

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



BOARD MEMBERS

DAVID ALVAREZ
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BRUCE R. BOLAND
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JIM DESMOND
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ROBERT H. GLEASON
LLOYD B. HUBBS
ERAINA ORTEGA*
PAUL ROBINSON
MARY SESSOM
TOM SMSEK

* EX OFFICIO BOARD MEMBERS

PRESIDENT/CEO
THELLA F. BOWENS

Revised 6/19/14 **EXECUTIVE/FINANCE COMMITTEE**

and

SPECIAL BOARD MEETING

AGENDA

Monday, June 23, 2014
9:00 A.M.

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

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

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

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

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

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

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Executive Committee

Committee Members: Gleason (Chair), Robinson, Smisek

Finance Committee

Committee Members: Alvarez, Cox (Chair), Hubbs, Robinson, Sessom

NON-AGENDA PUBLIC COMMENT

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

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

NEW BUSINESS

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 27, 2014, special meeting.

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE ELEVEN MONTHS ENDED MAY 31, 2014 AND 2013:

RECOMMENDATION: Accept the report.

Presented by Scott Brickner, Vice President, Finance & Asset Management /Treasurer

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MAY 31, 2014:

RECOMMENDATION: Accept the report.

Presented by Scott Brickner, Vice President, Finance & Asset Management /Treasurer

4. AUTHORIZATION OF A REVOLVING LINE OF CREDIT FOR AN AMOUNT UP TO \$125 MILLION:

RECOMMENDATION: Forward to the Board for approval.

Presented By Scott Brickner, Vice President, Finance & Asset Management
/Treasurer

EXECUTIVE COMMITTEE NEW BUSINESS

5. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

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

6. BUSINESS PERFORMANCE INCENTIVE (AN EMPLOYEE PERFORMANCE COMPENSATION PROGRAM):

RECOMMENDATION: Forward to the Board for approval.

Presented by: Kurt Gering, Director, Talent, Culture, and Capability

REVIEW OF FUTURE AGENDAS

7. REVIEW OF THE DRAFT AGENDA FOR THE JULY 7, 2014, SPECIAL BOARD MEETING:

Presented by: Thella F. Bowens, President/CEO

8. REVIEW OF THE DRAFT AGENDA FOR THE JULY 7, 2014, SPECIAL AIRPORT LAND USE COMMISSION MEETING:

Presented by: Thella F. Bowens, President/CEO

COMMITTEE MEMBER COMMENTS

ADJOURNMENT

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

- 1) Persons wishing to address the Board, ALUC, and Committees shall **complete a "Request to Speak" form prior to the 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.

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 28	Monday	9:00 A.M.	Regular	Board Room
August 25	Monday	9:00 A.M.	Regular	Board Room

Revised 6/17/14

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL EXECUTIVE AND FINANCE COMMITTEE MEETING
MINUTES
TUESDAY, MAY 27, 2014
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM

CALL TO ORDER:

Vice Chair Smisek called the Special Executive and Finance Committee and Special Board meeting to order at 9:07 a.m., Tuesday, May 27, 2014, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

Executive Committee

Present: Committee Members: Robinson, Smisek

Absent: Committee Members: Gleason

Finance Committee

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

Absent: Committee Members: Sessom

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

Board Member Alvarez arrived during the course of the Meeting.

NON-AGENDA PUBLIC COMMENT - None

NEW BUSINESS

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the April 21, 2014, regular meeting.

ACTION: Moved by Vice Chair Smisek and seconded by Board Member Robinson to approve staff's recommendation. Motion carried unanimously, noting Chair Gleason as ABSENT.

FINANCE COMMITTEE NEW BUSINESS

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

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

Board Member Alvarez arrived at 9:14 a.m.

RECOMMENDATION: Accept the report.

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

Michael Sears, Director, Financial Management, provided a presentation on the Investment Report as of April 30, 2014, which included Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity Distribution, Benchmark Comparison, Detail of Security Holdings, Portfolio Investment Transactions, Bond Proceeds Summary, and Bond Proceeds Investment Transactions.

RECOMMENDATION: Accept the report.

ACTION: Moved by Board Member Robinson and seconded by Board Member Alvarez to accept the staff's recommendation for Items 2 and 3. Motion carried unanimously, noting Board Member Sessom as ABSENT.

4. **ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:** Scott Brickner, Vice President, Finance & Asset Management /Treasurer, provided a presentation on the Annual Review and Approval of Amendments to Authority Policy 4.40, Debt Issuance and Management, which included Debt Issuance and Management Policy – Overview, Debt Issuance and Management Policy Objectives, and Debt Policy – Amendments.

In response to Board Member Hubbs regarding the reason for adding language to the Debt Policy to include Direct Loans, Mr. Brickner explained that this would provide an additional vehicle for short term borrowing or interim funding. Thella Bowens, President/CEO, further explained that while the Authority has no immediate need to use Direct Loans, should something happen that the Authority no longer has access to commercial paper, or changes to the commercial paper program that makes it not a feasible vehicle, it provides an opportunity to go in another direction to get short-term or interim funding, and that would first come before the Board for its approval.

RECOMMENDATION: Forward to the Board for approval.

ACTION: Moved by Board Member Robinson and seconded by Board Member Hubbs to accept the staff's recommendation. Motion carried unanimously, noting Board Member Sessom as ABSENT.

5. **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 & ASSET MANAGEMENT /TREASURER:**

Scott Brickner, Vice President, Finance & Asset Management /Treasurer, provided a presentation on the 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, which included Investment Policy Overview, Investment Policy - Amendments, and Delegation of Investment Authority.

RECOMMENDATION: Forward to the Board for approval.

ACTION: Moved by Board Member Robinson and seconded by Board Member Alvarez to accept the staff's recommendation. Motion carried unanimously, noting Board Member Sessom as ABSENT.

EXECUTIVE COMMITTEE NEW BUSINESS

6. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

ACTION: Moved by Board Member Robinson and seconded by Vice Chair Smisek to accept staff's recommendation. Motion carried unanimously, noting Chair Gleason as ABSENT.

REVIEW OF FUTURE AGENDAS

7. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 5, 2014, BOARD MEETING:

Thella F. Bowens, President/CEO provided an overview of the draft agenda for the June 5, 2014 Board Meeting.

8. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 5, 2014, AIRPORT LAND USE COMMISSION MEETING:

Thella F. Bowens, President/CEO provided an overview of the draft agenda for the June 5, 2014 ALUC Meeting.

In regard to Item 5, "Consistency Determination – Brown Field Municipal Airport, Gillespie Field, Marine Corps Air Station Miramar, Montgomery Field and San Diego International Airport - Airport Land Use Compatibility Plans – Mobile Food Truck Ordinance, City of San Diego", Board Member Alvarez asked who makes the consistency determination as it relates to the Marine Corps Air Station Miramar Airport Land Use Compatibility Plan. Amy Gonzalez, Senior Director, General Counsel, responded that the City of San Diego would have to override the consistency determination by a two-thirds vote of the Council.

