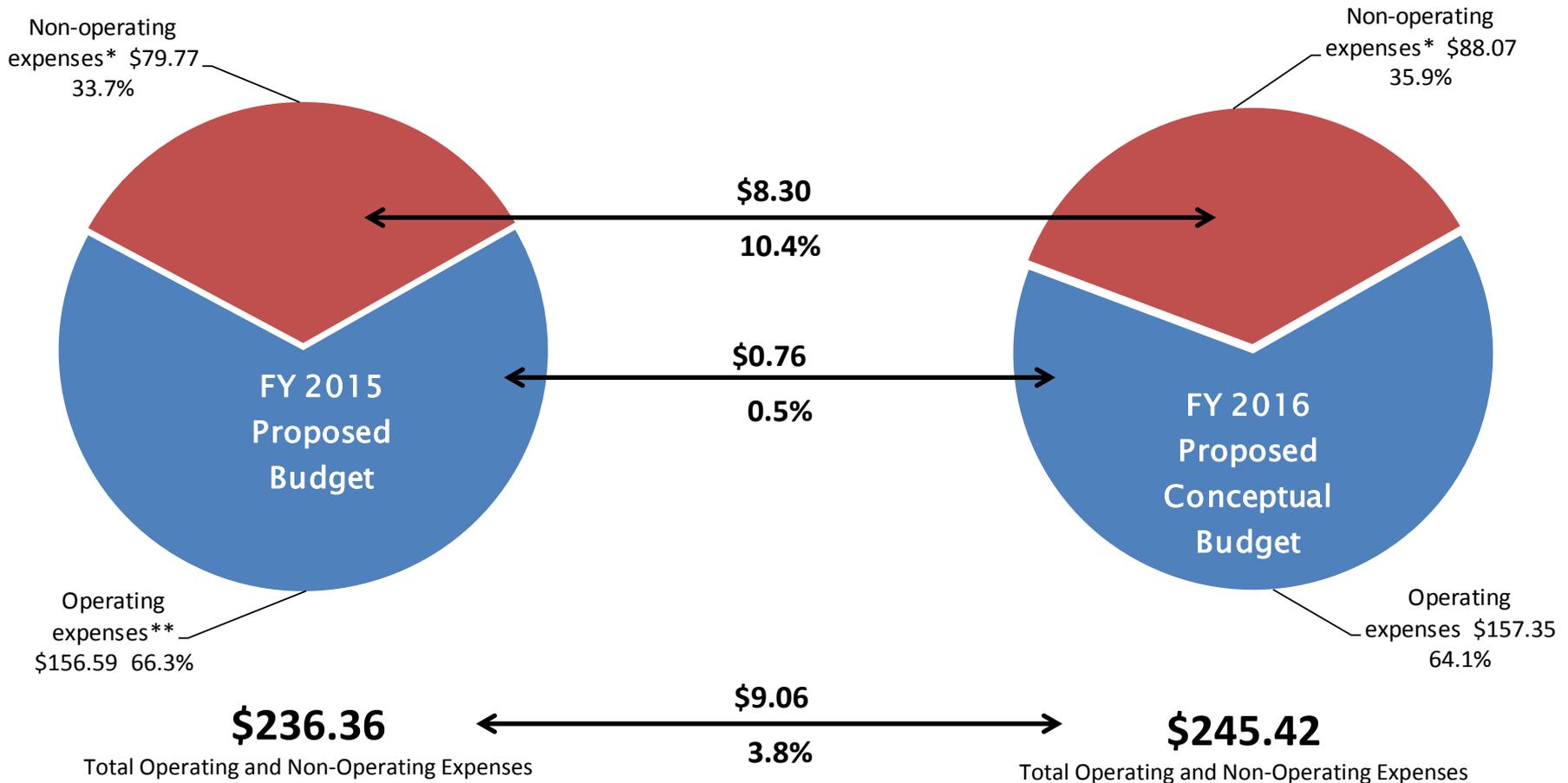
\*\* Includes SDCERS Unfunded Actuarial Liability (GASB Change)



# Expense Budget Overview Continued

## FY 2015 Proposed Budget vs. FY 2016 Proposed Conceptual Budget Comparison

(in Millions)



\* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

\*\* Includes SDCERS Unfunded Actuarial Liability (GASB Change)

# Expense Budget Overview

## Continued

### FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 28,435,266	\$ 31,169,886	\$ 33,004,041	\$ 32,375,837	\$ 1,205,951	3.9%	\$ (628,204)	-1.9%	\$ 33,688,450	\$ 1,312,613	4.1%
Premium Overtime	1,063,025	867,400	865,700	841,000	(26,400)	-3.0%	(24,700)	-2.9%	841,000	-	0.0%
Employee Benefits	14,103,945	16,319,513	17,701,713	17,646,940	1,327,427	8.1%	(54,773)	-0.3%	18,649,795	1,002,855	5.7%
<i>Less: Capitalized Labor</i>	<i>(4,786,022)</i>	<i>(5,749,016)</i>	<i>(6,180,522)</i>	<i>(6,055,685)</i>	<i>(306,669)</i>	<i>5.3%</i>	<i>124,837</i>	<i>-2.0%</i>	<i>(6,362,450)</i>	<i>(306,765)</i>	<i>5.1%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	<i>(723,749)</i>	<i>(703,804)</i>	<i>(732,944)</i>	<i>(663,928)</i>	<i>39,876</i>	<i>-5.7%</i>	<i>69,016</i>	<i>-9.4%</i>	<i>(688,119)</i>	<i>(24,191)</i>	<i>3.6%</i>
Subtotal Personnel Expenses	38,092,464	41,903,979	44,657,988	44,144,164	2,240,186	5.3%	(513,824)	-1.2%	46,128,675	1,984,511	4.5%
SDCERS Unfunded Actuarial Liability (GASB change)	-	-	-	7,600,000	7,600,000	0.0%	7,600,000	0.0%	-	(7,600,000)	-100.0%
<b>Total Personnel Expenses</b>	<b>38,092,464</b>	<b>41,903,979</b>	<b>44,657,988</b>	<b>51,744,164</b>	<b>9,840,186</b>	<b>23.5%</b>	<b>7,086,176</b>	<b>15.9%</b>	<b>46,128,675</b>	<b>(5,615,489)</b>	<b>-10.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	29,283,526	33,265,134	34,052,611	34,073,655	808,521	2.4%	21,044	0.1%	39,238,419	5,164,764	15.2%
Safety and Security	23,994,020	24,975,464	27,111,790	25,001,794	26,331	0.1%	(2,109,996)	-7.8%	25,794,332	792,537	3.2%
Space Rental	10,897,338	10,378,412	10,324,952	10,450,296	71,884	0.7%	125,344	1.2%	10,424,581	(25,715)	-0.2%
Utilities	6,659,333	8,566,650	8,943,750	9,557,536	990,886	11.6%	613,786	6.9%	10,414,599	857,064	9.0%
Maintenance	11,204,464	11,661,347	12,017,693	16,085,448	4,424,101	37.9%	4,067,755	33.8%	15,369,505	(715,943)	-4.5%
Operating Equipment & Systems	468,700	456,779	500,468	558,235	101,456	22.2%	57,767	11.5%	682,027	123,792	22.2%
Operating Supplies	405,863	374,352	431,444	409,508	35,156	9.4%	(21,936)	-5.1%	411,380	1,872	0.5%
Insurance	794,984	1,253,580	1,546,084	1,071,422	(182,158)	-14.5%	(474,662)	-30.7%	1,239,364	167,942	15.7%
Employee Programs	1,234,759	1,259,598	1,425,213	1,229,248	(30,350)	-2.4%	(195,965)	-13.7%	1,205,323	(23,925)	-1.9%
Business Development	2,444,407	2,943,753	2,860,045	2,685,228	(258,525)	-8.8%	(174,817)	-6.1%	2,726,335	41,107	1.5%
Equipment Rentals & Repairs	1,316,109	2,445,217	2,569,571	2,526,119	80,902	3.3%	(43,452)	-1.7%	2,520,528	(5,591)	-0.2%
Tenant Improvements	433	359,900	-	1,200,000	840,100	233.4%	1,200,000	0.0%	1,200,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>88,703,936</b>	<b>97,940,186</b>	<b>101,783,621</b>	<b>104,848,489</b>	<b>6,908,303</b>	<b>7.1%</b>	<b>3,064,868</b>	<b>3.0%</b>	<b>111,226,393</b>	<b>6,377,904</b>	<b>6.1%</b>
<b>Total Operating Expenses</b>	<b>126,796,400</b>	<b>139,844,165</b>	<b>146,441,608</b>	<b>156,592,653</b>	<b>16,748,489</b>	<b>12.0%</b>	<b>10,151,045</b>	<b>6.9%</b>	<b>157,355,069</b>	<b>762,416</b>	<b>0.5%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	14,885,711	15,176,621	15,176,621	14,955,716	(220,905)	-1.5%	(220,905)	-1.5%	14,734,811	(220,905)	-1.5%
Debt Service	23,836,045	58,027,215	64,640,771	64,658,631	6,631,416	11.4%	17,860	0.0%	73,037,120	8,378,490	13.0%
Legal Settlements Expense	267	20,000	-	10,000	(10,000)	-50.0%	10,000	0.0%	10,000	-	0.0%
Other Non-Operating Expense	46,856	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>38,768,879</b>	<b>73,223,836</b>	<b>79,817,392</b>	<b>79,624,347</b>	<b>6,400,511</b>	<b>8.7%</b>	<b>(193,045)</b>	<b>-0.2%</b>	<b>87,781,931</b>	<b>8,157,584</b>	<b>10.2%</b>
<b>Total Expenses</b>	<b>165,565,279</b>	<b>213,068,000</b>	<b>226,259,000</b>	<b>236,217,000</b>	<b>23,149,000</b>	<b>10.9%</b>	<b>9,958,000</b>	<b>4.4%</b>	<b>245,137,000</b>	<b>8,920,000</b>	<b>3.8%</b>
<b>Equipment Outlay</b>	<b>1,157,996</b>	<b>10,000</b>	<b>170,000</b>	<b>147,000</b>	<b>137,000</b>	<b>1370.0%</b>	<b>(23,000)</b>	<b>-13.5%</b>	<b>284,000</b>	<b>137,000</b>	<b>93.2%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$166,723,275</b>	<b>\$213,078,000</b>	<b>\$226,429,000</b>	<b>\$236,364,000</b>	<b>\$23,286,000</b>	<b>10.9%</b>	<b>\$9,935,000</b>	<b>4.4%</b>	<b>\$245,421,000</b>	<b>\$9,057,000</b>	<b>3.8%</b>



SAN DIEGO  
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# Capital Program Budget Fiscal Years 2015 – 2019

## Capital Budget Summary

FY 2014 - 2018 Capital Improvement Program	\$ 415,629,089
FY 2014 - 2018 Project Closeouts & Modifications	(23,681,243)
FY 2014 - 2018 Project Adjustments	<u>(10,054,460)</u>
FY 2014 - 2018 Capital Improvement Program Balance	\$ 381,893,386
Proposed FY 2015 Projects & Adjustments	148,752,080
Rental Car Center	316,124,104
The Green Build	<u>820,000,000</u>
Proposed FY 2015 -2019 Capital Program	\$ <u>1,666,769,570</u>

## Proposed FY 2015 - 2019 Capital Projects

<u>Project Name</u>	<u>Estimated Cost</u>
1) Construct Taxi Hold Lot	\$ 5,750,000
2) Employee Parking Lot 6 Expansion	6,290,000
3) FIS Passenger Processing Improvements	1,460,000
4) Replace Terminal Seating in T1 and T2E	5,420,000
5) Solid Waste Disposal & Recycling Facility	1,050,000
6) Modernize Siemens APOGEE Building Auto. Control System	1,000,000
7) Pavement Rehabilitation - Air Freight Bldg.	1,600,000
8) Air Freight Buildings Roof Replacement - Stillwater/Air Lane Rd.	2,240,000
9) Liberty Station Facility – Roof Replacement & Improvements	1,500,000

## Proposed FY 2015 - 2019 Capital Projects

<u>Project Name</u>	<u>Estimated Cost</u>
10) Develop Administrative Space	\$ 2,300,000
11) RCC – Small Market-share Build-outs	4,000,000
12) Replace & Refurbish Passenger Boarding Bridges	23,300,000
13) Construct Hazardous Waste Storage Facility	640,000
14) Construct Parking Plaza	82,080,000
15) Capital Projects Allowance	5,000,000
16) Public Art Allowance	429,870
FY 2015 – FY 2019 Project Adjustments	<u>4,692,210</u>
<b>Total FY 2015 - 2019 Proposed Capital Projects</b>	<b>\$ 148,752,080</b>



# **Plan of Finance**

## **Fiscal Years 2015 – 2019**

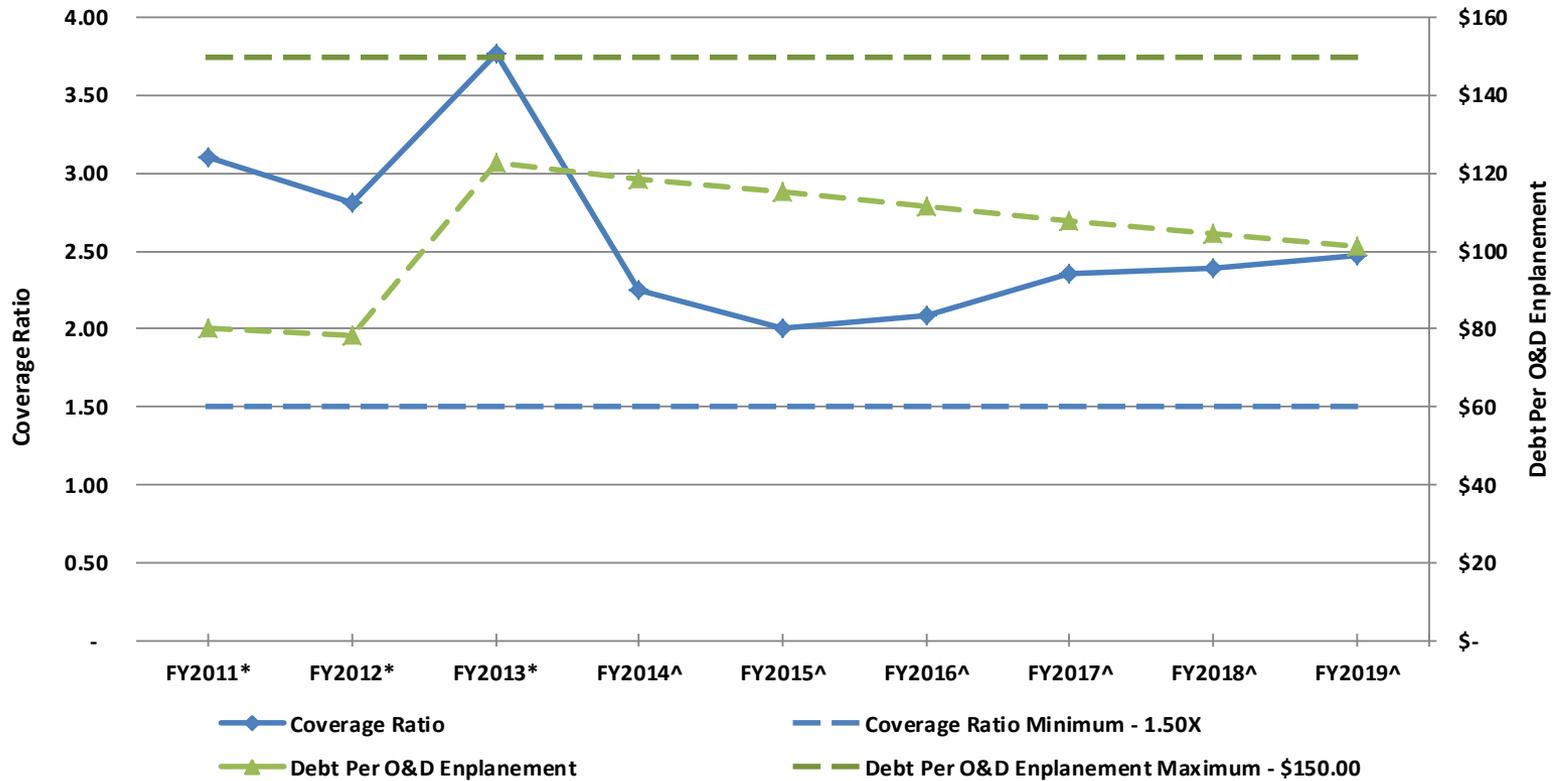
## Uses and Sources of Funds

<i>(in Thousands)</i>	<u>Total Use of Funds</u>						
	Pre FY2015	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Green Build	\$ 791,282	\$ 28,718	\$ -	\$ -	\$ -	\$ -	\$ 820,000
CIP	244,436	297,880	139,621	21,143	24,541	37,068	764,690
Finance Costs	172,594	-	-	-	-	-	172,594
<b>Total</b>	<b>\$ 1,208,312</b>	<b>\$ 326,598</b>	<b>\$ 139,621</b>	<b>\$ 21,143</b>	<b>\$ 24,541</b>	<b>\$ 37,068</b>	<b>\$ 1,757,283</b>