ACTION: Moved by Board Member Robinson and seconded by Vice Chair Smisek to approve Items 7 and 8. Motion carried unanimously, noting Chair Gleason as ABSENT.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT

The meeting was adjourned at 9:54 a.m. The next meeting of the Executive and Finance Committee will be held on Monday, June 23, 2014, at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 23RD DAY OF JUNE, 2014.

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

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of May 31, 2014
(Unaudited)
ASSETS

	May	
	2014	2013
Current assets:		
Cash and investments ⁽¹⁾	\$ 90,327,421	\$ 97,869,303
Tenant lease receivable, net of allowance of 2014: (\$81,326) and 2013: (\$55,959)	9,014,391	6,959,154
Grants receivable	5,535,872	5,551,955
Notes receivable-current portion	1,446,896	1,369,637
Prepaid expenses and other current assets	6,886,879	7,329,249
Total current assets	113,211,459	119,079,298
Cash designated for capital projects and other ⁽¹⁾	16,001,883	9,467,967
Restricted assets:		
Cash and investments:		
Bonds reserve ⁽¹⁾	52,007,087	62,533,013
Passenger facility charges and interest unapplied ⁽¹⁾	57,020,344	56,089,384
Customer facility charges and interest unapplied ^{(1)*}	41,613,742	39,693,621
Commercial paper reserve ⁽¹⁾	4,352	79,398
SBD Bond Guarantee ⁽¹⁾	4,000,000	4,000,000
Bond proceeds held by trustee ⁽¹⁾	505,174,880	384,669,541
Commercial paper interest held by trustee ⁽¹⁾	12,907	12,906
Passenger facility charges receivable	4,530,393	4,006,284
Customer facility charges receivable*	3,402,205	2,197,607
OCIP insurance reserve	4,993,978	5,508,221
Total restricted assets	672,759,888	558,789,975
Noncurrent assets:		
Capital assets:		
Land and land improvements	70,943,049	38,971,094
Runways, roads and parking lots	564,762,653	284,798,450
Buildings and structures	1,003,078,153	477,235,878
Machinery and equipment	13,669,022	13,615,962
Vehicles	5,582,383	5,423,360
Office furniture and equipment	32,154,095	31,761,955
Works of art	2,468,450	2,283,876
Construction-in-progress	248,052,329	879,958,121
Total capital assets	1,940,710,134	1,734,048,696
Less accumulated depreciation	(649,633,128)	(576,171,750)
Total capital assets, net	1,291,077,006	1,157,876,946
Other assets:		
Notes receivable - long-term portion	38,566,036	40,083,678
Investments-long-term portion ⁽¹⁾	70,127,374	33,625,490
Net pension asset	6,966,134	6,694,501
Security deposit	500,367	614,645
Total other assets	116,159,911	81,018,314
Total noncurrent assets	1,407,236,917	1,238,895,260
Total assets	\$ 2,209,210,147	\$ 1,926,232,500

⁽¹⁾ Total cash and investments, \$836,289,990 for 2014 and \$688,040,623 for 2013

* Rental Car Center

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of May 31, 2014
(Unaudited)

LIABILITIES AND NET POSITION

	May	
	2014	2013
Current liabilities:		
Accounts payable and accrued liabilities	\$ 64,992,692	\$ 76,073,628
Deposits and other current liabilities	4,396,743	5,767,492
Total current liabilities	69,389,436	81,841,120
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	11,944,000	6,172,000
Accrued interest on bonds and commercial paper	25,563,366	19,502,079
Total liabilities payable from restricted assets	37,507,366	25,674,079
Long-term liabilities:		
Commercial paper notes payable	38,725,000	50,969,000
Deferred rent liability	-	-
Other long-term liabilities	10,153,017	9,311,766
Long term debt - bonds net of amortized premium	1,321,415,938	1,021,773,188
Total long-term liabilities	1,370,293,955	1,082,053,954
Total liabilities	1,477,190,756	1,189,569,153
Net Position:		
Invested in capital assets, net of related debt	416,156,754	455,303,004
Other restricted	167,032,084	174,120,434
Unrestricted:		
Designated	22,140,072	16,162,468
Undesignated	126,690,481	91,077,441
Net position	732,019,391	736,663,347
Total liabilities and net position	\$ 2,209,210,147	\$ 1,926,232,500

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Eleven Months Ended May 31, 2014 and 2013
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
				Change	
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 19,895,943	\$ 19,768,267	\$ (127,676)	(1)%	\$ 19,209,259
Aircraft parking fees	2,346,202	2,289,887	(56,315)	(2)%	2,921,126
Building rentals	42,006,025	41,708,872	(297,153)	(1)%	39,862,523
Security surcharge	22,888,708	22,888,656	(52)	(0)%	18,664,080
CUPPS Support Charges	1,023,825	1,023,813	(12)	(0)%	-
Other aviation revenue	1,458,493	1,453,796	(4,697)	(0)%	1,459,677
Terminal rent non-airline	938,286	1,039,221	100,935	11%	890,633
Terminal concessions	15,610,813	17,481,380	1,870,567	12%	12,861,777
Rental car license fees	22,944,286	22,767,435	(176,851)	(1)%	22,313,050
License fees other	2,982,144	3,631,454	649,310	22%	3,141,795
Parking revenue	30,911,888	33,216,296	2,304,408	7%	30,744,481
Ground transportation permits and citations	2,142,539	2,333,622	191,083	9%	1,726,813
Ground rentals	7,506,207	7,672,024	165,817	2%	7,504,107
Grant reimbursements	204,868	344,385	139,517	68%	173,575
Other operating revenue	405,075	1,075,709	670,634	166%	652,810
Total operating revenues	173,265,302	178,694,817	5,429,515	3%	162,125,705
Operating expenses:					
Salaries and benefits	38,331,201	36,332,797	1,998,404	5%	34,751,217
Contractual services	30,587,636	28,046,480	2,541,156	8%	26,327,588
Safety and security	22,908,651	22,199,397	709,254	3%	22,076,347
Space rental	9,517,499	9,555,307	(37,808)	(0)%	10,031,371
Utilities	7,846,639	7,748,409	98,230	1%	5,935,723
Maintenance	10,636,164	11,684,004	(1,047,840)	(10)%	9,516,388
Equipment and systems	419,382	532,365	(112,983)	(27)%	389,604
Materials and supplies	343,126	351,950	(8,824)	(3)%	314,604
Insurance	1,149,115	905,176	243,939	21%	741,572
Employee development and support	1,155,010	932,571	222,439	19%	1,121,156
Business development	2,686,236	2,264,829	421,407	16%	2,008,645
Equipment rentals and repairs	2,616,490	2,505,164	111,326	4%	1,333,041
Total operating expenses	128,197,149	123,058,449	5,138,700	4%	114,547,256
Depreciation	72,793,593	72,793,599	(6)	(0)%	37,782,527
Operating income (loss)	(27,725,440)	(17,157,231)	10,568,209	38%	9,795,922
Nonoperating revenue (expenses):					
Passenger facility charges	32,094,448	32,673,424	578,976	2%	32,150,860
Customer facility charges (Rental Car Center)	24,022,046	24,802,514	780,468	3%	16,787,132
Quieter Home Program	(2,778,899)	(2,674,414)	104,485	4%	(1,392,680)
Interest income	4,849,368	4,541,625	(307,743)	(6)%	4,204,617
BAB interest rebate	4,346,035	4,249,864	(96,171)	0%	4,579,595
Interest expense	(45,856,859)	(50,911,397)	(5,054,538)	(11)%	(5,430,872)
Bond amortization	3,672,981	4,028,249	355,268	10%	1,983,391
Other nonoperating income (expenses)	(18,333)	1,812,898	1,831,231	-	(1,322,428)
Nonoperating revenue, net	20,330,787	18,522,763	(1,808,024)	(9)%	51,559,615
Change in net position before capital grant c	(7,394,653)	1,365,532	8,760,185	(118)%	61,355,537
Capital grant contributions	15,223,717	3,590,488	(11,633,229)	(76)%	16,455,576
Change in net position	\$ 7,829,064	\$ 4,956,020	\$ (2,873,044)	(37)%	\$ 77,811,113