<i>(in Thousands)</i>	<u>Total Sources of Funds</u>						
	Pre FY2015	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Airport Revenue Bonds	\$ 838,268	\$ 46,047	\$ 327	\$ -	\$ -	\$ -	\$ 884,641
Special Facility Bonds	108,515	154,853	42,505	-	-	-	305,873
Passenger Facility Charges	135,050	17,294	15,185	6,585	4,610	9,742	188,466
Federal Grants	73,177	10,078	7,290	8,027	19,141	25,052	142,765
Customer Facility Charges	40,104	47,732	30,668	-	-	-	118,505
Airport Cash	13,198	50,594	43,645	6,532	790	2,274	117,033
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 1,208,312</b>	<b>\$ 326,598</b>	<b>\$ 139,621</b>	<b>\$ 21,143</b>	<b>\$ 24,541</b>	<b>\$ 37,068</b>	<b>\$ 1,757,283</b>



## Coverage Ratio & Debt Per Origin & Destination (O&D) Enplanement



\* Actuals

^ Forecast



# Conclusion



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY**

Meeting Date: **JUNE 5, 2014**

---

**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 2013-2014 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**

**LLOYD HUBBS**

**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: Lloyd Hubbs Dept: Board/02  
Position:  Board Member     President/CEO     Gen. Counsel     Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 4/21/14 PLANNED DATE OF DEPARTURE/RETURN: 6/7/14 / 6/10/14

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

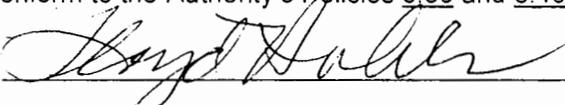
Destination: Whitefish Lake, MT Purpose: Attend Conference  
Explanation: Attend 2014 Airport Board & Commissioners Conference

Mr. Hubbs will be traveling in his personal vehicle. The prices shown below reflect costs associated with flight and rental car vs. mileage reimbursement (approx 1350 miles X .56/mi X 2 = round trip)

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

A. TRANSPORTATION COSTS:	
• AIRFARE	\$ 400
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 200
B. LODGING	\$ 600
C. MEALS	\$ 160
D. SEMINAR AND CONFERENCE FEES	\$ 690
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 100
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$ 2150</b>

**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: 4-21-14

**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.)*



## Reservation Confirmation

Lloyd Hubbs  
 SD Cnt Reg. Airport Au  
 PO Box 82776  
 San Diego, CA 92138  
 USA

Confirmation #	90881
Arrival	Sunday Jun 8, 2014
Departure	Thursday Jun 12, 2014
Nights	4
People	2 0 0 0
Room Type	King Viking Room
Group	ACI-NA Airport Board Com
	\$200.00

We look forward to your visit and being able to assist you in making your stay with us an enjoyable one.

Complimentary shuttles are available to and from the airport, Amtrak, downtown Whitefish, as well as seasonal ski shuttles to and from Whitefish Mountain Resort. Please call us with your arrival information to schedule airport and Amtrak shuttle service in advance - no less than 24 hours prior to arrival. Downtown shuttle service is available until 11 pm Sunday thru Thursday, and until 12 am Friday and Saturday nights.

Dollar Rent-a-Car vehicles available on property.

Rollaway Beds are available upon request for an additional \$40 per night and cribs are available complimentary. Reservations are recommended as a limited number are available.

CHECK-IN 4:00 PM/ CHECK OUT 11:00AM/ NO PETS/ NO SMOKING

**CANCELLATION POLICY:**

**Lodge & Viking:** 72 hours prior to check in balance is due on entire stay and will be charged to CC on file. After 72 hours prior to check in guest is responsible for full room rate for each day of original reservation.

**June 13th-September 14th:** 14 days (2 wks) notice required for full refund of deposit. After 14 days guest is responsible for full room rate for each day of original reservation.

**Condominiums:** 14 days (2 wks) prior to check in remaining balance due on entire stay will be charged to the credit card on file. 14 days (2 wks) notice required for full refund of deposit. After 14 days guest is responsible for full room rate for each day of original reservation.

**No Show Policy:** If guest does not arrive or contact property by 6pm the day after original scheduled arrival reservation will be cancelled.

<u>Charge Summary</u>	
Total Charges	\$800.00
Taxes	\$80.00
Payments	200.00
<b>Total Due</b>	<b>\$680.00</b>

**Room Rate Detail**

<u>Date</u>	<u>Description</u>	<u>Room Rate</u>	<u>Tax</u>	<u># of Days</u>	<u>Total Charge</u>
Sun 6/8/14	Group Room Rate	200.00	20.00	4	880.00
	<b>Total Charges:</b>	<b>800.00</b>	<b>80.00</b>		<b>880.00</b>

The Lodge at Whitefish Lake ~ 1380 Wisconsin Avenue ~ Whitefish, MT 59937 ~ [www.lodgeatwhitefishlake.com](http://www.lodgeatwhitefishlake.com)

Ph: (877) 887-4026 or (406) 863-4000

For more information on local real estate or ownership in Whitefish or the Lodge please click here:





**AIRPORTS COUNCIL INTERNATIONAL - NORTH AMERICA**  
The Voice of Airports

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## 2014 Airport Board & Commissioners Conference

June 8, 2014 - June 10, 2014 / Whitefish, MT

**Register Now**

**OVERVIEW**

**Get Agenda**

Network with your fellow airport directors, board members and commissioners at this meeting dedicated to successfully addressing the complexities of overseeing the management of their airport organizations.

**Hotel Information**

**Important Housing Notice**

### The Lodge at Whitefish Lake

1380 Wisconsin Ave.  
Whitefish, MT 59937  
(406)863-4000

*For hotel reservations, call the Lodge at Whitefish directly at (406) 863-4000. Be sure to identify yourself as being with the ACI-NA conference to receive the special group rate of \$200.00 USD single/double*

The room block at The Lodge at Whitefish Lake is currently sold out. We encourage you to continue to check back with the hotel as cancellations may occur and rooms could become available (406) 863-4000. We apologize for any inconvenience.

Grouse Mountain Lodge (2.6 mi) will offer ACI-NA a group rate of \$152.00 USD single/double occupancy plus applicable taxes. Be sure to identify yourself as being with the ACI-NA Group to receive the discounted rate. Please pay close attention to your Grouse Mountain Lodge reservation confirmation and note the cancellation policy. Please accordingly to avoid forfeiture of your deposit.

Grouse Mountain Lodge  
2 Fairway Drive  
Whitefish, MT 59937

occupancy plus applicable taxes and fees.

(406) 892-2525

The last day to receive this rate is **Friday, May 9, 2014**. Rooms may sell out before this date. Make your reservations early!

Whitefish Weather

Whitefish Convention & Visitors Bureau

Glacier Park International Airport

## WHO SHOULD ATTEND

Airport Directors

Airport Governing Board Members

Airport Commissioners

Airport Authority Members

Any professional interested in learning about aviation trends or meeting the industry's leaders

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## REGISTRATION INFORMATION

### Early Bird - until May 9, 2014

Members: \$690

Non-Members: \$985

U.S./Canadian Federal Government: \$475 (at all times)

### Regular - until June 1, 2014

Members: \$790

Non-Members: \$1,125

### Late - after June 1, 2014

Members: \$890

Non-Members: \$1,225

### To Register Online

Please have your credit ready to pay the registration fee and click "Register Now" here or the icon at the top left of the page.

### To Pay By Check:

Request a form to accompany your check for the registration fee at [meetings@aci-na.org](mailto:meetings@aci-na.org). Remit the completed form with the check to P.O.Box listed on the form.

### CANCELLATION/REFUND POLICY

Cancellations must be submitted in writing to [meetings@aci-na.org](mailto:meetings@aci-na.org)

May 9, 2014. Cancellations received by May 9, 2014 will receive a refund, less \$100 processing fee. Refunds will be processed after the conclusion of the conference. No refunds after the cancellation deadline date. No-shows are not eligible for refunds. Substitutions are honored at any time.

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1615 L Street NW, Suite 300 / Washington, DC 20036

Phone 202-293-8500 / Fax 202-331-1362

**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: 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: 4/29/14 PLANNED DATE OF DEPARTURE/RETURN: 7/19/14 / 7/21/14

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

Destination: Washington, DC Purpose: Attend ACRP Oversight Committee Meeting  
Explanation:

NOTE: The cost of the trip is being paid for by ACRP. The estimated expenses are for information only.

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

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 800.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ 600.00

C. MEALS \$ 200.00

D. SEMINAR AND CONFERENCE FEES \$

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$ 100.00

**TOTAL PROJECTED TRAVEL EXPENSE \$ 1800.00**

**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 May 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**

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: 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: 4/30/14 PLANNED DATE OF DEPARTURE/RETURN: 9/6/14 / 9/10/14

**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 ACI-NA Annual Conference  
Explanation: \_\_\_\_\_

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

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 600.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ 600.00

C. MEALS \$ 300.00

D. SEMINAR AND CONFERENCE FEES \$ 795.00

E. ENTERTAINMENT (If applicable) \$ \_\_\_\_\_

F. OTHER INCIDENTAL EXPENSES \$ 100.00

**TOTAL PROJECTED TRAVEL EXPENSE** \$ 2495.00

**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 May 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**

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: 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: 5/5/14 PLANNED DATE OF DEPARTURE/RETURN: 9/20/14 / 9/23/14

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

Destination: Chicago, IL Purpose: Attend 2014 World Routes Conference

Explanation:

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

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 500.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ 870.00

C. MEALS \$ 300.00

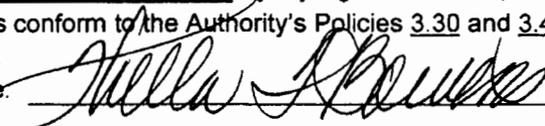
D. SEMINAR AND CONFERENCE FEES \$ 2300.00

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$ 100.00

**TOTAL PROJECTED TRAVEL EXPENSE** \$ 4170.00

**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: 5 May 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**

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**

**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: 3/29/2014 Return Date: 4/2/2014 Report Due: 5/2/14  
 Destination: \_\_\_\_\_

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.

<sup>3</sup> Business Expense Reimbursement Policy 3.30

<sup>4</sup> Travel and Lodging Expense Reimbursement Policy 3.40

	Authority Expenses (Prepaid by Athty)	Board Member Expenses							TOTALS
		SUNDAY 3/30/14	MONDAY 3/31/14	TUESDAY 4/1/14	WEDNESDAY 4/2/14	THURSDAY	FRIDAY	SATURDAY 3/29/14	
<b>Daily PerDiem Limitations:</b>									
**GSA Daily Hotel Rate or Conference Hotel Rate		201.60	201.60	201.60				201.63	
**GSA Daily Meals, Entertainment & Incidentals (ME&I)		95.00	95.00	95.00				71.25	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	481.41								0.00
Conference Fees (provide copy of flyer/registration expenses)	1,390.00								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 - <b>Excluding Taxes</b>		170.00	170.00	170.00				170.00	
<b>Allowable Hotel</b> (Lessor of Actual or GSA Allowance)		170.00	170.00	170.00	0.00	0.00	0.00	170.00	680.00
Hotel Taxes Paid		31.60	31.60	31.60				31.63	126.43
Telephone, Internet and Fax									0.00
Laundry									0.00
<b>Meals, Entertainment &amp; Incidentals (M,E&amp;I):</b>									
Meals (include tips pd.)									
Breakfast		20.30							
Lunch				22.92				22.62	
Dinner		48.63		47.98					
Other Meals		4.04							
Entertainment (Hospitality)									
Tips Paid to Maids, Bellhops and other hotel servers									
Taxi/Shuttle Fare (include tips pd.) To/From meal destination									
<b>Total Meals, Entertainment &amp; Incidentals</b>		73.15	0.00	47.92	0.00	0.00	0.00	22.62	
<b>GSA Allowance for M,E&amp;I (from above)</b>		95.00	95.00	95.00	0.00	0.00	0.00	71.25	
<b>Allowable M,E&amp;I</b> (Lessor of Actual or GSA Allowance)		73.15	0.00	47.92	0.00	0.00	0.00	22.62	143.69
Alcohol is a non-reimbursable expense									0.00
Miscellaneous: Foreign transaction fees as shown on credit card statement									0.00
									0.00
<b>Total Expenses</b>	1,871.41	274.75	201.60	249.52	0.00	0.00	0.00	224.25	950.12

Add any additional details as needed for explanation (attach add'l sheet if needed):

The exchange rate is based on credit card statement.

Alcohol is a non-reimbursable expense

<sup>1</sup> 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

<b>Grand Trip Total</b>	2,821.53
Less Cash Advance (attach copy of Authority ck)	
Less Expenses Prepaid by Authority	1,871.41
<b>Due Traveler</b> - if positive amount, prepare check request	
<b>Due Authority</b> - if negative, attach check payable to SDCRAA	950.12
<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 Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>5</sup> 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  
 Traveler Signature: Paul Robinson  
 Administrator's signature: \_\_\_\_\_

Ext.: 2408  
 Date: 4/28/14  
 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, Vice Chair Dept: Board/02

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

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

2. DATE OF REQUEST: 2/21/14 PLANNED DATE OF DEPARTURE/RETURN: 3/29/14 / 4/3/14

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

Destination: Mexico City, Mexico Purpose: Attend Chamber Event  
 Explanation: Attend California-Mexico Trade Initiative IX sponsored by the Mexico Business Center of the San Diego Regional Chamber of Commerce, March 30-April 3, 2014

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

**A. TRANSPORTATION COSTS:**

• AIRFARE	\$	525
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	100
B. LODGING	\$	850
C. MEALS	\$	100
D. SEMINAR AND CONFERENCE FEES	\$	1390
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	100
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	\$	<b>3065</b>

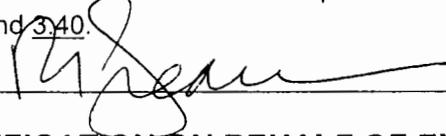
**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 2/24/14

**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: 3.1.14

**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 3/24/14 meeting.

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



TRAVELTRUST SCRIPPS RANCH  
Phone: 1-800-792-4662

## Electronic Invoice

Prepared For:  
ROBINSON/PAUL EDWARD

SALES PERSON	E4
INVOICE NUMBER	1210100
INVOICE ISSUE DATE	25 Feb 2014
RECORD LOCATOR	MMUFLB
CUSTOMER NUMBER	0000SDCRAA

Client Address

SAN DIEGO COUNTY REG AIRPORT AUTHORITY  
PO BOX 82776  
SAN DIEGO CA 92138-2776

Notes

YOUR UNITED ETICKET CONFIRMATION IS \*\* D37CNC \*\*  
 -----INVOICE/ITINERARY ACCOUNTING DOCUMENT-----  
 \*\*\*\*\*TICKETLESS TRAVEL INSTRUCTIONS\*\*\*\*\*  
 THIS IS AN E-TICKET RESERVATION.  
 A GOVERNMENT ISSUED PHOTO ID IS NEEDED AT CHECK IN  
 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.  
 \*\*\*\*\*TSA GUIDANCE FOR PASSENGERS\*\*\*\*\*  
 PLEASE ALLOW EXTRA TIME FOR SCREENING AND BOARDING  
 INTERNATIONAL-MINIMUM 3 HOUR CHECK-IN PRIOR TO DEPARTURE  
 DOMESTIC-MINIMUM 2 HOUR CHECK-IN PRIOR TO DEPARTURE  
 FOR ADDITIONAL SECURITY INFORMATION VISIT WWW.TSA.GOV  
 \*\*\*\*\*  
 FOR TRAVEL TO MEXICO  
 A US CITIZEN MUST HAVE A VALID PASSPORT  
 YOU CANNOT TRAVEL OUT OF THE UNITED STATES IF YOUR U.S.  
 PASSPORT EXPIRES WITHIN 6 MONTHS OF YOUR DEPARTURE DATE  
 \*\*\*\*\*  
 FOR EMERGENCY AFTERTHOUS SERVICE  
 WHILE IN MEXICO  
 PLEASE CALL 001-800-369-7815  
 THERE IS A MINIMUM 25USD CHARGE PER CALL  
 IF INTL AFTERTHOUR NUMBER DOES NOT WORK  
 DIAL DIRECT OR COLLECT 201-221-4462  
 \*\*\*\*\*  
 YOUR INTERNATIONAL TRAVEL MAY REQUIRE VACCINATIONS  
 PLEASE CHECK WWW.CDC.GOV FOR LATEST REQUIREMENTS  
 \*\*\*\*\*  
 INTER-EUROPE FARES MAY REQUIRE REISSUANCE AT TIME OF  
 CANCELLATION PLEASE CONTACT THE AIRLINE OR  
 TRAVELTRUST PRIOR TO CANCELLATION  
 \*\*\*\*\*

**DATE: Sat, Mar 29**

Flight: UNITED AIRLINES 6335 Operated by: /SKYWEST DBA UNITED EXPRESS

From	SAN DIEGO, CA	Departs	3:49pm
To	LOS ANGELES, CA	Arrives	4:36pm
Departure Terminal	R	Arrival Terminal	8
Duration	0hr(s) :47min(s)	Class	United Economy
Type	EMBRAER 120 TURBOPROP	Meal	
Stop(s)	Non Stop		
Seat(s) Details	ROBINSON/PAUL EDWARD	Seat(s) -	04A

DATE: Sat, Mar 29

Flight: UNITED AIRLINES 274

From	LOS ANGELES, CA	Departs	5:51pm
To	MEXICO CITY, MEXICO	Arrives	10:21pm
Departure Terminal	7	Arrival Terminal	1
Duration	03hr(s) :30min(s)	Class	United Economy
Type	AIRBUS INDUSTRIE A320 JET	Meal	Food for Purchase
Stop(s)	Non Stop		
Seat(s) Details	ROBINSON/PAUL EDWARD	Seat(s) - 32C	

DATE: Wed, Apr 02

Flight: UNITED AIRLINES 393

From	MEXICO CITY, MEXICO	Departs	4:25pm
To	HOUSTON GEO BUSH, TX	Arrives	7:42pm
Departure Terminal	1	Arrival Terminal	E
Duration	02hr(s) :17min(s)	Class	United Economy
Type	AIRBUS INDUSTRIE A319 JET	Meal	Food and Beverage for Purchase
Stop(s)	Non Stop		
Seat(s) Details	ROBINSON/PAUL EDWARD	Seat(s) - 29C	

DATE: Wed, Apr 02

Flight: UNITED AIRLINES 1687

From	HOUSTON GEO BUSH, TX	Departs	9:20pm
To	SAN DIEGO, CA	Arrives	10:48pm
Departure Terminal	C	Arrival Terminal	2
Duration	03hr(s) :28min(s)	Class	United Economy
Type	BOEING 737-900 JET	Meal	Food and Beverage for Purchase
Stop(s)	Non Stop		
Seat(s) Details	ROBINSON/PAUL EDWARD	Seat(s) - 27D	

DATE: Mon, Sep 29

Others

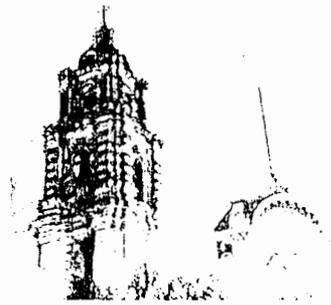
RESERVATION  
RETAINED FOR  
180 DAYS

### Ticket Information

<b>Ticket Number</b>	UA 7383211094	<b>Passenger</b>	ROBINSON PAUL EDWARD		
<b>Service Fee</b>	XD 0617894985	<b>Billed to:</b>	AX XXXXXXXXXXXX1012	USD	* 441.41
		<b>Passenger</b>	ROBINSON PAUL EDWARD		
		<b>Billed to:</b>	AX XXXXXXXXXXXX1012	USD	* 40.00
			<b>SubTotal</b>		USD 481.41
			<b>Net Credit Card Billing</b>		* USD 481.41
			<b>Total Amount Due</b>		USD 0.00

TRAVELTRUST IS OPEN MONDAY - FRIDAY FROM 5AM-530PM PST  
AND SATURDAY FROM 9AM-1PM PST - 760-635-1700.  
FOR EMERGENCY AFTERHOURS SERVICE IN THE US  
PLEASE CALL 888-221-6062 AND USE YOUR VIT CODE - S7NS0  
PLEASE NOTE THIS IS OUR NEW EMERGENCY NUMBER  
EACH EMERGENCY CALL IS BILLABLE AT A MINIMUM 25.00  
THANK YOU FOR CHOOSING TRAVELTRUST...SCOTT MACKERLEY

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.



**Start Time: Sunday, March 30 | 6:00 p.m.**  
**End Time: Thursday, April 3 | 2:00 p.m.**

**REGISTRATION OPTIONS (Please select)**

- \$1,300 per person before March 17<sup>th</sup>** (Regularly \$1,890)  
Includes all meals, meetings, receptions, ground transportation (except airport transfers).
- \$1,000 for Spouse/Companion**

**Final payment must be made no later than March 17, 2014.**  
**No refunds after March 17.**

**HOTEL (Please make your hotel and air reservations as soon as possible to secure the best possible rates)**

Hotel Presidente InterContinental Mexico, Campos Eliseos 218, Col. Polanco, México, D. F.

**MUST BOOK BY MARCH 1<sup>ST</sup> FOR SPECIAL RATE**

- **Special Rate: \$165 + tax.** When making your reservation, use the Group Code: "SAN DIEGO TRADE INITIATIVE"  
Tel: Toll Free from US—1(800) 344-0548, Toll Free from Mexico—01 (800) 502-0500; or +52 55 5327 7777

**FARE (Please check airline websites for schedule and fares)**

**Tijuana International Airport (The following airlines offer frequent daily nonstop flights between Tijuana and Mexico City)**

Aeromexico	<a href="http://aeromexico.com/us/welcome.html">http://aeromexico.com/us/welcome.html</a>	USA 1-800-237-6639; MEX 01-800 021-4000
Interjet	<a href="http://www.interjet.com">http://www.interjet.com</a>	USA 1-866-285-9525; MEX 01-800 011-2345
Volaris	<a href="http://volaris.com/">http://volaris.com/</a>	USA 1-866-988-3527; MEX 01-800 122-8000

**San Diego International Airport**

Volaris offers daily nonstop service between San Diego and Mexico City at the best rates: [www.volaris.com.mx](http://www.volaris.com.mx)  
Other Airlines: United — <http://www.united.com/> | US Airways — <http://www.usairways.com/>  
Delta — <http://www.delta.com/> | American Airlines — <http://www.aa.com/>

Paul Robinson

San Diego County Regional Airport Authority

3555 Harbor Drive, San Diego, CA 92161

Phone: (619) 417-2425 Mobile phone for emergencies: (619) 417-2173

Website: [www.sdrcc.org](http://www.sdrcc.org) Email: [dnickens@hechtsolberg.com](mailto:dnickens@hechtsolberg.com)

Registration Fee: \$1,300 (before March 17, 2014) Departure Date & Time: \_\_\_\_\_

Registration Fee: \$1,000 (for spouse/companion)

1. 3 Registration materials 4 Enrollment 1 1

2. 2 Meal and beverages 1 Maritime 1 Maritime activities 1

3. 1 Other 1 Other 1

**Return this form to: SDRCC Events, 402 West Broadway, Suite 1000, San Diego, CA 92101 or fax to 619-744-7470.**

**Please submit your biography and headshot to ktruong@sdchamber.org by March 17<sup>th</sup> to be included in program.**

Credit Card Number \_\_\_\_\_ Registered on file \_\_\_\_\_ Expiration Date \_\_\_\_\_

Visiting Card \_\_\_\_\_

\_\_\_\_\_ (If enclosed, please make check payable to San Diego Regional Chamber of Commerce)

**Translation will be provided for non-Spanish speaking participants. For additional information, contact us!**  
English: Katie — 619-544-1370, [ktruong@sdchamber.org](mailto:ktruong@sdchamber.org) | Spanish: Iván — 619-544-1398, [mbcintern@sdchamber.org](mailto:mbcintern@sdchamber.org)

**Order Confirmation for Anne Warren**

Your order from the San Diego Regional Chamber of Commerce has been submitted for processing. You will receive a confirmation e-mail with your order details in a few minutes.

Please click here to print out the confirmation below and save for your records.

**\* Please do not use the back button on the checkout page**

**ORDER CONFIRMATION**

Items Ordered from:

**San Diego Regional Chamber of Commerce**

**Billing Information**

San Diego County  
Regional Airport Authority  
Anne Warren  
P.O. Box 82776  
San Diego, CA 92138-2776

**Shipping/Contact Information**

Ship to: Billing Address  
Ship via: Standard Shipping  
Anne Warren  
  
Phone: (619) 400-2408  
Fax: (619) 400-2406  
awarren@san.org

**Payment Information**

Method: Visa  
Card #: xxxx-xxxx-xxxx-7926

Order Date: **2/28/2014** Order Number:  
**15803/54401** Reference: **VXJAB9170B2B**

The total amount owed has been charged to your credit card.

Description	Qty	Member Price	Ext. Price	Amt. Pd/Adj	Amt. Owed
-------------	-----	--------------	------------	-------------	-----------

**California-Mexico Trade Initiative, Mexico City IX (3/30/2014)**

Individual Reservation (Early Bird Price Ends 03/17, Regular Price: \$1890)	1	\$1,390.00	\$1,390.00	\$1,390.00	\$0.00
---	---	------------	------------	------------	--------

Individual  
Reservation  
(Early Bird  
Price Ends 03/17,  
Regular  
Price:  
\$1890)

1	\$1,390.00	\$1,390.00	\$1,390.00	\$0.00
---	------------	------------	------------	--------

---

Sub-Total \$2,780.00 \$2,780.00 \$0.00

---

Total \$2,780.00 \$2,780.00 \$0.00

PayPal has routed, processed, and secured your payment information. More information about VeriSign

Powered By **SBA**

# Per Diem for Mexico City, D.f., Mexico

**This location is OCONUS**

(Other than Continental United States)

<b>FY 2014</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>
Maximum reimbursable hotel amount (Lodging rate):	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244
Meals and Incidental Expenses (M&IE):	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95
Maximum per diem (M&IE+Lodging):	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339

**This month (April):**

**Max. reimbursable lodging/hotel rate is: \$244**

**The M&IE is: \$95**



Room No. 3515  
 Room Rate. 2206.05  
 No Persons. 1  
 Arrival 29/03/14  
 Departure 02/04/14  
 Page No. 1 of 2  
 Conf. No. 48783341  
 Cashier No. 125  
 User ID RCARDENAS

Mr Paul Robinson  
 Mexico

**INFORMATION INVOICE**

Membership No. :  
 A/R Number :  
 Group Code : S0D  
 Company Name : San Diego Regional Chamber of Commerce

02/04/14

Date	Description	Exchange Rate	Debits MXN	Credits MXN	Debits USD	Credits USD
29/03/14	*Accom Fit Rack	13.37	2,206.05		165.00	
29/03/14	Lodging Tax	13.37	66.18		4.95	
29/03/14	IVA	13.37	352.97		26.40	
30/03/14	Restaurante Room# 3515 : CHECK# 3078	13.37	54.00		4.04	
30/03/14	Mini-Bar - Food Line# 3515 : CHECK# ST355937	13.37	110.00		8.23	
30/03/14	Mini-Bar - Food Line# 3515 : CHECK# ST355937	13.37	-110.00		-8.23	
30/03/14	*Accom Fit Rack	13.37	2,206.05		165.00	
30/03/14	Lodging Tax	13.37	66.18		4.95	
30/03/14	IVA	13.37	352.97		26.40	
31/03/14	*Accom Fit Rack	13.37	2,206.05		165.00	
31/03/14	Lodging Tax	13.37	66.18		4.95	
31/03/14	IVA	13.37	352.97		26.40	
01/04/14	*Accom Fit Rack	13.33	2,206.05		165.50	
01/04/14	Lodging Tax	13.33	66.18		4.96	
01/04/14	IVA	13.33	352.97		26.48	





**Business Platinum Card®**  
 PAUL E ROBINSON APC  
 PAUL E ROBINSON  
 Closing Date 04/14/14

**OPEN**<sub>SM</sub>

**Payments and Credits**

**Summary**

	Pay In Full	Pay Over Time ♦	Total
Payments	-\$69.00	\$0.00	-\$69.00
Credits	\$0.00	\$0.00	\$0.00
<b>Total Payments and Credits</b>	<b>-\$69.00</b>	<b>\$0.00</b>	<b>-\$69.00</b>

**Detail**

\*Indicates posting date

**Payments**

**Amount**

04/01/14*	ELECTRONIC PAYMENT RECEIVED-THANK		-\$69.00
-----------	-----------------------------------	--	----------

**New Charges**

**Summary**

	Pay In Full	Pay Over Time ♦	Total
<b>Total New Charges</b>	<b>\$553.31</b>	<b>\$810.47</b>	<b>\$1,363.78</b>

**Detail**

♦ - denotes Pay Over Time activity

For more information, visit  
[americanexpress.com/payovertimeinfo](http://americanexpress.com/payovertimeinfo)



**PAUL E ROBINSON**  
 Card Ending 4-31000

		Foreign Spend	Amount
03/14/14	<del>BROOKLYN GIRL CATERERS SAN DIEGO CA</del> RESTAURANT FOOD/BEVERAGE \$78.03 TIP \$7.00		<del>\$85.03</del>
03/18/14	<del>BROOKLYN GIRL CATERERS SAN DIEGO CA</del> RESTAURANT FOOD/BEVERAGE \$76.95 TIP \$8.00		<del>\$84.95</del>
03/23/14	<del>NEW YORK TIMES NEW YORK NY</del> 1-800-698-4637 Description FOR BILLING QUESTIO ACCT: 887365120 B		<del>\$1.00</del>
03/25/14	<del>BROOKLYN GIRL CATERERS SAN DIEGO CA</del> RESTAURANT FOOD/BEVERAGE \$27.94 TIP \$7.00		<del>\$34.94</del>
03/26/14	<del>BROOKLYN GIRL CATERERS SAN DIEGO CA</del> RESTAURANT FOOD/BEVERAGE \$53.05 TIP \$13.00		<del>\$66.05</del>
03/29/14	<del>DNIG TRAVEL LAX F 5106 ANGELES CA</del> 3102155147 TIP \$3.00		<del>\$3.00</del>
03/30/14	AU PIED DE COCHON MEMEXICO DI AV CAMPOS ELISEOS 218 PO SU CONSUMO		637.15 Mexican Pesos \$48.81