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San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the eleven months ended May 31, 2014
 (Unaudited)

Print Date: 6/12/2014
 Print Time: 11:47:23AM
 Report ID: GL0012

	Month to Date				Year to Date					
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Landing Fees										
41112 - Landing Fees - Signatory	\$1,891,802	\$1,870,117	\$(21,685)	(1)	\$1,911,117	\$20,139,607	\$20,174,487	\$34,880	0	\$19,668,672
41113 - Landing Fee Rebate	(11,481)	(39,328)	(27,847)	(243)	(44,527)	(243,664)	(406,220)	(162,556)	(67)	(459,413)
Total Landing Fees	1,880,321	1,830,789	(49,532)	(3)	1,866,591	19,895,943	19,768,267	(127,676)	(1)	19,209,259
Aircraft Parking Fees										
41150 - Terminal Aircraft Parking	173,049	165,001	(8,049)	(5)	202,352	1,903,544	1,774,765	(128,779)	(7)	2,256,998
41155 - Remote Aircraft Parking	40,242	32,195	(8,047)	(20)	67,451	442,658	515,122	72,463	16	664,128
Total Aircraft Parking Fees	213,291	197,196	(16,095)	(8)	269,802	2,346,202	2,289,887	(56,315)	(2)	2,921,126
Building and Other Rents										
41210 - Terminal Rent	3,808,466	3,735,091	(73,374)	(2)	3,576,078	41,429,178	41,025,970	(403,208)	(1)	39,479,682
41215 - Federal Inspection Services	54,566	67,914	13,348	24	37,084	576,847	682,902	106,055	18	382,841
Total Building and Other Rents	3,863,032	3,803,006	(60,026)	(2)	3,613,162	42,006,025	41,708,872	(297,154)	(1)	39,862,523
Security Surcharge										
41310 - Airside Security Charges	512,275	512,275	0	0	416,669	5,635,025	5,635,019	(6)	0	4,587,901
41320 - Terminal Security Charge	1,568,517	1,568,513	(4)	0	1,250,789	17,253,683	17,253,637	(46)	0	14,076,179
Total Security Surcharge	2,080,792	2,080,788	(4)	0	1,667,458	22,888,708	22,888,656	(52)	0	18,664,080
CUPPS Support Charges										
41400 - CUPPS Support Charges	93,075	93,075	0	0	0	1,023,825	1,023,813	(12)	0	0
Total CUPPS Support Charges	93,075	93,075	0	0	0	1,023,825	1,023,813	(12)	0	0
Other Aviation Revenue										
43100 - Fuel Franchise Fees	13,820	11,554	(2,266)	(16)	13,947	150,043	145,335	(4,707)	(3)	151,216
43105 - New Capital Recovery	118,950	118,951	1	0	118,951	1,308,450	1,308,461	11	0	1,308,461
Total Other Aviation Revenue	132,770	130,505	(2,265)	(2)	132,898	1,458,493	1,453,796	(4,696)	0	1,459,677
Non-Airline Terminal Rents										
45010 - Terminal Rent - Non-Airline	85,948	106,492	20,544	24	81,506	938,286	1,039,221	100,935	11	890,633
Total Non-Airline Terminal Rents	85,948	106,492	20,544	24	81,506	938,286	1,039,221	100,935	11	890,633

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	Month to Date				Year to Date				
	Budget	Actual	Variance		Budget	Actual	Variance		
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent	
Concession Revenue									
45110 - Terminal Concessions	\$0	\$0	\$0	0	\$0	\$0	\$0	0	\$4,546,121
45111 - Term Concessions-Food & Bev	551,012	792,691	241,680	44	5,703,252	7,116,234	1,412,981	25	3,053,770
45112 - Terminal Concessions - Retail	382,930	493,873	110,944	29	3,873,638	4,763,453	889,815	23	1,345,224
45113 - Term Concessions - Other	249,219	251,921	2,703	1	2,625,630	2,621,511	(4,119)	0	2,674,790
45114 - Term Concessions Space Rents	62,500	77,853	15,353	25	687,500	735,251	47,751	7	335,915
45115 - Term Concessions Cost Recovery	136,600	65,295	(71,306)	(52)	1,192,872	634,464	(558,408)	(47)	86,692
45116 - Rec Distr Center Cost Recovery	124,980	120,533	(4,447)	(4)	1,360,721	1,321,489	(39,232)	(3)	721,505
45117 - Concessions Marketing Program	20,900	41,254	20,354	97	167,200	288,978	121,778	73	97,760
45120 - Rental car license fees	1,915,784	2,179,053	263,269	14	22,944,286	22,767,435	(176,851)	(1)	22,313,050
45130 - License Fees - Other	274,683	345,540	70,858	26	2,982,144	3,631,454	649,310	22	3,141,795
Total Concession Revenue	3,718,607	4,368,015	649,407	17	41,537,243	43,880,268	2,343,026	6	38,316,621
Parking and Ground Transportat									
45210 - Parking	3,071,298	3,226,068	154,770	5	30,911,888	33,216,296	2,304,408	7	30,744,481
45220 - AVI fees	125,186	142,532	17,347	14	1,328,689	1,508,048	179,358	13	1,102,351
45240 - Ground Transportation Pe	2,595	7,640	5,045	194	793,752	741,723	(52,029)	(7)	547,195
45250 - Citations	1,978	13,410	11,432	578	20,098	83,851	63,754	317	77,267
Total Parking and Ground Transportat	3,201,056	3,389,650	188,594	6	33,054,427	35,549,919	2,495,491	8	32,471,293
Ground Rentals									
45310 - Ground Rental - Fixed	620,743	630,563	9,820	2	6,828,178	7,058,065	229,887	3	6,864,804
45320 - Ground Rental - Percenta	62,309	44,360	(17,949)	(29)	678,029	613,959	(64,070)	(9)	639,303
Total Ground Rentals	683,052	674,923	(8,129)	(1)	7,506,207	7,672,024	165,817	2	7,504,107
Grant Reimbursements									
45410 - TSA Reimbursements	18,958	24,800	5,842	31	204,868	344,385	139,517	68	173,575
Total Grant Reimbursements	18,958	24,800	5,842	31	204,868	344,385	139,517	68	173,575

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	Budget	Actual	Variance		Budget	Actual	Variance		
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent	
								Prior Year Actual	
Other Operating Revenue									
45510 - Finger Printing Fee	\$4,600	\$7,485	\$2,885	63	\$50,600	\$100,207	\$49,607	98	\$118,125
45520 - Utilities Reimbursements	17,900	14,686	(3,214)	(18)	196,900	162,050	(34,850)	(18)	306,871
45530 - Miscellaneous Other Reve	5,467	4,247	(1,220)	(22)	60,133	601,551	541,418	900	65,883
45540 - Service Charges	3,525	6,342	2,817	80	38,775	164,188	125,413	323	115,735
45570 - FBO Landing Fees	3,333	257	(3,076)	(92)	36,667	25,713	(10,954)	(30)	24,195
45580 - Equipment Rental	2,000	2,000	0	0	22,000	22,000	0	0	22,000
Total Other Operating Revenue	36,825	35,018	(1,807)	(5)	405,075	1,075,709	670,634	166	652,809
Total Operating Revenue	16,007,728	16,734,256	726,528	5	173,265,302	178,694,818	5,429,516	3	162,125,704
Personnel Expenses									
Salaries									
51110 - Salaries & Wages	3,628,236	2,906,825	721,411	20	28,503,228	22,829,645	5,673,583	20	22,255,981
51210 - Paid Time Off	0	281,741	(281,741)	0	0	2,265,811	(2,265,811)	0	2,013,946
51220 - Holiday Pay	0	52,338	(52,338)	0	0	701,797	(701,797)	0	696,130
51240 - Other Leave With Pay	0	9,307	(9,307)	0	0	89,494	(89,494)	0	106,400
51250 - Special Pay	0	65,071	(65,071)	0	0	951,346	(951,346)	0	762,563
Total Salaries	3,628,236	3,315,282	312,954	9	28,503,228	26,838,093	1,665,135	6	25,835,020
52110 - Overtime	71,749	86,354	(14,605)	(20)	795,243	893,704	(98,461)	(12)	978,401

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	Budget	Actual	Variance		Budget	Actual	Variance			
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent		
									Prior Year Actual	
Benefits										
54110 - FICA Tax	\$277,531	\$253,147	\$24,384	9	\$2,097,367	\$1,960,301	\$137,066	7	\$1,896,600	
54120 - Unemployment Insurance-S	0	11,924	(11,924)	0	0	46,679	(46,679)	0	18,404	
54130 - Workers Compensation Ins	67,056	29,067	37,990	57	559,955	225,187	334,768	60	303,135	
54135 - Workers Comp Incident Expense	0	0	0	0	0	39,644	(39,644)	0	52,832	
54210 - Medical Insurance	380,678	312,730	67,948	18	3,866,760	3,473,571	393,189	10	3,175,382	
54220 - Dental Insurance	27,267	23,953	3,314	12	288,970	266,498	22,472	8	260,132	
54230 - Vision Insurance	3,278	2,952	326	10	35,147	32,300	2,847	8	31,740	
54240 - Life Insurance	8,354	7,573	780	9	90,447	84,702	5,745	6	61,844	
54250 - Short Term Disability	8,639	8,800	(161)	(2)	93,030	96,321	(3,291)	(4)	95,858	
54310 - Retirement	707,177	582,488	124,689	18	5,722,038	4,767,225	954,813	17	4,409,029	
54315 - Retiree	195,997	205,773	(9,776)	(5)	2,155,965	2,207,619	(51,654)	(2)	2,089,791	
54320 - Amortization of Retiree	0	46,359	(46,359)	0	0	509,953	(509,953)	0	509,953	
54410 - Taxable Benefits	0	0	0	0	0	19,983	(19,983)	0	25,476	
54430 - Accrued Vacation	0	(4,057)	4,057	0	0	(29,553)	29,553	0	80,257	
Total Benefits	1,675,977	1,480,709	195,267	12	14,909,679	13,700,429	1,209,250	8	13,010,431	
Cap Labor/Burden/OH Recharge										
54510 - Capitalized Labor Recha	(670,159)	(212,707)	(457,452)	(68)	(5,232,923)	(1,389,520)	(3,843,403)	(73)	(1,460,701)	
54515 - Capitalized Burden Rech	0	(75,017)	75,017	0	0	(543,096)	543,096	0	(558,153)	
Total Cap Labor/Burden/OH Recharge	(670,159)	(287,725)	(382,434)	(57)	(5,232,923)	(1,932,616)	(3,300,307)	(63)	(2,018,854)	
QHP Labor/Burden/OH Recharge										
54520 - QHP Labor Recharge	(76,807)	(42,520)	(34,287)	(45)	(644,026)	(321,955)	(322,071)	(50)	(366,523)	
54525 - QHP Burden Recharge	0	(16,491)	16,491	0	0	(135,101)	135,101	0	(151,255)	
54526 - QHP OH Contra Acct	0	(14,922)	14,922	0	0	(171,353)	171,353	0	(151,619)	
Total QHP Labor/Burden/OH Recharge	(76,807)	(73,933)	(2,874)	(4)	(644,026)	(628,409)	(15,617)	(2)	(669,397)	
MM&JS Labor/Burden/OH Recharge										
54530 - MM & JS Labor Recharge	0	0	0	0	0	(433)	433	0	(1,390)	
54531 - Joint Studies - Labor	0	0	0	0	0	442	(442)	0	662	
54535 - MM & JS Burden Recharge	0	0	0	0	0	(213)	213	0	(295)	
54536 - Maintenance-Burden	0	0	0	0	0	213	(213)	0	295	
54599 - OH Contra	0	(245,315)	245,315	0	0	(2,538,414)	2,538,414	0	(2,383,655)	
Total MM&JS Labor/Burden/OH Recharge	0	(245,315)	245,315	0	0	(2,538,405)	2,538,405	0	(2,384,383)	
Total Personnel Expenses	4,628,995	4,275,373	353,623	8	38,331,200	36,332,796	1,998,404	5	34,751,219	