*Ron Anderson*

*Wilson*

*Ellis*

*Lunch*

*Breakfast Dinner*

*need receipt*

*need receipt*

**Detail Continued**

◆ - denotes Pay Over Time activity

				Foreign Spend	Amount
03/30/14	SAKS POLANCO MEXICO MEXICO LAMARTINE 526 MEXICO SU CONSUMO	DI	<del>Exp</del> Nesem Breakfast	265.00 Mexican Pesos	\$20.30 ✓
<del>04/01/14</del>	<del>INTERCONTINENTAL MEXICO</del> CAMPOS ELISEOS 218 POLAN SU CONSUMO	DI	KVINS Cook	210.00 Mexican Pesos	<del>██████</del>
04/02/14	<del>RUBY'S DINER #644 00HOUSTON TX</del> FAST FOOD RESTAURANT FOOD/BEVERAGE TIP		<del>Dinner</del>		<del>██████</del>
				\$23.22 \$4.00	
04/02/14	RUBY'S DINER #644 00HOUSTON FAST FOOD RESTAURANT FOOD/BEVERAGE TIP	TX			\$14.98 ✓
				\$12.98 \$2.00	
04/02/14	PRESIDENTE INTERCONTMEXICO CAMPOS ELISEOS 218 POLAN SU COMPRA	DI	Hotel	10,554.80 Mexican Pesos	\$810.47 ◆ - 4.04 food 806.43
04/02/14	BALMORAL MEXICO DISTMEXICO CAMPOS ELISEOS 218 POLAN SU CONSUMO	DI	lunch	429.00 Mexican Pesos	\$32.94 <i>re comp</i>
04/11/14	<del>BROOKLYN GIRL BAKERY SAN DIEGO CA</del> RESTAURANT FOOD/BEVERAGE TIP		Personal Reimb ATR		<del>██████</del>
				\$42.93 \$5.00	

**Fees**

	Amount
Total Fees for this Period	\$0.00

**Interest Charged**

	Amount
Total Interest Charged for this Period	\$0.00

**2014 Fees and Interest Totals Year-to-Date**

	Amount
Total Fees in 2014	\$0.00
Total Interest in 2014	\$10.12

Gracias por su preferencia



Gracias por su preferencia



SAKS POLANCO  
LAMARTINE 526  
0351340002a  
67500773



Gracias por su preferencia

# SAKS

SAKS POLANCO SA DE CV  
Lamartine No 526, Col Chapultepec  
Morales, CP 11570, Mexico DF  
R.F.C. SP00409083I1  
5545-6506  
administracionpolanco@saks.com.mx  
Terminal POS: ESPEJOS

-----Nota de Consumo-----

## Mesa: E13

NUMERO : 0060839

Mesa # : E13 Fecha: 30/03/2014

Mesero : PATRICIO SANTOS SALAS

Cajero : MIRIAM P. Hora 11:52:11

# Pers : 3 Comandas: 3

Apertura: 10:30 Tiempo/E: 1H:22M

CANT DESCRIPCION MONTOS

1.00	PZA JUGO TORONJA	0.00
2.00	PZA JUGO NARANJA	0.00
1.00	PZA OMELETTE CHAMPINON	214.00
1.00	PZA ENCHILADAS	230.00
1.00	PZA HUEVOS AL GUSTO	229.00
1.00	PZA AGUA 500ML	17.00

TOTALES : 690.00

CARGO X SERVICIO: 105.00

TOTALES : 795.00

(Setecientos Noventa Y Cinco Pesos 00/100)

x Persona: 230.00 / 265.00

>> Pago: TARJETA> 795.00 VISA->0198/AMEX->1000/MASTERCAR D->0157/

>> Recibe: 795.00

>>CARGO X SERVICIO:105.00

>> Cambio: 0.00

Sistema: www.ambit.com.mx Vers.13.05a

NO DE CUPITA: XXXXXXXXXXX-1000 D 02 15  
AMERICAN EXPRESS  
MAR 30 11:50 APROBACION 000065  
TIPO TRANSACCION VENTA  
CARGO 000690 TERMINAL 67500773  
RRN: 0004022631 LOTE:000049  
Gracias por su preferencia  
DESCRIPCION DE LA COMPRA/SERVICIO  
SU CONSUMO

### CARGO REGULAR

AMERICAN EXPRESS  
Gracias por su preferencia  
IMPORTE CONSUMO  
PROPINA: \$35.00

TOTAL: \$265.00

Gracias por su preferencia  
AMERICAN EXPRESS  
Gracias por su preferencia

FIRMA:  
ROBINSON PAUL E



XX CORTA CLIENTE XX



AKWEB770E7

2030

Gracias por su preferencia



Gracias por su preferencia

COMPROBANTE SIMPLIFICADO  
QUE SE APEGA AL ART 51 DEL  
R.C.F.F. Y FORMA PARTE DE LA  
FACTURA GLOBAL.

EMITIDO EN:  
LAMARTINE NO 526, COL CHAPULTEPEC  
MORALES, CP 11570, MEXICO DF

0730-4

Server: RAUL C

Rec:393

04/02/14 20:52, Swiped 1: 51 Term: 5

Ruby's Diner

IAH

3870 N Terminal Rd

(281)821-1828

MERCHANT #: 67071730196

CARD TYPE ACCOUNT NUMBER  
AMERICAN EXPRES XXXXXXXXXXXX1000

Name: PAUL E ROBINSON

00 TRANSACTION APPROVED

AUTHORIZATION #: 525809

Reference: 0402010400730

TRANS TYPE: Credit Card SALE

CHECK : 12.98

TIP : 2.00

TOTAL : 14.98

X

\*\*\* Duplicate Copy\*\*\*

CARDHOLDER WILL PAY CARD ISSUER ABOVE  
AMOUNT PURSUANT TO CARDHOLDER AGREEMENT

\*\*\*\*\*

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**MISSING RECEIPT FORM**

Board Member/Executive Committee Member must complete form below.

Date of Purchase/Event: 3/29/14

Description of Item/Event: Lunch – Salad, sandwich and tea

Vendor/Event Name: LAX en route to Mexico City to attend California-Mexico Trade Initiative IX sponsored by SD Chamber of Commerce

Dollar Amount: \$22.62

Reason for Missing Receipt: Did not receive a receipt

No alcohol was purchased.

I hereby certify that the original receipt in question was lost or none was issued to me.



Board Member Signature

4/28/14

Date



Executive Committee Member Signature

4.29.14

Date

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**MISSING RECEIPT FORM**

Board Member/Executive Committee Member must complete form below.

Date of Purchase/Event: 3/30/14

Description of Item/Event: Dinner – French Onion Soup and Grilled Ahi

Vendor/Event Name: Au Pied de Cochon while attending California-Mexico Trade Initiative IX sponsored by the SD Chamber of Commerce  
Dollar Amount: \$48.81

Reason for Missing Receipt: Cannot locate receipt

No alcohol was purchased.

I hereby certify that the original receipt in question was lost or none was issued to me.

Paul E Rob  
Board Member Signature

4/28/14  
Date

[Signature]  
Executive Committee Member Signature

4-29-14  
Date

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**MISSING RECEIPT FORM**

Board Member/Executive Committee Member must complete form below.

Date of Purchase/Event: 3/30/14

Description of Item/Event: Coffee

Vendor/Event Name: Mexico City Intercontinental Hotel to attend California-Mexico Trade Initiative IX sponsored by the SD Chamber of Commerce  
Dollar Amount: \$4.04

Reason for Missing Receipt: Did not receive a receipt (charge was on hotel bill)

No alcohol was purchased.

I hereby certify that the original receipt in question was lost or none was issued to me.

  
\_\_\_\_\_  
Board Member Signature

4/28/14  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Executive Committee Member Signature

4-29-14  
\_\_\_\_\_  
Date

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**MISSING RECEIPT FORM**

Board Member/Executive Committee Member must complete form below.

Date of Purchase/Event: 4/2/14

Description of Item/Event: Lunch

Vendor/Event Name: Balmoral Mexico Dist while attending California-Mexico Trade Initiative IX sponsored by the SD Chamber of Commerce

Dollar Amount: \$32.94

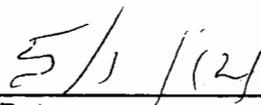
Reason for Missing Receipt: Cannot locate receipt

No alcohol was purchased.

I hereby certify that the original receipt in question was lost or none was issued to me.



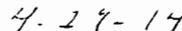
Board Member Signature



Date



Executive Committee Member Signature



Date

**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: 01/17/14  
 Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 01/17/14 PLANNED DATE OF DEPARTURE/RETURN: 04/27/14 / 04/09/14

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: Attend the Airport Concessions, Finance, Human Capital and Legal Conference  
 Explanation: and participate on panel for

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

<b>A. TRANSPORTATION COSTS:</b>	
• AIRFARE	\$ 550.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 150.00
<b>B. LODGING</b>	\$ 800.00
<b>C. MEALS</b>	\$ 250.00
<b>D. SEMINAR AND CONFERENCE FEES</b>	\$ 450.00
<b>E. ENTERTAINMENT (If applicable)</b>	\$
<b>F. OTHER INCIDENTAL EXPENSES</b>	\$ 150.00
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	\$ 2350.00

**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 Bowens Date: 20 Jan 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**

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 1/24/14 meeting.  
 (Leave blank and we will insert the meeting date.)



TRAVELTRUST SCRIPPS RANCH  
Phone: 1-800-792-4662

## Electronic Invoice

**Prepared For:**  
BOWENS/THELLA

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	1210481
INVOICE ISSUE DATE	19 Mar 2014
RECORD LOCATOR	ABYUFA
CUSTOMER NUMBER	0000SDCRAA

**Client Address**

SAN DIEGO COUNTY REG AIRPORT AUTHORITY  
PO BOX 82776  
SAN DIEGO CA 92138-2776

**Notes**

YOUR UNITED ETICKET CONFIRMATION IS \*\* BMP5PQ \*\*  
-----INVOICE/ITINERARY ACCOUNTING DOCUMENT-----  
\*\*\*\*\*TICKETLESS TRAVEL INSTRUCTIONS\*\*\*\*\*  
THIS IS AN E-TICKET RESERVATION.  
A GOVERNMENT ISSUED PHOTO ID IS NEEDED AT CHECK IN  
A PORTION OF THIS TRIP MAY BE REFUNDABLE. PLEASE RETURN  
UNUSED PORTIONS TO TRAVELTRUST FOR POSSIBLE REFUND.  
\*\*\*\*\*  
\*\*\*\*\*TSA GUIDANCE FOR PASSENGERS\*\*\*\*\*  
PLEASE ALLOW EXTRA TIME FOR SCREENING AND BOARDING  
INTERNATIONAL-MINIMUM 3 HOUR CHECK-IN PRIOR TO DEPARTURE  
DOMESTIC-MINIMUM 2 HOUR CHECK-IN PRIOR TO DEPARTURE  
FOR ADDITIONAL SECURITY INFORMATION VISIT WWW.TSA.GOV  
\*\*\*\*\*

**DATE: Sun, Apr 06**

**Flight: UNITED AIRLINES 6322 Operated by: /SKYWEST DBA UNITED EXPRESS**

From	SAN DIEGO, CA	Departs	9:06am
To	LOS ANGELES, CA	Arrives	9:55am
Departure Terminal	R	Arrival Terminal	8
Duration	0hr(s) :49min(s)	Class	United Economy
Type	EMBRAER 120 TURBOPROP	Meal	
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 10B	UA - XXXXXX

**DATE: Sun, Apr 06**

**Flight: UNITED AIRLINES 5193 Operated by: /SKYWEST DBA UNITED EXPRESS**

From	LOS ANGELES, CA	Departs	11:30am
To	DALLAS FT WORTH, TX	Arrives	4:32pm
Departure Terminal	8	Arrival Terminal	E
Duration	03hr(s) :02min(s)	Class	United Economy
Type	CRJ-700 CANADAIR REGIONAL JET	Meal	Food and Beverage for Purchase
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 08B Economy Plus Seat Confirmed	UA - XXXXXX

**DATE: Wed, Apr 16**

**Flight: UNITED AIRLINES 4396 Operated by: /EXPRESSJET AIRLINES DBA UNITED EXPRESS**

From	DALLAS FT WORTH, TX	Departs	11:34am
To	HOUSTON GEO BUSH, TX	Arrives	12:41pm
Departure Terminal	E	Arrival Terminal	B
Duration	01hr(s) :07min(s)	Class	United Economy
Type	EMBRAER JET	Meal	
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 03A Economy	UA - XXXXXX
		Plus Seat	
		Confirmed	

**DATE: Wed, Apr 16**

**Flight: UNITED AIRLINES 401**

From	HOUSTON GEO BUSH, TX	Departs	3:34pm
To	SAN DIEGO, CA	Arrives	5:03pm
Departure Terminal	C	Arrival Terminal	2
Duration	03hr(s) :29min(s)	Class	United Economy
Type	AIRBUS INDUSTRIE A320 JET	Meal	Food for Purchase
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 10C Economy	UA - XXXXXX
		Plus Seat	
		Confirmed	

**DATE: Mon, Oct 13**

**Others**

RESERVATION  
RETAINED FOR  
180 DAYS

**Ticket Information**

<b>Ticket Number</b>	UA 7388723101	<b>Passenger</b>	BOWENS THELLA		
		<b>Exchange</b>	UA 1965815724		
		<b>Billed to:</b>	AX XXXXXXXXXXXXX	USD	* 278.20
<b>Service Fee</b>	XD 0618806627	<b>Passenger</b>	BOWENS THELLA		
		<b>Billed to:</b>	AX XXXXXXXXXXXXX	USD	* 30.00
			<b>SubTotal</b>	USD	308.20
			<b>Net Credit Card Billing</b>	* USD	308.20
					-----
			<b>Total Amount Due</b>	USD	0.00

TRAVELTRUST IS OPEN MONDAY - FRIDAY FROM 5AM-530PM PST AND SATURDAY FROM 9AM-1PM PST - 760-635-1700. FOR EMERGENCY AFTERHOURS SERVICE IN THE US PLEASE CALL 888-221-6062 AND USE YOUR VIT CODE - S7NS0 PLEASE NOTE THIS IS OUR NEW EMERGENCY NUMBER EACH EMERGENCY CALL IS BILLABLE AT A MINIMUM 25.00 THANK YOU FOR CHOOSING TRAVELTRUST...SCOTT MACKERLEY

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.

**Caldera G. Amy**

**From:** meetings@aci-na.org  
**Sent:** Wednesday, February 19, 2014 2:12 PM  
**To:** Bowens Thella  
**Subject:** Your Purchase Information

Dear Ms. Thella F. Bowens,

Thank you for registering.