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	Budget	Actual	Variance		Budget	Actual	Variance						
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent					
Non-Personnel Expenses													
Contract Services													
61100 - Temporary Staffing	\$5,616	\$60,565	\$(54,949)	(978)	\$64,576	\$381,988	\$(317,392)	(492)		\$306,231			
61110 - Auditing Services	0	4,841	(4,841)	0	177,000	219,187	(42,187)	(24)		202,612			
61120 - Legal Services	101,667	51,015	50,652	50	1,118,333	426,666	691,666	62		489,157			
61130 - Services - Professional	780,248	654,197	126,051	16	9,479,072	7,389,687	2,089,386	22		9,411,113			
61150 - Outside Svs - Other	251,754	173,128	78,626	31	2,992,047	2,706,913	285,134	10		1,823,096			
61160 - Services - Custodial	1,558,851	1,605,929	(47,078)	(3)	17,167,663	17,146,778	20,885	0		14,767,024			
61190 - Receiving & Dist Cntr Services	130,325	126,877	3,448	3	1,433,571	1,390,775	42,796	3		808,359			
61990 - OH Contra	0	(152,587)	152,587	0	0	(1,615,494)	1,615,494	0		(1,480,003)			
61998 - Capital Proj OH Alloc Co	(162,379)	0	(162,379)	(100)	(1,844,626)	0	(1,844,626)	(100)		0			
Total Contract Services	2,666,081	2,523,965	142,116	5	30,587,636	28,046,479	2,541,157	8		26,327,588			
Safety and Security													
61170 - Services - Fire, Police,	512,543	691,212	(178,669)	(35)	5,550,383	4,670,149	880,233	16		4,791,308			
61180 - Services - SDUPD-Harbor	1,860,277	1,862,624	(2,348)	0	15,196,840	15,255,649	(58,809)	0		15,688,189			
61185 - Guard Services	200,013	203,467	(3,454)	(2)	2,161,428	2,273,599	(112,171)	(5)		1,596,850			
Total Safety and Security	2,572,833	2,757,303	(184,471)	(7)	22,908,651	22,199,397	709,253	3		22,076,347			
Space Rental													
62100 - Rent	865,173	897,368	(32,195)	(4)	9,517,499	9,555,307	(37,808)	0		10,031,371			
Total Space Rental	865,173	897,368	(32,195)	(4)	9,517,499	9,555,307	(37,808)	0		10,031,371			
Utilities													
63100 - Telephone & Other Commun	40,859	40,488	371	1	449,943	326,233	123,710	27		309,299			
63110 - Utilities - Gas & Electr	610,542	904,795	(294,253)	(48)	6,457,696	6,734,918	(277,221)	(4)		4,936,587			
63120 - Utilities - Water	60,000	73,006	(13,006)	(22)	939,000	687,258	251,742	27		689,838			
Total Utilities	711,401	1,018,290	(306,889)	(43)	7,846,640	7,748,408	98,231	1		5,935,723			

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	Budget	Actual	Variance Favorable (Unfavorable) Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable) Percent	Prior Year Actual
Maintenance								
64100 - Facilities Supplies	\$76,579	\$150,566	\$(73,987) (97)	\$72,251	\$853,469	\$743,034	\$110,435 13	\$671,123
64110 - Maintenance - Annual R	786,836	859,151	(72,315) (9)	606,709	8,412,695	9,490,608	(1,077,913) (13)	7,821,243
64122 - Contractor Labor	0	0	0 0	0	0	26	(26) 0	531
64123 - Contractor Burden	0	0	0 0	0	0	33	(33) 0	676
64124 - Maintenance-Overhead	0	10	(10) 0	61	0	1,398	(1,398) 0	1,462
64125 - Major Maintenance - Mat	9,500	179,958	(170,458) (1,794)	78,472	900,000	994,106	(94,106) (10)	605,253
64127 - Contract Overhead (co	0	0	0 0	0	0	29	(29) 0	542
64140 - Refuse & Hazardous Waste	34,000	(627)	34,627 102	51,218	470,000	454,770	15,230 3	415,559
Total Maintenance	906,915	1,189,059	(282,144) (31)	808,710	10,636,164	11,684,004	(1,047,840) (10)	9,516,388
Equipment and Systems								
65100 - Equipment & Systems	42,272	198,247	(155,975) (369)	117,621	449,719	543,548	(93,829) (21)	423,268
65101 - OH Contra	(5,200)	(4,239)	(961) (18)	(821)	(30,337)	(11,183)	(19,154) (63)	(33,663)
Total Equipment and Systems	37,072	194,008	(156,936) (423)	116,799	419,382	532,365	(112,983) (27)	389,606
Materials and Supplies								
65110 - Office & Operating Suppl	30,797	48,128	(17,331) (56)	31,090	315,272	319,404	(4,132) (1)	268,739
65120 - Safety Equipment & Suppl	5,155	8,660	(3,505) (68)	16,753	59,180	35,731	23,449 40	54,780
65130 - Tools - Small	1,375	1,594	(219) (16)	(1,396)	15,625	17,655	(2,030) (13)	7,016
65199 - OH Contra	(4,514)	(4,239)	(275) (6)	(1,571)	(46,951)	(20,840)	(26,111) (56)	(15,931)
Total Materials and Supplies	32,812	54,143	(21,331) (65)	44,876	343,125	351,949	(8,823) (3)	314,604
Insurance								
67170 - Insurance - Property	60,076	44,917	15,159 25	28,498	660,836	494,083	166,753 25	313,473
67171 - Insurance - Liability	20,746	17,254	3,492 17	17,254	228,206	189,790	38,416 17	189,790
67172 - Insurance - Public Offic	12,856	10,766	2,090 16	10,530	141,416	119,373	22,043 16	116,781
67173 - Insurance Miscellaneous	9,837	9,319	518 5	8,767	108,207	101,869	6,338 6	96,436
67199 - Insurance - Claims	950	0	950 100	3,666	10,450	61	10,389 99	25,092
Total Insurance	104,465	82,255	22,210 21	68,714	1,149,115	905,177	243,938 21	741,572

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Depreciation and Amortization								
69110 - Depreciation Expense	\$6,605,627	\$6,605,627	\$0 0	\$3,297,194	\$72,793,593	\$72,793,599	\$(6) 0	\$37,782,527
Total Depreciation and Amortization	6,605,627	6,605,627	0 0	3,297,194	72,793,593	72,793,599	(6) 0	37,782,527
Non-Operating Revenue/(Expense)								
Passenger Facility Charges								
71110 - Passenger Facility Charge	3,236,248	3,437,924	201,677 6	3,245,302	32,094,448	32,673,424	578,976 2	32,150,860
Total Passenger Facility Charges	3,236,248	3,437,924	201,677 6	3,245,302	32,094,448	32,673,424	578,976 2	32,150,860
Customer Facility Charges								
71120 - Customer facility charges (Con	2,490,100	2,723,729	233,629 9	2,048,409	24,022,046	24,802,514	780,468 3	16,787,132
Total Customer Facility Charges	2,490,100	2,723,729	233,629 9	2,048,409	24,022,046	24,802,514	780,468 3	16,787,132
Quilter Home Program								
71212 - Quieter Home - Labor	0	(42,520)	(42,520) 0	(47,253)	0	(321,955)	(321,955) 0	(366,523)
71213 - Quieter Home - Burden	0	(16,491)	(16,491) 0	(17,849)	0	(135,101)	(135,101) 0	(151,255)
71214 - Quieter Home - Overhead	0	(14,922)	(14,922) 0	(11,547)	0	(171,353)	(171,353) 0	(151,619)
71215 - Quieter Home - Material	(1,700,000)	(2,049,967)	(349,967) (21)	(900,233)	(13,376,621)	(12,138,070)	1,238,551 9	(13,183,725)
71216 - Quieter Home Program	1,369,535	1,651,901	282,366 21	847,062	10,781,052	10,779,594	(1,458) 0	13,040,515
71217 - Contract Labor	0	(27,994)	(27,994) 0	(17,553)	0	(261,632)	(261,632) 0	(248,502)
71218 - Contractor Burden	0	(35,629)	(35,629) 0	(22,340)	0	(331,647)	(331,647) 0	(316,132)
71222 - Contractor Labor	0	0	0 0	0	0	(1,766)	(1,766) 0	(846)
71223 - Contractor Burden	0	0	0 0	0	0	(996)	(996) 0	(1,077)
71224 - Joint Studies Overhead	0	0	0 0	0	0	(30)	(30) 0	0
71225 - Joint Studies - Material	(16,670)	0	16,670 100	0	(183,330)	(88,707)	94,623 52	(12,163)
71226 - Contractor Overhead	0	0	0 0	0	0	(2,751)	(2,751) 0	(1,354)
Total Quilter Home Program	(347,135)	(535,622)	(188,487) (54)	(169,713)	(2,778,899)	(2,674,414)	104,485 4	(1,392,681)

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Interest Income								
71310 - Interest - Investments	\$254,385	\$129,496	\$(124,889) (49)	\$113,702	\$2,798,235	\$1,367,575	\$(1,430,660) (51)	\$1,214,213
71330 - Interest - Commercial Pa	0	0	0 0	0	0	1	1 0	0
71340 - Interest - Note Receivab	186,467	187,468	1,002 1	194,165	2,051,133	2,056,749	5,616 0	2,130,740
71350 - Interest - Other	0	0	0 0	0	0	(808)	(808) 0	(962)
71360 - Interest - Bonds	0	0	0 0	0	0	0	0 0	131,736
71361 - Interest Income - 2010 Bonds	0	21,101	21,101 0	22,852	0	233,852	233,852 0	383,329
71363 - Interest Income - 2013 Bonds	0	93,358	93,358 0	8,900	0	654,265	654,265 0	345,563
71365 - Interest Income - 2014 Bond A	0	69,855	69,855 0	0	0	229,991	229,991 0	0
Total Interest Income	440,852	501,278	60,427 14	339,619	4,849,368	4,541,624	(307,744) (6)	4,204,618
Interest income BAB's rebate								
71362 - BAB interest rebate	395,094	386,351	(8,743) (2)	416,327	4,346,035	4,249,864	(96,172) (2)	4,579,595
Total Interest Income BAB's rebate	395,094	386,351	(8,743) (2)	416,327	4,346,035	4,249,864	(96,172) (2)	4,579,595
Interest Expense								
71410 - Interest Expense 2005 Bo	0	0	0 0	0	0	0	0 0	(830,074)
71411 - Interest Expense- 2010 Bonds	(2,642,125)	(2,642,125)	0 0	(2,644,625)	(29,063,373)	(29,063,373)	0 0	(29,090,873)
71412 - Interest Expense 2013 Bonds	(1,539,625)	(1,539,625)	0 0	(1,549,889)	(16,935,875)	(16,935,875)	0 0	(6,199,557)
71413 - Interest Expense 2014 Bond A	0	(1,384,464)	(1,384,464) 0	0	0	(4,607,313)	(4,607,313) 0	0
71420 - Interest Expense - Comm	(53,092)	(6,601)	46,491 88	(10,356)	(584,015)	(79,689)	504,326 86	(90,143)
71430 - LOC Fees - C/P	(22,426)	(23,502)	(1,076) (5)	(23,502)	(246,685)	(254,065)	(7,381) (3)	(237,446)
71440 - Dealer Fees - C/P	(1,682)	0	1,682 100	0	(18,502)	(20,858)	(2,356) (13)	(10,247)
71450 - Trustee Fee Bonds	(1,365)	0	1,365 100	0	(15,015)	(10,816)	4,199 28	(9,825)
71451 - Program Fees - Comm. Pap	(833)	(5,000)	(4,167) (500)	0	(9,167)	(5,000)	4,167 45	(2,624)
71452 - Investment Fees	0	0	0 0	0	0	0	0 0	(75)
71458 - Capitalized Interest	0	94,690	94,690 0	0	0	6,398,207	6,398,207 0	0
71460 - Interest Expense - Other	152,505	(530,687)	(683,192) (448)	3,007,581	1,677,560	(5,670,828)	(7,348,388) (438)	31,467,130
71461 - Interest Expense - Cap Leases	(59,665)	0	59,665 100	(60,743)	(661,787)	(661,787)	0 0	(427,139)
Total Interest Expense	(4,168,308)	(6,037,313)	(1,869,005) (45)	(1,281,533)	(45,856,859)	(50,911,398)	(5,054,539) (11)	(5,430,874)
Amortization								
69210 - Amortization - Premium	362,566	365,188	2,622 1	369,279	4,019,252	4,028,249	8,996 0	2,396,144
69220 - Amortization - Cost of I	(31,229)	0	31,229 100	(31,824)	(346,271)	0	346,271 100	(400,223)
69230 - Amort-Commercial Paper	0	0	0 0	(1,139)	0	0	0 0	(12,530)
Total Amortization	331,337	365,188	33,852 10	336,316	3,672,981	4,028,249	355,267 10	1,983,382

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the eleven months ended May 31, 2014
 (Unaudited)

Print Date: 6/12/2014
 Print Time: 11:47:23AM
 Report ID: GL0012

	Month to Date				Year to Date							
	Budget	Actual	Variance		Budget	Actual	Variance					
			Favorable (Unfavorable)	Percent			Favorable (Unfavorable)	Percent				
Other Non-Operating Income (Expense)												
71510 - Legal Settlement Income	\$0	\$0	\$0	0	\$0	\$1,809	0	\$1,809	0	\$5,023		
71520 - Fixed Asset Disposal-Pro	0	0	0	0	0	11,273	0	11,273	0	0		
71521 - Fixed Asset Disposal - L	0	0	0	0	0	0	0	0	0	(1,450,872)		
71530 - Gain/Loss On Investments	0	575,732	575,732	0	(321,739)	1,608,464	0	1,608,464	0	55,506		
71540 - Discounts Earned	0	2,303	2,303	0	2,153	9,917	0	9,917	0	8,817		
71610 - Legal Settlement Expense	(1,667)	0	1,667	100	0	(18,333)	0	18,333	100	(267)		
71620 - Other non-operating revenue (e	0	2,893	2,893	0	5,812	181,434	0	181,434	0	106,222		
71630 - Other Non-Operating Expe	0	0	0	0	(4,207)	0	0	0	0	(46,856)		
Total Other Non-Operating Income (Expense)	(1,667)	580,928	582,595	34,956	(317,982)	1,812,896	9,989	1,831,230	9,989	(1,322,428)		
Total Non-Operating Revenue/(Expense)	2,376,520	1,422,464	(954,056)	(40)	(4,616,745)	18,522,759	(9)	(1,808,029)	(9)	(51,559,614)		
Capital Grant Contribution												
72100 - AIP Grants	2,828,988	240,099	(2,588,889)	(92)	2,902,111	3,590,488	(76)	(11,633,229)	(76)	16,455,576		
Total Capital Grant Contribution	2,828,988	240,099	(2,588,889)	(92)	2,902,111	3,590,488	(76)	(11,633,229)	(76)	16,455,576		
Total Expenses Net of Non-Operating Revenue/ (Expense)	14,340,083	18,644,017	(4,303,934)	(30)	8,775,718	173,738,799	(5)	(8,302,564)	(5)	84,314,597		
Net Income/(Loss)	1,667,645	(1,909,762)	(3,577,406)	(215)	6,456,361	4,956,019	(37)	(2,873,048)	(37)	77,811,107		
Equipment Outlay												
73200 - Equipment Outlay Expendi	0	0	0	0	0	(356,921)	(3,469)	(346,921)	(3,469)	(793,603)		
73299 - Capitalized Equipment Co	0	0	0	0	0	356,921	0	356,921	0	793,603		
Total Equipment Outlay	0	0	0	0	0	10,000	100	10,000	100	0		