**Purchase Information**

Date of Purchase: **Feb 19 2014 5:12PM**  
**Ms. Thella F. Bowens**  
Purchase Number: **2948**  
Payment method: **Credit card**  
Card Type: **VISA**  
Credit Card Number: \*\*\*\*\*  
Order Number: **70975.00**  
Transaction Numbers:



Airports Council International - NA  
1775 K St, NW Ste 500  
Washington, D.C. 20006

**Detail**

Code	Type	Description	Quantity	Unit Price	Total
14450/REG	MEETING	Conference Registration Fee	1	\$780.00	\$780.00
				Total:	\$780.00
				Total Payments:	-\$780.00
				Balance:	\$0.00

**Registration Detail**

Registrant ID	Registrant Name	Meeting	Confirmation Number
4105	Ms. Thella F. Bowens	2014 Airport Concessions, Finance & Human Capital Conf.	70975

Westin Galleria Dallas  
 13340 Dallas Parkway  
 Dallas, TX 75240  
 (972) 934-9494  
 http://www.thewestingalleriadallas.com



Bowens, Thella Page Number 1  
 Aaa Preferred Guest Number 780336 Arrive Date 04-06-2014 17:33  
 Account [REDACTED] Folic ID A Depart Date 04-09-2014 11:14  
 [REDACTED] No. Of Guest 1 Agent JWEISEL  
 4762  
 Room Number 1609  
 Time 04-09-2014 11:20

Invoice

Date	Reference	Description	Charges	Credits
04-06-2014	RT1609	Room Charge	\$189.00	
04-06-2014	RT1609	2% DTPID Fee	\$3.78	\$217.84
04-06-2014	RT1609	City Occupancy Tax	\$13.49	
04-06-2014	RT1609	State Occupancy Tax	\$11.57	
04-07-2014	RT1609	Room Charge	\$189.00	\$
04-07-2014	RT1609	2% DTPID Fee	\$3.78	
04-07-2014	RT1609	City Occupancy Tax	\$13.49	
04-07-2014	RT1609	State Occupancy Tax	\$11.57	\$217.84
04-08-2014	RT1609	Room Charge	\$189.00	
04-08-2014	RT1609	2% DTPID Fee	\$3.78	
04-08-2014	RT1609	City Occupancy Tax	\$13.49	\$
04-08-2014	RT1609	State Occupancy Tax	\$11.57	
04-08-2014	4515	2nd Floor Restaurant	\$15.15	
04-09-2014	AX	[REDACTED]		\$-668.67
		** Total	\$668.67	\$-668.67
		** Balance	\$0.00	

\*\*\*For Authorization Purpose Only\*\*\*

THELLA F BOWENS

Date	Credit Card	Code	Authorized
04-06-2014	[REDACTED]	524269	1,020.60

Tell us about your stay. [www.westin.com/reviews](http://www.westin.com/reviews)

**RECEIPTS FROM TRAVEL TO DALLAS**  
**April 6-9 2014 —THELLA F. BOWENS**

**YELLOW CAB DFW**  
 (214)426-6262 or (817)426-6262  
 (See reverse side of receipt for instructions  
 how to download our mobile app)

Amount/Cuenta: \$57.00 Date/Fecha: 4/6/14  
 Trip From/Viaje de: DFW  
 To/Destinacion: WESTIN HOTEL, DALLAS  
 Driver/Taxista: \_\_\_\_\_  
 ID#: \_\_\_\_\_ Taxi #: \_\_\_\_\_



The Grill on the Alley Dallas  
 13270 Dallas Pkwy  
 Dallas, TX 75240  
 (214)459-1601

Server: Team 3 04/06/2014  
 Table 43/2 9:14 PM  
 Guests: 0  
**#70045**

Arnold Palmer	3.95
Mixed Green Salad	9.50
Gra. Appetizer	17.75
Refills	0.00
Cream Corn Side	9.00
Fruit Cobbler	8.00

Subtotal	48.20
Tax	3.98
<b>Total</b>	<b>52.18</b>

**Balance Due 52.18**

the grill on the Alley Dallas  
 13270 Dallas Pkwy  
 Dallas, TX 75240  
 (214)459-1601

Server: Team 3 DOB: 04/06/2014  
 09:22 PM 04/06/2014  
 Table 43/2 7/70045

SALE

████████████████████ 6291484  
 Card #XXXXXXXXXX ██████████  
 Magnetic card present: BOWENS THELLA F  
 Card Entry Method: S

Approval: 549648

Amount: \$ 52.18  
 + Tip: 9.64  
 = Total: \$ 61.82

Tax shown includes MB Sales Tax

Quick Guide  
 (18%) = 8.68  
 (20%) = 9.64

I agree to pay the above  
 total amount according to the  
 card issuer agreement.

X

Grill on the Alley Dallas  
 (18%)= 8.68  
 (20%)= 9.64  
 (22%)= 10.60

**RECEIPTS FROM TRAVEL TO DALLAS**  
**April 6-9 2014 —THELLA F. BOWENS**

Give Love  
 13350 Dallas Parkway  
 Dallas, TX 75240

Give Mi Cocina  
 13350 Dallas Parkway  
 Dallas, TX 75240

Server: RICARDO 04/07/2014  
 17/2 12:27 PM  
 Guests: 1 30017

Server: RICARDO DOB: 04/07/2014  
 12:39 PM 04/07/2014  
 17/2 3/30017

# 1 8.95  
 Subtotal 8.95  
 State Tax 0.74  
 Total 9.69  
 Balance Due 9.69

SALE  
 5242894  
 Card #XXXXXXXXXX  
 Magnetic card present:  
 Card Entry Method: S  
 Approval: 586109

Give Love  
 Give Mi Cocina

Amount: \$ 9.69  
 + Tip: 1.94  
 = Total: \$ 11.63

X  
 Sequence #: 67

Give Love  
 Give Mi Cocina  
 Give A Gift Card

THE SECOND FLOOR  
 WESTIN GALLERIA DALLAS  
 DALLAS, TX 75240  
 2036 KELLY M

1 1 / 4 4515  
 APR 08 14 1 15 PM

1 DEVILED EGGS 8.00  
 1 FRIES 4.00  
 SW. POTATO  
 \*SPEC PREP  
 FOOD 12.00  
 AUTOMATIC 18% 2.16  
 SALES TAX 0.99  
 BAL DUE \$ 15.15

\*\*\*\*\* FOR ROOM CHARGE ONLY\*\*\*\*\*  
 ROOM # \_\_\_\_\_

PRINT NAME \_\_\_\_\_

GRATUITY \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

SIGNATU \_\_\_\_\_



Conference Mobile Website  
[www.aci-na.org/dfw](http://www.aci-na.org/dfw)



**AIRPORTS COUNCIL  
INTERNATIONAL**

**2014 ACI-NA Airport Concessions, Finance, Human Capital  
and Legal Affairs Conference Agenda**  
(Updated as of Jan. 18th, 2014)

**April 7-9, 2014 • Westin Galleria Hotel • Dallas, TX**

**Host Airport**





Follow Tracks Using Icons

 <b>Commercial Management</b>	 <b>Finance</b>
 <b>Human Resources</b>	 <b>Legal Affairs</b>

Monday, April 7, 2014

8:00am – 6:00pm **Registration**

8:00am – 8:45am **Continental Breakfast**

8:30am – 5:00pm **Committee Business Day**  
*(Open to all registered attendees)*

10:00am – 12:00pm **Business Diversity Committee Meeting**



**Commercial Management Committee**

12:00pm – 1:00pm **Lunch**

2:30pm – 3:00pm **Networking Break**

3:00pm – 4:30pm **Commercial Management Committee Meeting**



**Finance Committee**

8:30am – 9:30am **Airport/Airline Business Working Group**

9:30am – 9:45am **Networking Break**

9:45am – 10:45am **Accounting and Financing Working Group**

10:45am – 11:00am **Networking Break**

11:00am – 12:00pm **PFC Working Group**

12:00pm – 1:00pm **Lunch**

1:00pm – 2:00pm **Strategic Planning and Performance Management Working Group**

2:00pm – 2:15pm **Networking Break**

2:15pm – 4:00pm **Finance Committee Meeting**



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**Human Resources Committee**

- 1:00pm – 2:00pm Workforce Planning: Case Study
  - 2:00pm – 3:00pm HR Roundtable Discussions
  - 3:00pm – 3:15pm Networking Break
  - 3:15pm – 5:00pm ACRP's Leadership Development Pilot Program Results
- 



**Legal Affairs Committee**

- 9:00am – 9:15am Welcome and Opening Remarks
  - 9:15am – 10:30am Litigation Update Session: Recent development in important litigation involving airports will be discussed. [Closed to non-airport counsel representing issues adverse to airports, except those speaking as retained counsel]
  - 10:30am – 10:45am Networking Break
  - 10:45am – 11:15am FAA Legal Update Session
  - 11:15am – 12:00pm TBD
  - 12:00pm – 1:00pm Lunch
  - 1:00pm – 2:00pm TSA/CATSA Legal Update Session
  - 2:00pm – 3:00pm Airport Legal Ethics – Part 1
  - 3:00pm – 3:15pm Afternoon Break
  - 3:15pm – 4:00pm Airport Legal Ethics – Part 2
  - 4:00pm – 5:00pm TBD
  - 5:30pm – 7:00pm **Welcome Reception**
- 

Tuesday, April 8, 2014

- 7:30am – 4:45pm Registration
  - 7:30am – 8:30am Continental Breakfast
  - 8:30am – 8:45am Welcome and Opening Remarks
  - 8:45am – 9:45am General Session 1: Keynote Speech
  - 9:45am – 10:00am Networking Break
-



10:00am – 11:15am



**Session 1A: Creative Airport Financing Approaches and Techniques**

What are the innovative ways to finance all or pieces of our airports? What legal liability, contract drafting, and tax issues are associated with these new techniques? This session aims to explore the growing number of diverse techniques being implemented at North American airports, in an effort to become more financially sustainable entities. With the use of case studies, a wide variety of topics (including creative debt financing, bank loans, AMT vs. non-AMT bonds, revenue diversion issues and the use of separate corporations for non-aeronautical businesses) will be scrutinized in order to enhance our collective understanding of these evolving financing approaches.

**Moderators:** Patrick Heck, CFO, Denver International Airport  
 Jeff Letwin, Managing Partner, Schnader Harrison Segal Lewis LLP

**Speaker:** Mike Newman, Senior Vice President, Public Finance, FirstSouthwest

10:00am – 11:15am

**Session 1B:**



10:00am – 11:15am

**Session 1C:**



11:15am – 11:30am

**Networking Break**

11:30am – 12:30pm



**Session 2A: Living Wages**

This session will address legal and operational issues arising from various living wage ordinances and statutes throughout the U.S. Panelists will compare and contrast laws enacted that impact airports, including: who is covered, how are living wages calculated, benefits as part of wages, impact of the Affordable Care Act, and other legal and business consequences. The recent decision on the Sea-Tac ordinance in King County, WA will be discussed.

11:30am – 12:30pm



**Session 2B: Strategies to Manage Your Pension and OPEB Liabilities**

What's the best way to manage your pension and OPEB liabilities? Are you charging the airlines for the net expenditure, or accrual balances, or not charging the airlines at all? How do you make these policy decisions? How are the airlines reacting to your policy decisions? This session will explore the various ways that this difficult territory can be navigated in the airport arena.

**Moderators:** Stan Van Ostran, Vice President and CFO, Metropolitan Nashville Airport Authority  
 John Weerdenburg, Vice President and CFO, Ottawa Macdonald-Cartier International Airport Authority

**Speakers:** Dale Feldpausch, Director Finance & Administration, Capital Region Airport Authority  
 Capital Region International Airport  
 Max Underwood, VP, Finance, Dallas/Fort Worth International Airport  
 Lewis Ward, Consultant, Gabriel Roeder & Smith  
 Ryan Yakubik, Interim CFO, Los Angeles World Airports



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12:30pm – 2:00pm    **Networking Lunch**

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12:30pm – 2:00pm    **Associate Lunch with CFOs (Invite only)**

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2:00pm – 3:15pm



**Session 3A: Emerging Car-Sharing Services & Rental Car Facilities**

This session will address emerging legal and commercial issues in airport ground transportation, including green taxicabs, Uber and other mobile apps, price-gouging, food truck permits and pilot programs, and fee approaches for off-site hotels offering long-term parking.

**Moderator:** Rebecca Ramsey, Assistant Director of Properties, Metropolitan Nashville Airport Authority

**Speakers:** Stephanie Box, Consultant, LeighFisher  
Jim Branda, Vice President, Ricondo & Associates

2:00pm – 3:15pm



**Session 3B: Sharing Information with Your Board**

What information do you provide to your Board? In this roundtable session, the top issues associated with sharing information with the Board of Directors or your City Council will be identified and discussed (including effectively managing Board discussions while complying with open meetings laws and open records laws, and maintaining attorney-client confidences).

**Moderator:** Susan Warner-Dooley, VP, National Director Aviation, Strategic, Business and Financial Planning, HNTB Corporation

**Speakers:** Robert Watson, Senior Vice President and CLO, Metropolitan Nashville Airport Authority  
Chellie Cameron, Deputy Director of Aviation, Philadelphia Division of Aviation Philadelphia International Airport

2:00pm – 3:15pm



**Session 3C: CEO Panel Discussion**

The human resources and financial professional element in today's workforce planning structure has never been more important because by working in tandem they (1) can assist management in creating an effective strategic workforce plan by providing tools and techniques that can be easily implemented; (2) they can show how, regardless of size and budget, an effective workforce plan can support a company's strategic business plan and economic strategy; and (3) they offer a fluid definition of what workforce planning consists of in order to keep the process moving forward with minimal disruptions.

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3:15pm – 3:30pm    **Networking Break**

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3:30pm – 4:45pm



**Session 4A: Airport Land Revenue Development**

Many airports have vacant land acquired for noise abatement or other purposes. This land can be developed for compatible purposes resulting in significant revenue to the airport. This session will provide examples of innovative development ideas that airports have engaged in.

**Moderator:** Ken Buchanan, Executive Vice President of Revenue Management, Dallas/Fort Worth International Airport

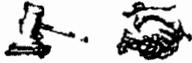
**Speakers:** Randy Forister, Senior Director of Real Estate Development, Allegheny County Airport Authority  
Myron Keehn, Vice President of Commercial Development, Edmonton International Airport  
John Terrell, Vice President of Commercial Development,




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Dallas/Fort Worth International Airport

3:30pm – 4:45pm



**Session 4B: Hot Topics in Employment Law**

- The Business Implications of Same Sex Marriage and the Impact of the Supreme Court case Windsor v U.S.
  - History, Background
  - Governmental Pronouncements post – Windsor
  - Post-Windsor Case Law
- FMLA and the interplay with Windsor and other laws, especially
  - Disability
  - Intermittent leave
- A Termination Checklist—what to say when you are terminating an employee, and how to get to that point (Documentation!)
- Overtime issues in the electronic age – is an “email curfew” necessary?

3:30pm – 4:45pm



**Session 4C: Canadian Airports HR Session**

Wednesday, April 9, 2014

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8:00am – 12:30am Registration

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8:00am – 8:45am Continental Breakfast

8:45am – 10:00am

**General Session 2: Airport-Airline Roundtable**

After the huge success of the session at last year’s conference, the Airport-Airline Roundtable is back! This panel discussion provides a valuable cross-section of airline and airport operator perspectives, who will reflect on our ever-changing operating environment and how this affects the delicate relationship between these two key industry components. This year we will explore a wider range of topics than ever before to include issues related to finance, commercial development, legal and human resources, not only to the US but also Canadian airports.

Moderator: Borgan Anderson, Director, Aviation Finance and Budget, Seattle Tacoma International Airport

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10:00am – 10:15am Networking Break

10:15am – 11:30am



**Session 5A: Concessions Environmental Initiatives: The Carrot or the Stick – What is More Effective?**

A panel that will get into the nuts and bolts. We will talk about coffee ground recycling (how many pounds per day, how it is transported, how much extra labor, cost to concessionaire, revenue from it, etc.). We will also discuss changes in allowable products (Styrofoam, recycled paper, plant plastic cutlery, etc.) and how it impacts business. An airport case study will explore what it takes to implement an advanced program - how many bins required, how to fit them in, cost to airport, how much space needed for collection dumpsters, etc.

Moderator: Alan Gluck, Director of Business Development, AIRMALL USA, Inc.



10:15am – 11:30am



**Session 5B: Changes In Passenger Facilitation**

How customers view and use our airports is changing more than ever in the era of rapidly developing technology. Processes, funding schemes and infrastructure needs have to adjust as new products come online designed to address problems in the travel environment. This panel will explore the latest innovations in passenger facilitation and look toward the future for other technologies that could change the way we do business.

10:15am – 11:30am



**Session 5C:**

11:30am – 11:45am

**Networking Break**

11:45am – 12:30pm

**General Session 3: ACI-NA Committee Insight – Learn about Other Committees: Achievements, Hot Topics & Issues**

Speakers will include Chairs of the Business Diversity, Commercial Management, Finance, Human Resources, and Legal Affairs Committees.

**Moderator:** Deborah McElroy, Executive Vice President, Policy and External Affairs, ACI-NA

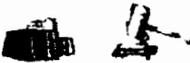
**Speakers:** Lervert Hood, Audit Manager, Hartsfield-Jackson Atlanta International Airport  
Cindy Nichol, Deputy Director/CFO, Port of Portland  
Robert C. Watson, Senior Vice President and Chief Legal Officer, Metropolitan Nashville Airport Authority  
Deanna Zachrisson, Head of Travel Dining and Retail, Aviation Business Development, Seattle-Tacoma International Airport  
Robert C. Watson, Senior Vice President and Chief Legal Officer, Metropolitan Nashville Airport Authority

12:30pm – 2:00pm

**Keynote Luncheon: Sean Donohue, CEO, Dallas/Fort Worth International Airport**

2:00pm – 3:00pm

**Session 6A: ACDBE Issues of Airport Concessions**



2:00pm – 3:00pm

**Session 6B: Driving Performance Through Measurement**

How can we best achieve our performance objectives? This session will explore the ways in which airports are using measurements as a form of benchmarking in order to drive high levels of service and efficiency. We will also explore the notion of linking strategic planning with performance management, as well as the use of business intelligence as a platform for access by executives. This topic applies to almost every industry and so focus will be paid to how other businesses are tackling the issue and particularly how these can be applied to our industry.