Item 2

San Diego County Regional Airport Authority

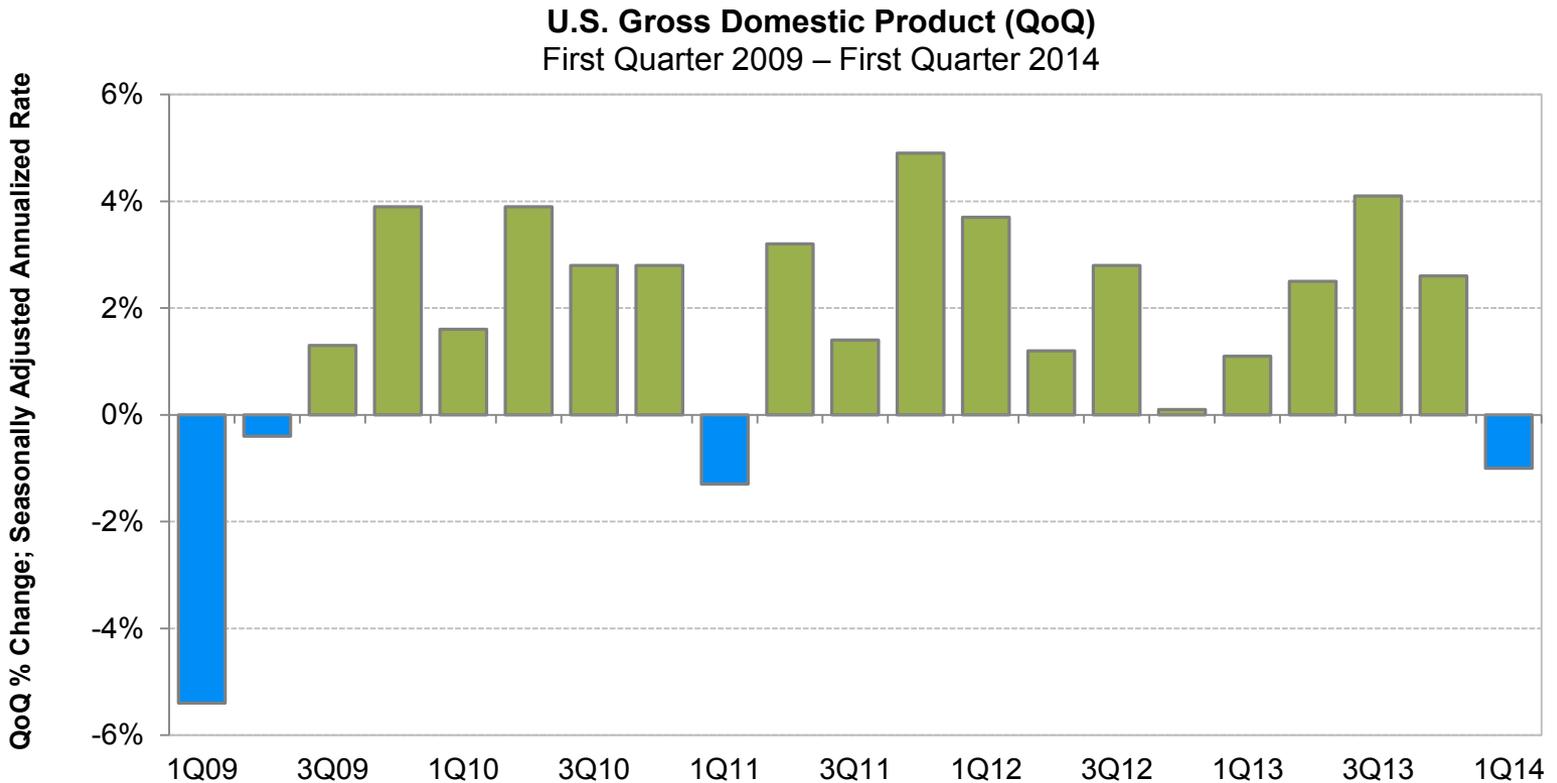
Review of the Unaudited Financial Statements for the Eleven Months Ended May 31, 2014 and 2013

Presented by:
Scott Brickner, CPA
Vice President, Finance & Asset Management/Treasurer
Kathy Kiefer
Senior Director, Finance & Asset Management

June 23, 2014

The Economy Shrinks in the First Quarter

- First quarter 2014 GDP (second estimate) was revised down sharply to an annualized rate of -1.0% from the advance estimate of 0.1%.
- Many economist think that the harsh winter weather was contributing factor to the sharp drop and expect the economy to rebound strongly in the second quarter.



Unemployment Claims Trending Down

- Although seasonally adjusted initial claims for unemployment rose slightly for week ending May 31st to 312,000, unemployment claims have generally trended downward during 2014.
- The 4-week moving average, which helps smooth out some of the weekly volatility, was down by 2,250 to 310,250 for the week ending May 31st. Since the beginning of the year, the 4-week average is down 33,000 claims.