**Moderator:** Chris Poinsette, Chief Financial Officer / Executive Vice President, Finance & ITS, Dallas/Fort Worth International Airport

**Speakers:** Thomas Dallam, Vice President, Human Resources, Dallas/Fort Worth International Airport  
Walt Matwijec, Assistant Vice President, Continuous Improvement, Metropolitan Nashville Airport Authority



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3:00pm – 3:15pm     **Networking Break**

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3:15pm – 4:15pm     **General Session 4: Rethinking the Airport Business Model**  
Traditional operating techniques will make way for innovative thinking in this session, with the focus being on redefining our concept of the airport business model. We will draw comparisons from the Canadian model; can it be sold in the U.S. market? A variety of other topics will be discussed, including user-fee funded systems and learning from the airline 'a-la-carte' charging structures. This session will feature speakers from the U.S. and Canada as well as ACI World, allowing attendees to benefit from their variety of global expertise.

**Speaker:** Rafael Echevame, Director, Economics and Programme Development, ACI World

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4:15pm – 4:30pm     **Closing Remarks (ACI-NA's President)**

**Speaker:** Kevin M. Burke, President and CEO, ACI-NA

Thursday, April 10, 2014

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8:00am – 10:30am     **Airport Tour**

---

**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:** 4/22/2014 **RETURN DATE:** 4/24/2014 **REPORT DUE:** 5/24/14  
**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	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	554.00			4/22/14	4/23/14	4/24/14			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*			207.15	207.15					414.30
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.)	Breakfast*								0.00
	Lunch*				30.60	17.36			47.96
	Dinner*			27.58					27.58
	Other Meals*			3.26					3.26
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality <sup>1</sup> *									0.00
Miscellaneous:									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
<b>Total Expenses prepaid by Authority</b>	<b>554.00</b>	<b>0.00</b>	<b>0.00</b>	<b>247.94</b>	<b>237.75</b>	<b>17.36</b>	<b>0.00</b>	<b>0.00</b>	<b>503.05</b>

Explanation:	<b>Total Expenses Prepaid by Authority</b>	554.00
	<b>Total Expenses Incurred by Employee (including cash advances)</b>	503.05
	<b>Grand Trip Total</b>	1,057.05
	<b>Less Cash Advance (attach copy of Authority ck)</b>	
	<b>Less Expenses Prepaid by Authority</b>	554.00
	<b>Due Traveler (positive amount)<sup>2</sup></b>	
	<b>Due Authority (negative amount)<sup>3</sup></b>	503.05

*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 Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>5</sup> 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: 14 May 2014  
 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 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: 3/3/14 PLANNED DATE OF DEPARTURE/RETURN: 4/22/14 / 4/24/14

**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: Attend California Aviation Day and California Airports Council Board Meeting

Explanation: California Aviation Day (CAD) events to be held on April 22<sup>nd</sup> and 23<sup>rd</sup>. California Airports Council (CAC) Board meeting to be held on April 23<sup>rd</sup> and 24<sup>th</sup> and meetings with Legislators.

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

**A. TRANSPORTATION COSTS:**

• AIRFARE	\$ 555.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100.00
<b>B. LODGING</b>	<b>\$ 250.00</b>
<b>C. MEALS</b>	<b>\$ 200.00</b>
<b>D. SEMINAR AND CONFERENCE FEES</b>	<b>\$</b>
<b>E. ENTERTAINMENT (If applicable)</b>	<b>\$</b>
<b>F. OTHER INCIDENTAL EXPENSES</b>	<b>\$ 100.00</b>
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$ 1,205.00</b>

**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: *3 March 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**

*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 *3/24/14* meeting.  
(Leave blank and we will insert the meeting date.)



**TRAVELTRUST SCRIPPS RANCH**  
 Phone: 1-800-792-4662

## Electronic Invoice

**Prepared For:**  
 BOWENS/THELLA

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	1210876
INVOICE ISSUE DATE	08 Apr 2014
RECORD LOCATOR	XMAUPC
CUSTOMER NUMBER	0000SDCRAA

**Client Address**

SAN DIEGO COUNTY REG AIRPORT AUTHORITY  
 PO BOX 82776  
 SAN DIEGO CA 92138-2776

**Notes**

PLEASE CHECK NEW CARRY-ON RESTRICTIONS DIRECT WITH YOUR CARRIER OR CALL TRAVELTRUST AT 800-792-4662  
 YOUR SOUTHWEST ETICKET CONFIRMATION IS \*\* MYX17E \*\*  
 -----INVOICE/ITINERARY ACCOUNTING DOCUMENT-----  
 \*\*\*\*\*TICKETLESS TRAVEL INSTRUCTIONS\*\*\*\*\*  
 THIS IS AN E-TICKET RESERVATION.  
 A GOVERNMENT ISSUED PHOTO ID IS NEEDED AT CHECK IN  
 A PORTION OF THIS TRIP MAY BE REFUNDABLE. PLEASE RETURN  
 UNUSED PORTIONS TO TRAVELTRUST FOR POSSIBLE REFUND.  
 \*\*\*\*\*TSA GUIDANCE FOR PASSENGERS\*\*\*\*\*  
 PLEASE ALLOW EXTRA TIME FOR SCREENING AND BOARDING  
 INTERNATIONAL-MINIMUM 3 HOUR CHECK-IN PRIOR TO DEPARTURE  
 DOMESTIC-MINIMUM 2 HOUR CHECK-IN PRIOR TO DEPARTURE  
 FOR ADDITIONAL SECURITY INFORMATION VISIT WWW.TSA.GOV

**DATE: Tue, Apr 22**

**Flight: SOUTHWEST AIRLINES 3680**

From	SAN DIEGO, CA	Departs	12:15pm
To	SACRAMENTO, CA	Arrives	1:45pm
Departure Terminal	1	Arrival Terminal	B
Duration	01hr(s) :30min(s)	Class	Economy
Type	BOEING 737-700 JET	Meal	
Stop(s)	Non Stop		
Notes	ECONOMY CLASS-BUSINESS SELECT CONFIRMED		

**DATE: Thu, Apr 24**

**Flight: SOUTHWEST AIRLINES 524**

From	SACRAMENTO, CA	Departs	2:15pm
To	SAN DIEGO, CA	Arrives	3:40pm
Departure Terminal	B	Arrival Terminal	1
Duration	01hr(s) :25min(s)	Class	Economy
Type	BOEING 737 800 JET	Meal	
Stop(s)	Non Stop		
Notes	ECONOMY CLASS-BUSINESS SELECT CONFIRMED		

**DATE: Tue, Oct 21**

**Others**

RESERVATION  
RETAINED FOR  
180 DAYS  
XD 0619518069

Billed to: BOWENS THELLA  
AX XXXXXXXXXXXX USD \* 30.00

**Ticket Information**

<b>Ticket Number</b>	WN 2405951984	<b>Passenger</b>	BOWENS T		
		<b>Billed to:</b>	AX XXXXXXXXXXXX	USD	* 524.00
				<b>SubTotal</b>	USD 554.00
				<b>Net Credit Card Billing</b>	* USD 554.00
					-----
				<b>Total Amount Due</b>	USD 0.00

TRAVELTRUST IS OPEN MONDAY - FRIDAY FROM 5AM-530PM PST  
AND SATURDAY FROM 9AM-1PM PST - 760-635-1700.  
FOR EMERGENCY AFTERHOURS SERVICE IN THE US  
PLEASE CALL 888-221-6062 AND USE YOUR VIT CODE - S7NS0  
PLEASE NOTE THIS IS OUR NEW EMERGENCY NUMBER  
EACH EMERGENCY CALL IS BILLABLE AT A MINIMUM 25.00  
THANK YOU FOR CHOOSING TRAVELTRUST...SCOTT MACKERLEY

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.



Hyatt Regency Sacramento  
 at Capitol Park  
 1209 L Street  
 Sacramento, CA 95814  
 916 443 1234  
 916 321 3618

INVOICE

Payee Thella Bowens  
 Po Box 82776  
 San Diego CA 921382776  
 United States

Room No. [REDACTED]  
 Arrival 04-22-14  
 Departure 04-24-14  
 Page No. 1 of 1  
 Folio Window 1  
 Folio No. 542011

Confirmation No. 3848436801

Group Name

Date	Description		Charges	Credits
<del>04-22-14</del>	<del>Scrivar Food</del>	<del>Room# 0806 : CHECK# 47012 Fiji</del>	<del>4.00</del>	
		<del>Bottled Water 5</del>		
04-22-14	Internet (Guest)	Room# 0806 : Internet (Guest)	9.95	
04-22-14	- In Room Dining Dinner Food	Room# 0806 : CHECK# 3057	27.58	- <i>COPIES ATTACHED</i>
04-22-14	Guest Room		180.00	} <i>\$207.15</i>
04-22-14	Occupancy Tax		21.60	
04-22-14	Sacramento Tourism Assessment		5.40	
04-22-14	CA Tourism Assessment		0.15	
<del>04-23-14</del>	<del>In Room Dining Dinner Food</del>	<del>Room# 0806 : CHECK# 3143</del>	<del>17.16</del>	
04-23-14	Guest Room		180.00	} <i>\$207.15</i>
04-23-14	Occupancy Tax		21.60	
04-23-14	Sacramento Tourism Assessment		5.40	
04-23-14	CA Tourism Assessment		0.15	
04-24-14	American Express	XXXXXXXXXXXX [REDACTED]		472.99

**Total** 472.99 472.99

Guest Signature

**Balance** 0.00

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

**WE HOPE YOU ENJOYED YOUR STAY WITH US!**

Thank you for choosing Hyatt Regency Sacramento. We hope that you enjoyed your stay with us. Our goal is to exceed our guests' expectations. If you have any comments regarding your stay please share them with us.

**Hyatt Gold Passport Summary**

Membership: [REDACTED]  
 Bonus Codes:  
 Qualifying Nights: 2  
 Eligible Spend: 400.64  
 Redemption Eligible: 58.69

Consumer Affairs: Patrick Miller 916-321-3632 or [Patrick.M.Miller@hyatt.com](mailto:Patrick.M.Miller@hyatt.com)  
 LOST & FOUND: [www.ileftmystuff.com](http://www.ileftmystuff.com)  
 CLICK "Get it back now!"  
 Client Identification Number = 49317

Summary Invoice, please see front desk for eligibility details.

Please remit payment to:  
 Hyatt Regency Sacramento  
 PO Box 202649  
 Dallas, TX 75320-2649

For inquiries concerning your bill please call 888-588-4384 or e-mail [NA.CustomerService@Hyatt.com](mailto:NA.CustomerService@Hyatt.com)

**RECEIPTS FROM TRAVEL TO SACRAMENTO**  
**April 22-24, 2014 —THELLA F. BOWENS**

YAIT REGENCY SACRAMENTO  
ROOM SERVICE

453 Bulent

-----  
806/1            3057    GST  
1  
                  BOWENS  
                  APR22'14 9:40PM  
-----

1 DELIVERY CHARGE	3.75
1 Soup of the Day	7.00
1 Mixed Greens	11.00
FOOD	18.00
DELIVERY CHR	3.75
22% IRD SVC	3.96
TAX	1.87
TOTAL DUE	<b>\$27.58</b>

\*FOR ROOM CHARGE ONLY\*

TIP: \_\_\_\_\_  
TOTAL: \_\_\_\_\_  
ROOM #: \_\_\_\_\_  
PRINT NAME: \_\_\_\_\_  
SIGNATURE: \_\_\_\_\_

**CHOPS SACRAMENTO**  
4/22/2014  
5:38:23 PM

Check# 372251/3  
TAB: Grp3

Server: 386

1 Hot Tea	3.00
SUB TOTAL	3.00
Sales Tax	0.26
TOTAL	<b>3.26</b>

**THANK YOU**  
**Misti**

**Make Your**  
**Reservations Online!**  
**chopssacramento.com**

**RECEIPTS FROM TRAVEL TO SACRAMENTO**  
**April 22-24, 2014 —THELLA F. BOWENS**



1131 K Street  
 Sacramento, CA 95814  
 (916) 443-3772

201027 STEPHANI  
 -----  
 bl 33/1      Chk 431E      Gst 3  
                  Apr 23 14 11:37AM  
                  \*\*\* Reprint \*\*\*  
 -----  
 1 FriedChxLUNCH                      15.00  
 1 DeltaAsparagus                      5.00  
 1/2 Arnold Palmer                      3.50 ~~7.00~~  
 -----  
 SUBTOTAL                      23.50 ~~27.00~~  
 TAX                                      2.00 ~~2.30~~  
 TOTAL DUE                      ~~29.80~~  
    Total \$ 25.50  
 Thani                                      51



1131 K Street  
 Sacramento, CA 95814  
 (916) 443-3772

Date: Apr 23 '14 12:37PM  
 Card Type: ~~XXXXXXXXXX~~  
 Acct #: ~~XXXXXXXXXX~~  
 Card Entry: SWIFED  
 Trans Type: PURCHASE  
 Auth Code: 522242  
 Check: 431E  
 Table: 33/1  
 Server: 201027 STEPHANI

Subtotal: ~~25.50~~ 29.80

Tip: 5.10

Total: \$ 30.60

X: \_\_\_\_\_

**RECEIPTS FROM TRAVEL TO SACRAMENTO**  
**April 22-24, 2014 —THELLA F. BOWENS**

HMSHOST  
 ESQUIRE  
 SACRAMENTO INT'L AIRPORT

5104 CANDICE 2  
 -----  
 113/1 2679  
 APR24'14 1:02PM  
 -----

\*\*\*\* SEAT 2 \*\*\*\*

[REDACTED]

HMSHOST  
 ESQUIRE  
 SACRAMENTO INT'L AIRPORT  
 CHECK: 2679  
 TABLE: 113/1  
 SERVER: 5104 CANDICE  
 DATE: APR24'14 1:38PM  
 CARD TYPE: [REDACTED] A3  
 ACCT #: XXXXXXXXXXXX [REDACTED]  
 EXP DATE: XX/XX  
 AUTH CODE: 522150  
 THELLA F BOWENS

SUBTOTAL [REDACTED]  
 TAX 1.80 AMOUNT [REDACTED]

\*\*\*\* SEAT 3 \*\*\*\*

1.00 @ 0.00  
 1 WATER 0.00  
 1 BBQ PORK SLIDERS 11.00  
 1 SODA 0.00  
 FIRST ROUND 2.99  
 COKE

TOTAL: 15.11  
 I agree to pay the below amount  
 in accordance with the card  
 issuer agreement.

SUBTOTAL 13.99  
 TAX 1.12 AMOUNT 15.11

TIP ----- 2.25  
 TOTAL ----- \$ 17.36

\*\*\*\*\* *Tip* 2.25  
 17.36

SUBTOTAL [REDACTED]  
 TAX [REDACTED]  
 AMOUNT [REDACTED]

X -----  
 SIGNATURE

THANK YOU - PLEASE COME AGAIN!!!  
 PLS COMMENT ON YOUR EXPERIENCE  
 JOHN MOORE (916) 283-2111  
 john.moore@hmshost.com

HMSHost  
 Making The Travelers Day Better

HMSHost Store Code = 5903E03

## Caldera G. Amy

---

**From:** lbernal@schottlites.com on behalf of Lina Bernal <lbernal@calairportscouncil.org>  
**Sent:** Friday, November 22, 2013 11:47 AM  
**To:** lbernal@calairportscouncil.org  
**Subject:** CAC Meeting in April 2014

Good morning, CAC members,

As discussed in Santa Barbara earlier this month, we are rescheduling the meeting originally proposed for March 19-20, 2014 in Sacramento to **Wednesday and Thursday, April 23-24, 2014 in Sacramento**, in order to coincide with the Association of California Airports 2nd Annual California Aviation Day activities scheduled at the State Capitol that week. Below is the schedule:

### Tuesday, April 22

Time TBA - Evening reception for California Aviation Day participants and California State Legislators. All interested CAC members are invited to attend (details to be forwarded).

### Wednesday, April 23

9 A.M. - California Aviation Day activities begin at the State Capitol. CAC members are encouraged to participate and schedule meetings with their local Assembly and Senate members. CAC staff members are available to assist with scheduling legislator meetings.

1 P.M. - Conclusion of California Aviation Day activities.

6 P.M. - CAC dinner (location TBA).

### Thursday, April 24

8 A.M. - Breakfast at hotel.

9 A.M. to 12:15 P.M. - CAC meeting.

12:15 P.M. to 1:30 P.M. - Lunch.

Also, please note the other two CAC Board meetings in 2014, July 10-11 and November 6-7 (locations to be announced at a later date).

Thank you!

Lina

--

**Lina M. Bernal**  
**California Airports Council**  
**1510 14th Street**  
**Sacramento, CA 95814**  
**T 916.553.4999**  
**F 916.447.4947**  
**C 916.764.1993**

*Save the dates! CAC meetings in 2014:*

*Wednesday and Thursday, April 23-24 (Sacramento)*

*Thursday and Friday, July 10-11 (location tbd)*

*Thursday and Friday, November 6-7 (location tbd)*

This E-mail may contain material that is confidential, privileged and/or work product for the sole use of the intended recipient. Any review, reliance or distribution by others or forwarding without express permission

**BRETON LOBNER**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
TRAVEL EXPENSE REPORT**

*(To be completed within 30 days from travel return date)*

TRAVELER: Breton Lobner DEPT. NAME & NO. General Counsel  
 DEPARTURE DATE: 4/6/2014 RETURN DATE: 4/9/2014 REPORT DUE: 5/9/14  
 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	THURSDAY	FRIDAY	SATURDAY	
		4/6/14	4/7/14	4/8/14	4/9/14				
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	959.00	217.84	217.84	217.84					653.52
Conference Fees (provide copy of flyer/registration expenses)	780.00								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.)*		61.00							61.00
Hotel*									0.00
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel srvs.)		2.00							2.00
Meals (include tips pd.)	Breakfast*	5.29							5.29
	Lunch*	12.23			10.55				22.78
	Dinner*	13.00	48.00						61.00
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality <sup>1</sup> *									0.00
Miscellaneous: Travel trust fee	30.00								0.00
Baggage fee		25.00							25.00
*Provide detailed receipts									0.00
<b>Total Expenses prepaid by Authority</b>	<b>1,769.00</b>	<b>336.36</b>	<b>265.84</b>	<b>217.84</b>	<b>10.55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>830.59</b>

Explanation:	Total Expenses Prepaid by Authority	1,769.00
	Total Expenses Pd. by Employee (including cash advances)	830.59
	<b>Grand Trip Total</b>	<b>2,599.59</b>
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	1,769.00
	Due Traveler (positive amount) <sup>2</sup>	
	<b>Due Authority (negative amount)<sup>3</sup></b>	<b>830.59</b>

*Note: Send this report to Accounting even if the amount is \$0.*

<sup>1</sup> Give names and business affiliations of any persons whose meals were paid by traveler.  
<sup>2</sup> Prepare Check Request  
<sup>3</sup> 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 Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>5</sup> 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: Kendy Rios Ext.: x2424  
 Traveler Signature: Breton Lobner Date: 4.22.14  
 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: Breton K. Lobner Dept: 15  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

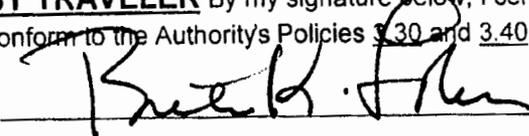
2. DATE OF REQUEST: 1-7-2014 PLANNED DATE OF DEPARTURE/RETURN: 4/7/2014 / 4/9/2014

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: ACI-NA Conference  
Explanation: Airport Concessions, Finance and Human Capital Conference & Legal Affairs Spring Conference

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

A. TRANSPORTATION COSTS:	
• AIRFARE	\$ 934.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$
B. LODGING	\$ 600.00
C. MEALS	\$ 200.00
D. SEMINAR AND CONFERENCE FEES	\$ 795.00
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$ 2,529.00</b>

**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: JAN 7 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**

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 11/24/14 meeting.  
(Leave blank and we will insert the meeting date.)



**TRAVELTRUST CORPORATION**  
**Phone: 1-760-635-1700**  
**CHERYL@TRAVELTRUST.COM**

## Electronic Invoice

**Prepared For:**  
**LOBNER/BRETON**

Ref: 15

SALES PERSON	CH
INVOICE NUMBER	5302280
INVOICE ISSUE DATE	02 Apr 2014
RECORD LOCATOR	BTIYVR
CUSTOMER NUMBER	0000SDCRAA

**Client Address**

SAN DIEGO COUNTY REG AIRPORT AUTHORITY  
 PO BOX 82776  
 SAN DIEGO CA 92138-2776

**Notes**

PLEASE CHECK NEW CARRY-ON RESTRICTIONS DIRECT WITH YOUR CARRIER OR CALL TRAVELTRUST AT 800-792-4662  
 -----INVOICE/ITINERARY ACCOUNTING DOCUMENT-----  
 \*\*\*\*\*TICKETLESS TRAVEL INSTRUCTIONS\*\*\*\*\*  
 THIS IS AN E-TICKET RESERVATION.  
 A GOVERNMENT ISSUED PHOTO ID IS NEEDED AT CHECK IN  
 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.  
 -----  
 \*\*\*\*\*TSA GUIDANCE FOR PASSENGERS\*\*\*\*\*  
 PLEASE ALLOW EXTRA TIME FOR SCREENING AND BOARDING  
 INTERNATIONAL-MINIMUM 3 HOUR CHECK-IN PRIOR TO DEPARTURE  
 DOMESTIC-MINIMUM 2 HOUR CHECK-IN PRIOR TO DEPARTURE  
 FOR ADDITIONAL SECURITY INFORMATION VISIT WWW.TSA.GOV  
 -----

**DATE: Sun, Apr 06**

**Flight: AMERICAN AIRLINES 2252**

From	SAN DIEGO, CA	Departs	8:25am
To	DALLAS FT WORTH, TX	Arrives	1:25pm
Departure Terminal	2		
Duration	03hr(s) :00min(s)	Class	Economy
Type	MCDONNELL DOUGLAS MD-80 JET	Meal	Food for Purchase
Stop(s)	Non Stop		

**DATE: Wed, Apr 09**

**Flight: AMERICAN AIRLINES 1015**

From	DALLAS FT WORTH, TX	Departs	3:05pm
To	SAN DIEGO, CA	Arrives	4:15pm
		Arrival Terminal	2
Duration	03hr(s) :10min(s)	Class	Economy
Type	BOEING 737-800 JET	Meal	Food for Purchase
Stop(s)	Non Stop		

**DATE: Mon, Oct 06**

Others

RESERVATION  
RETAINED FOR  
180 DAYS

### Ticket Information

<b>Ticket Number</b>	AA 7394427274	<b>Passenger</b>	LOBNER BRETON		
		<b>Billed to:</b>	AX XXXXXXXXXXXX	USD	* 959.00
<b>Service Fee</b>	XD 0619372742	<b>Passenger</b>	LOBNER BRETON		
		<b>Billed to:</b>	AX XXXXXXXXXXXX	USD	* 30.00
				<b>SubTotal</b>	USD 989.00
				<b>Net Credit Card Billing</b>	* USD 989.00
					-----
				<b>Total Amount Due</b>	USD 0.00

TRAVELTRUST IS OPEN MONDAY - FRIDAY FROM 5AM-530PM PST  
AND SATURDAY FROM 9AM-1PM PST - 760-635-1700.  
FOR EMERGENCY AFTERHOURS SERVICE IN THE US  
PLEASE CALL 888-221-6043 AND USE YOUR VIT CODE - SJE72  
PLEASE NOTE THIS IS OUR NEW EMERGENCY NUMBER  
EACH EMERGENCY CALL IS BILLABLE AT A MINIMUM 25.00  
THANK YOU FOR CHOOSING TRAVELTRUST...CHERYL HARLOFF

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.

Westin Galleria Dallas  
13340 Dallas Parkway  
Dallas, TX 75240  
(972) 934-9494  
<http://www.thewestingalleriadallas.com>



Lobner, Breton      Page Number      1  
Guest Number      767091      Arrive Date      04-06-2014 18:51  
Folio ID      A      Depart Date      04-09-2014 12:00  
  
No. Of Guest      1  
Room Number      1505  
Club Account      SPG - ██████████  
Time      04-09-2014 08:08

Information Invoice

Date	Reference	Description	Charges	Credits
04-06-2014	RT1505	Room Charge	\$189.00	
04-06-2014	RT1505	2% DTPID Fee	\$3.78	
04-06-2014	RT1505	City Occupancy Tax	\$13.49	
04-06-2014	RT1505	State Occupancy Tax	\$11.57	
04-07-2014	RT1505	Room Charge	\$189.00	
04-07-2014	RT1505	2% DTPID Fee	\$3.78	
04-07-2014	RT1505	City Occupancy Tax	\$13.49	
04-07-2014	RT1505	State Occupancy Tax	\$11.57	
04-08-2014	RT1505	Room Charge	\$189.00	
04-08-2014	RT1505	2% DTPID Fee	\$3.78	
04-08-2014	RT1505	City Occupancy Tax	\$13.49	
04-08-2014	RT1505	State Occupancy Tax	\$11.57	
04-09-2014	AX	American Express		\$-653.52
		** Total	\$653.52	\$-653.52
		** 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. 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 of your folio charges in full.

Thank you for choosing Starwood Hotels We look forward to welcoming you back soon!

Tell us about your stay. [www.westin.com/reviews](http://www.westin.com/reviews)

User LOBNER, BRETON |

[Back](#) |

Purchase | Confirmation

Purchase Information



Airports Council International - NA  
1615 L Street NW  
Washington, D.C. 20036

Date of Purchase: Jan 24 2014 12:59PM  
Mr. Breton K. Lobner  
Payment method: Credit card  
Order Number: 70787.00

Detail

Description	Quantity	Unit Price	Extended Amount
Conference Registration Fee	1	\$780.00	\$780.00
Total:			\$780.00
Payments:			-\$780.00
Balance:			\$0.00

Registrant Detail

Registrant ID	Registrant Name	Meeting	Confirmation Number
1039	Mr. Breton K. Lobner	2014 Airport Concessions, Finance & Human Capital Conf.	70787





4/6  
Taxicab (Airport to Hotel)  
\$ 46

**STAR★CAB**  
email: starcabtx@yahoo.com  
2714 Fielder Court • Dallas, TX 75235  
214-252-0055 • 214-370-3520 • Fax 214-821-7889  
24 Hour Dispatch Service • We accept credit cards and time calls  
Date 4/6/14 Time \_\_\_\_\_  
Fare 46.00 Extra \_\_\_\_\_  
Driver ASAD  
Cab Number 1049  
*We appreciate your business!*

Total  
\$ 61

4/6  
Taxicab to Dinner  
\$ 15

**ALAMO CAB CO.**  
Date 4/6/14 Cab # H-747  
From \_\_\_\_\_  
To \_\_\_\_\_  
Time 6:15 PM  
Fare \_\_\_\_\_ Extra \_\_\_\_\_ Tip \_\_\_\_\_  
Total 15.00  
   

4/7 - Dinner - Bret's share \$ 48

# GRAND LUX CAFE

Dallas

0394j TABLE 30 #Party 6  
MATTHEW H SvrCk: 21 18:55 04/07/14  
Separate checks: 1-of-2

Roastd Beet&GoatChz Salad 9.95

[REDACTED]  
[REDACTED]  
[REDACTED]

Ahi Ceviche 6.95

[REDACTED]  
[REDACTED]

Maui Rib-Eye Steak

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Sub Total: 190.05  
Tax: 15.68  
Sub Total: 205.73

04/07 20:40 TOTAL: 205.73

Suggested Gratuity  
20% 38.01  
18% 34.21  
15% 28.51

Now Accepting Reservations

Join us for our  
GRAND HAPPY HOUR  
M-F 4p.m.-6:30p.m.

Gratuity Not Included  
Thank You!

# GRAND LUX CAFE

Dallas

0394j TABLE 30 #Party 6  
MATTHEW H SvrCk: 21 18:55 04/07/14  
Separate checks: 1-of-2

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[REDACTED]  
[REDACTED]  
[REDACTED]

Ahi Ceviche 6.95

[REDACTED]  
[REDACTED]

Maui Rib-Eye Steak 27.95

[REDACTED]  
[REDACTED]  
[REDACTED]

Sub Total: 190.05  
Tax: 15.68  
Sub Total: 205.73

04/07 20:40 TOTAL: 205.73

Suggested Gratuity  
20% 38.01  
18% 34.21  
15% 28.51

Now Accepting Reservations

Join us for our  
GRAND HAPPY HOUR  
M-F 4p.m.-6:30p.m.

Gratuity Not Included  
Thank You!

4/9

Lunch # 10.55

modern mexican taqueria  
Store# 1  
Cashier Maricela

TO GO

Store# 1  
Cashier Maricela

Order#110376

4/9/2014 1:43:04 PM  
1 3 Tacos 9.75  
Steak Taco  
Corn Tortilla  
Al Pastor Taco  
Corn Tortilla  
Carnitas DF Taco  
Corn Tortilla  
Reg Dt Pepsi

SubTotal 9.75  
Tax 0.80  
Total 10.55

American Express 10.55

Acct: xxxxxxxxx  
Authorization: 695431





Conference Mobile Website  
[www.aci-na.org/dfw](http://www.aci-na.org/dfw)



**2014 ACI-NA Airport Concessions, Finance, Human Capital  
and Legal Affairs Conference Agenda**  
(Updated as of February 25, 2014)

April 7-9, 2014 • Westin Galleria Hotel • Dallas, TX

Host Airport



Sponsor





**Follow Tracks Using Icons**

 <b>Commercial Management</b>	 <b>Finance</b>
 <b>Human Resources</b>	 <b>Legal Affairs</b>

**Sunday, April 6, 2014**



**Legal Affairs Committee**

3:00pm – 6:00pm     **Steering Group Meeting** *(Legal Affairs Committee Steering Members Only)*

**Monday, April 7, 2014**

8:00am – 6:00pm     **Registration**

8:00am – 8:45am     **Continental Breakfast**

8:30am – 5:00pm     **Committee Business Day** *(Open to all registered attendees)*

10:00am – 12:00pm   **Business Diversity Committee Meeting**



**Commercial Management Committee**

9:00am – 12:00pm     **ACI World Global Training Workshop**  
**Searching for Increased Revenues along the Traveler's Footprint**  
*(Additional registration required)*

12:00pm – 1:00pm     Lunch

4:00pm – 5:30pm     **Commercial Management Committee Meeting**  
*(Open to all registered attendees)*

- Concessions Benchmarking Survey Summary Results
- Airport Upcoming Opportunities for Planned Concessions RFPs



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**Finance Committee**

8:30am – 9:30am	FAA Reauthorization Working Group
9:30am – 9:45am	Networking Break
9:45am – 10:45am	Airport/Airline Business Working Group
10:45am – 11:00am	Networking Break
11:00am – 12:00pm	Strategic Planning and Performance Management Working Group
12:00pm – 1:00pm	Lunch
1:00pm – 2:00pm	Accounting and Financing Working Group
2:00pm – 2:15pm	Networking Break
2:15pm – 4:00pm	Finance Committee Meeting

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**Human Resources Committee**

1:00pm – 1:15pm	Welcoming and Opening Remarks
1:15pm – 2:15pm	Veterans Fellowship Program
2:15pm – 3:00pm	Transition Team: How Senior Executives Prepare and Pass on Responsibilities to their Successors
3:00pm – 3:30pm	Networking Break
3:30pm – 3:45pm	Ice Breaker
3:45pm – 5:00pm	Roundtable Discussion – Human Capital <ul style="list-style-type: none"><li>• Bringing your own device – how are employers handling this?</li><li>• Performance Management</li><li>• ACRP – Leadership Development Training from ACI Global Training</li><li>• Succession Planning</li></ul>

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**Legal Affairs Committee** *(please refer to Legal Affairs Committee specific agenda)*

9:00am – 9:15am	Welcome and Opening Remarks
9:15am – 10:30am	Litigation Update Session: Recent development in important litigation involving airports will be discussed. [Closed to non-airport counsel representing issues adverse to airports, except those speaking as retained counsel]
10:30am – 10:45am	Networking Break
10:45am – 11:30am	TSA Legal Update



- 11:30am – 12:00pm ACI-NA Government Affairs Update
- 12:00pm – 1:00pm Lunch
- 1:00pm – 2:00pm Airport Legal Ethics – Part 1
- 2:00pm – 3:00pm Airport Legal Ethics – Part 2
- 3:00pm – 3:15pm Networking Break
- 3:15pm – 4:00pm FAA Legal Update
- 4:00pm – 5:00pm Copyright Laws at Airports

5:30pm – 7:00pm **Welcome Reception**

**Tuesday, April 8, 2014**

7:30am – 4:45pm Registration

7:30am – 8:30am Continental Breakfast

8:30am – 8:45am **Welcome and Opening Remarks**

Speaker: Kevin M. Burke, President and CEO, ACI-NA

8:45am – 9:45am **General Session 1: Keynote Speech**

9:45am – 10:00am Networking Break

10:00am – 11:15am **Session 1A: Leveraging Technologies for Commercial Gains**



10:00am – 11:15am **Session 1B: Creative Airport Financing Approaches and Techniques**



What are the innovative ways to finance all or pieces of our airports? What legal liability, contract drafting, and tax issues are associated with these new techniques? This session aims to explore the growing number of diverse techniques being implemented at North American airports, in an effort to become more financially sustainable entities. With the use of case studies, a wide variety of topics (including creative debt financing, bank loans, AMT vs. non-AMT bonds, revenue diversion issues and the use of separate corporations for non-aeronautical businesses) will be scrutinized in order to enhance our collective understanding of these evolving financing approaches.

Moderators: Patrick Heck, CFO, Denver International Airport  
 Jeff Letwin, Managing Partner, Schnader Harrison Segal Lewis LLP



Speaker: Mike Newman, Senior Vice President, Public Finance, FirstSouthwest

10:00am – 11:15am **Session 1C: Complete Flex-Time Approach**

This session will look at the ways in which one approaches the use of flex-time by its employees: what their human resources expectations are; how they monitor employee performance; and how this tool can positively affect the work and home balance of those employees able to use it

Moderator: Bobbi Stedman, Human Resources Director, Port of Portland

Speakers: Kurt Gering, Manager, Talent Strategy, San Diego County Regional Airport Authority  
A.S.K. Reddy, Executive Vice President, Delhi International Airport

11:15am – 11:30am Networking Break

11:30am – 12:30pm **Session 2A: Living Wages**

This session will address legal and operational issues arising from various living wage ordinances and statutes throughout the U.S. Panelists will compare and contrast laws enacted that impact airports, including: who is covered, how are living wages calculated, benefits as part of wages, impact of the Affordable Care Act, and other legal and business consequences. The recent decision on the Sea-Tac ordinance in King County, WA will be discussed.

Moderators: Breton K. Lobner, General Counsel, San Diego County Regional Airport Authority

Speakers: Susan Kopinski, Airport Deputy Director- Finance & Administration, St. Louis Airport Authority  
Eric T. Smith, Partner, Schnader Harrison Segal & Lewis LLP  
Deanna Zachrisson, Head of Travel Dining and Retail, Aviation Business Development, Seattle-Tacoma International Airport

11:30am – 12:30pm **Session 2B: Strategies to Manage Your Pension and OPEB Liabilities**

What's the best way to manage your pension and OPEB liabilities? Are you charging the airlines for the net expenditure, or accrual balances, or not charging the airlines at all? How do you make these policy decisions? How are the airlines reacting to your policy decisions? This session will explore the various ways that this difficult territory can be navigated in the airport arena.

Moderators: Stan Van Ostran, Vice President and CFO, Metropolitan Nashville Airport Authority  
John Weerdenburg, Vice President and CFO, Ottawa Macdonald-Cartier International Airport Authority

Speakers: Dale Feldpausch, Director Finance & Administration, Capital Region Airport Authority  
Capital Region International Airport  
Max Underwood, VP, Finance, Dallas/Fort Worth International Airport  
Lewis Ward, Consultant, Gabriel Roeder & Smith  
Ryan Yakubik, Interim CFO, Los Angeles World Airports

12:30pm – 2:00pm Networking Lunch

12:30pm – 2:00pm Associate Lunch with CFOs (Invite only)



2:00pm – 3:15pm



**Session 3A: Emerging Car-Sharing Services & Rental Car Facilities**

Innovative personal ride-booking and car-sharing services are giving airport customers new ground transportation options, using mobile internet technologies and peer-to-peer marketplaces to compete with traditional taxicab, limousine, and rental car services. This session will look at the legal implications of this new and innovative approach at airports. Also, learn about the facets of bringing a consolidated rental car facility to an airport and its potential impact to non-aeronautical revenue. Discover the lessons learned from existing facilities as well as the innovative financing prospects available to airports.

Moderator: Rebecca Ramsey, Assistant Director of Properties, Metropolitan Nashville Airport Authority

Speakers: Stephanie Box, Consultant, LeighFisher  
Jim Branda, Vice President, Ricondo & Associates  
Matthew Krogh, Attorney, Minneapolis/St. Paul International Airport

2:00pm – 3:15pm



**Session 3B: Sharing Information with Your Board**

What information do you provide to your Board? In this roundtable session, the top issues associated with sharing information with the Board of Directors or your City Council will be identified and discussed (including effectively managing Board discussions while complying with open meetings laws and open records laws, and maintaining attorney-client confidences).

Moderator: Susan Warner-Dooley, VP, National Director Aviation, Strategic, Business and Financial Planning, HNTB Corporation

Speakers: Chellie Cameron, Deputy Director of Aviation, Philadelphia Division of Aviation Philadelphia International Airport  
Robert Watson, Senior Vice President and CLO, Metropolitan Nashville Airport Authority  
Randy Bush, Chief Financial Officer, Columbus Regional Airport  
Joe Messina, Divisional Deputy City Solicitor, Philadelphia Division of Aviation

2:00pm – 3:15pm



**Session 3C: CEO Panel Discussion**

The human resources and financial professional element in today's workforce planning structure has never been more important because by working in tandem they (1) can assist management in creating an effective strategic workforce plan by providing tools and techniques that can be easily implemented; (2) they can show how, regardless of size and budget, an effective workforce plan can support a company's strategic business plan and economic strategy; and (3) they offer a fluid definition of what workforce planning consists of in order to keep the process moving forward with minimal disruptions.

Moderator: Cleon Umphrey, Jr., Director of Administration, Raleigh-Durham Airport Authority

Speakers: James C. Cherry, President and CEO, Aéroports de Montréal and Board Liaison to the HR Committee  
Thella Bowens, President and CEO, San Diego County Regional Airport Authority

3:15pm – 3:30pm

Networking Break

3:30pm – 4:45pm



**Session 4A: Airport Land Revenue Development**

This session will provide examples of innovative development ideas that airports have engaged in. Share best practices to help airports enhance non-aeronautical revenue by continuing to identify innovative ways to generate revenue with airport assets/properties and advocating for the commercial development of land no longer needed for aeronautical activity.



Moderator: Ken Buchanan, Executive Vice President of Revenue Management, Dallas/Fort Worth International Airport

Speakers: Randy Forister, Senior Director of Real Estate Development, Allegheny County Airport Authority  
 Myron Keehn, Vice President of Commercial Development, Edmonton International Airport  
 John Terrell, Vice President of Commercial Development, Dallas/Fort Worth International Airport

3:30pm – 4:45pm



**Session 4B: Hot Topics in Employment Law**

- The Business Implications of Same Sex Marriage and the Impact of the Supreme Court case Windsor v U.S.
  - o History, Background
  - o Governmental Pronouncements post – Windsor
  - o Post-Windsor Case Law
- FMLA and the interplay with Windsor and other laws, especially
  - o Disability
  - o Intermittent leave
- A Termination Checklist—what to say when you are terminating an employee, and how to get to that point (Documentation!)

Moderators: Debra Braga, Chief Legal Officer, Jacksonville Aviation Authority  
 Ann Morgan, Attorney, Reno-Tahoe Airport Authority

Panel Speakers: William A. Blue, Jr., Partner, Constangy, Brooks & Smith, LLP  
 Meg Zabijaka, Partner, Constangy, Brooks & Smith, LLP

3:30pm – 4:45pm



**Session 4C: Canadian Airports Specific**

A forum to network with your Canadian airport peers; this interactive roundtable discussion will focus of relevant human resources topics facing Canadian airports. Bring along a topic that is important to you, share it, and hear the perspective of other human resources professionals. Topics may include, but are not limited to, collective bargaining outcomes or strategies, grievances and arbitration decisions, changes to employment laws, and human resources programs.

Facilitators: Dianna Richardson, Director, Human Resources, Winnipeg Airports Authority Inc.  
 Mark Faubert, Director, Human Resources, Ottawa Macdonald-Cartier Intl. Airport Authority

**Wednesday, April 9, 2014**

8:00am – 12:30am Registration

8:00am – 8:45am Continental Breakfast

8:45am – 10:00am

**General Session 2: Airport-Airline Roundtable**

After the huge success of the session at last year's conference, the Airport-Airline Roundtable is back! This panel discussion provides a valuable cross-section of airline and airport operator perspectives, who will reflect on our ever-changing operating environment and how this affects the delicate relationship between these two key industry components. This year we will explore a wider range of topics than ever before to include issues related to finance, commercial development, legal and human resources, not only to the US but



also Canadian airports.

Moderator: Borgan Anderson, Director, Aviation Finance and Budget, Seattle Tacoma International Airport

Speakers: Pete Houghton, Director of Properties, Southwest Airlines  
Kirk Hotelling, Managing Director of Corporate Real Estate, American Airline Group

10:00am – 10:15am Networking Break

10:15am – 11:30am **Session 5A: Concessions Environmental Initiatives: The Carrot or the Stick – What is More Effective?**



A panel that will get into the nuts and bolts. We will talk about coffee ground recycling (how many pounds per day, how it is transported, how much extra labor, cost to concessionaire, revenue from it, etc.). We will also discuss changes in allowable products (Styrofoam, recycled paper, plant plastic cutlery, etc.) and how it impacts business. An airport case study will explore what it takes to implement an advanced program - how many bins required, how to fit them in, cost to airport, how much space needed for collection dumpsters, etc.

Moderator: Alan Gluck, Director of Business Development, AIRMALL USA, Inc.

Speakers: Jane Ahrens, Senior Supervising Architect, Parsons Brinckerhoff  
Steve Dietz, Business Development Director, Food Donation Connection  
Elizabeth Leavitt, Director of Environmental an Planning, Seattle-Tacoma International Airport  
Glenn Meyers, CEO, High Flying Foods

10:15am – 11:30am **Session 5B: Human Capital Metrics**



As airports examine their growth strategies, understanding and improving workforce productivity and retention is essential. But to ensure they're making the right decisions about allocating limited resources for the greatest impact, executives need reliable data — the right data. This session will review metrics that are currently being used in various organizations outside of the airport environment and how it can implement such metrics into the airport industry. Additionally, attendees will work together to highlight what metrics they would like to collect for their organizations.

10:15am – 11:30am **Session 5C: Municipal Markets and Bond Disclosures**



Regulatory restrictions on underwriters interacting with airport clients, registration of municipal advisors, airport revenue bonds, municipal securities, and notifications to underwriters.

Moderator: Emily Neuberger, Senior Vice President & General Counsel, Wayne County Airport Authority

Speakers: Lisa Quateman, Managing Partner, Poisinelli PC  
David Bannard, Foley & Lardner LLP  
Neal Attermann, Citi

11:30am – 11:45am Networking Break

11:45am – 12:30pm **General Session 3: ACI-NA Committee Insight – Learn about Other Committees: Achievements, Hot Topics & Issues**

Speakers will include Chairs of Commercial Management, Finance, Human Resources and



Legal Affairs Committees, and the Vice Chair of the Business Diversity Committee.

Moderator: Deborah McElroy, Executive Vice President, Policy and External Affairs, ACI-NA

Speakers: Cathy Arnit, Director of Internal Consulting, Tucson Airport Authority  
Michael Baldwin, Assistant Vice President, Airport Concessions, Dallas/Fort Worth International Airport  
Cindy Nichol, Deputy Director/CFO, Port of Portland  
Robert C. Watson, Senior Vice President and Chief Legal Officer, Metropolitan Nashville Airport Authority  
Deanna Zachrisson, Head of Travel Dining and Retail, Aviation Business Development, Seattle-Tacoma International Airport

12:30pm – 2:00pm **Keynote Luncheon** – Holly Hegeman, Founder, Publisher & Editor, PlaneBusiness.com

2:00pm – 3:00pm **Session 6A: You have your ACDBE Certification now what? How Airports are Helping ACDBE's and Small Business Succeed**



This panel discussion will focus on best practices from Airports, Developers and ACDBEs on succeeding in an airport environment. The panel will look at the dynamics of having successful ACDBE's and Small Business owners operating in an airport for the first time. How a successful ACDBE can help an Airport in ongoing DOT/FAA Audits. Conference attendees will have an opportunity to ask questions and share their experience, as well as learn from the experiences of other airport, developer, and ACDBE colleagues.

Moderator: Laurie Weeks, Manager of Concessions, Reno-Tahoe Airport Authority

Speakers: Brett Kelly, Vice President, AIRMALL USA, Inc.  
Deanna Zachrisson, Head of Travel Dining and Retail, Aviation Business Development, Seattle-Tacoma International Airport

2:00pm – 3:00pm **Session 6B: Driving Performance Through Measurement**



How can we best achieve our performance objectives? This session will explore the ways in which airports are using measurements as a form of benchmarking in order to drive high levels of service and efficiency. We will also explore the notion of linking strategic planning with performance management, as well as the use of business intelligence as a platform for access by executives. This topic applies to almost every industry and so focus will be paid to how other businesses are tackling the issue and particularly how these can be applied to our industry.

Moderator: Gale LaRoche, Vice President of Human Resources & Administration, Wayne County Airport Authority

Speakers: Thomas Dallam, Vice President, Human Resources, Dallas/Fort Worth International Airport  
Walt Matwijec, Assistant Vice President, Continuous Improvement, Metropolitan Nashville Airport Authority

2:00pm – 3:00pm **Session 6C: Changes in Passenger Facilitation**



How customers view and use our airports is changing more than ever in the era of rapidly developing technology. Processes, funding schemes and infrastructure needs have to adjust as new products come online designed to address problems in the travel environment. This panel will explore the latest innovations in passenger facilitation and look toward the future for other technologies that could change the way we do business.

Moderator: Dave Armstrong, Finance Director, Spokane International Airport



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3:00pm – 3:15pm      **Networking Break**

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3:15pm – 4:15pm      **General Session 4: Rethinking the Airport Business Model**  
Traditional operating techniques will make way for innovative thinking in this session, with the focus being on redefining our concept of the airport business model. We will draw comparisons from the Canadian model; can it be sold in the U.S. market? A variety of other topics will be discussed, including user-fee funded systems and learning from the airline 'a-la-carte' charging structures. This session will feature speakers from ACI World and Canada, allowing attendees to benefit from their variety of global expertise.

Moderator:    Cindy Nichol, Deputy Director/CFO, Port of Portland

Speakers:    Rafael Echevarne, Director, Economics and Programme Development, ACI World  
Pierre Gagnon, General Counsel, Montreal Airport Authority  
John Weerdenburg, CFO, Ottawa International Airport

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4:15pm – 4:30pm      **Closing Remarks**

Speaker:    Deborah McElroy, Executive Vice President, Policy and External Affairs, ACI-NA

**Thursday, April 10, 2014**

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8:00am – 10:30am      **Airport Tour**

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