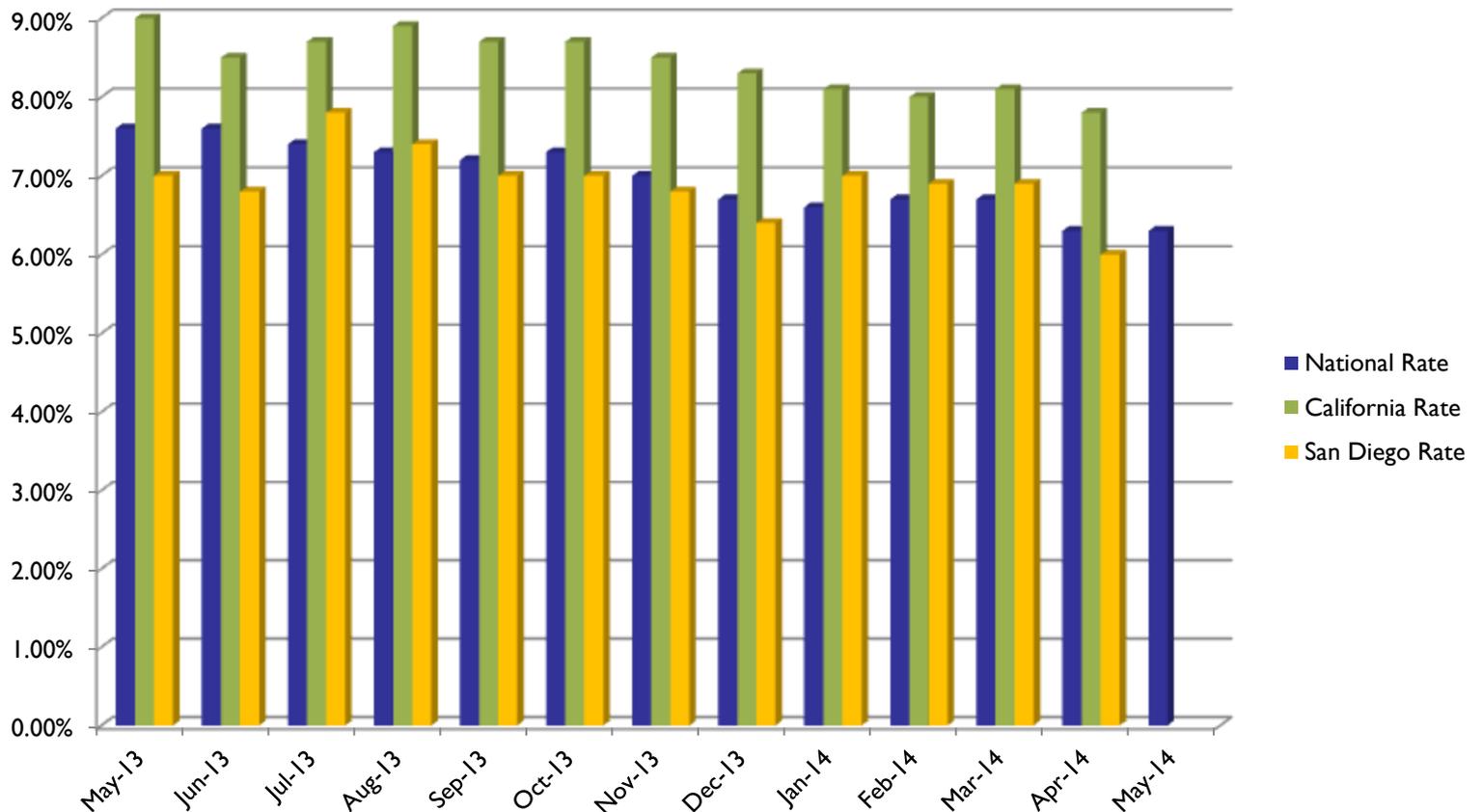
Initial Jobless Claims and 4-Week Moving Average
May 2009 – May 2014



May Unemployment – Federal Rates Held at 6.3 Percent TO BE UPDATED

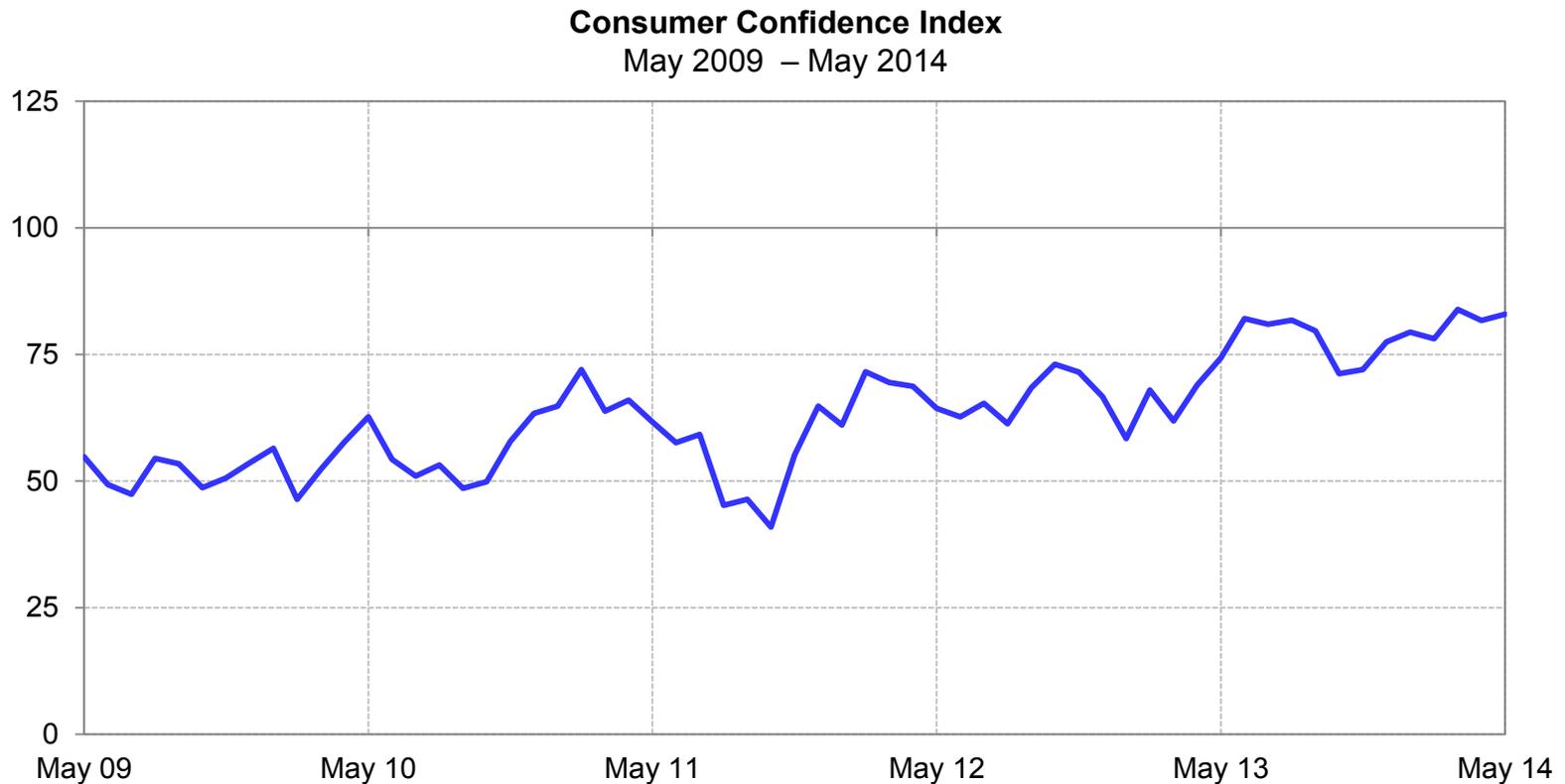
The Federal unemployment rate in May 2014 remained at 6.3 percent. The National U-6 rate went down slightly to 12.2 percent from 12.3 percent. In California, the State unemployment rate decreased to 7.8 percent from at 8.1 percent for April 2014. Locally, San Diego's unemployment went down from 6.9 percent to 6.0 percent in April 2014.

Unemployment Rates

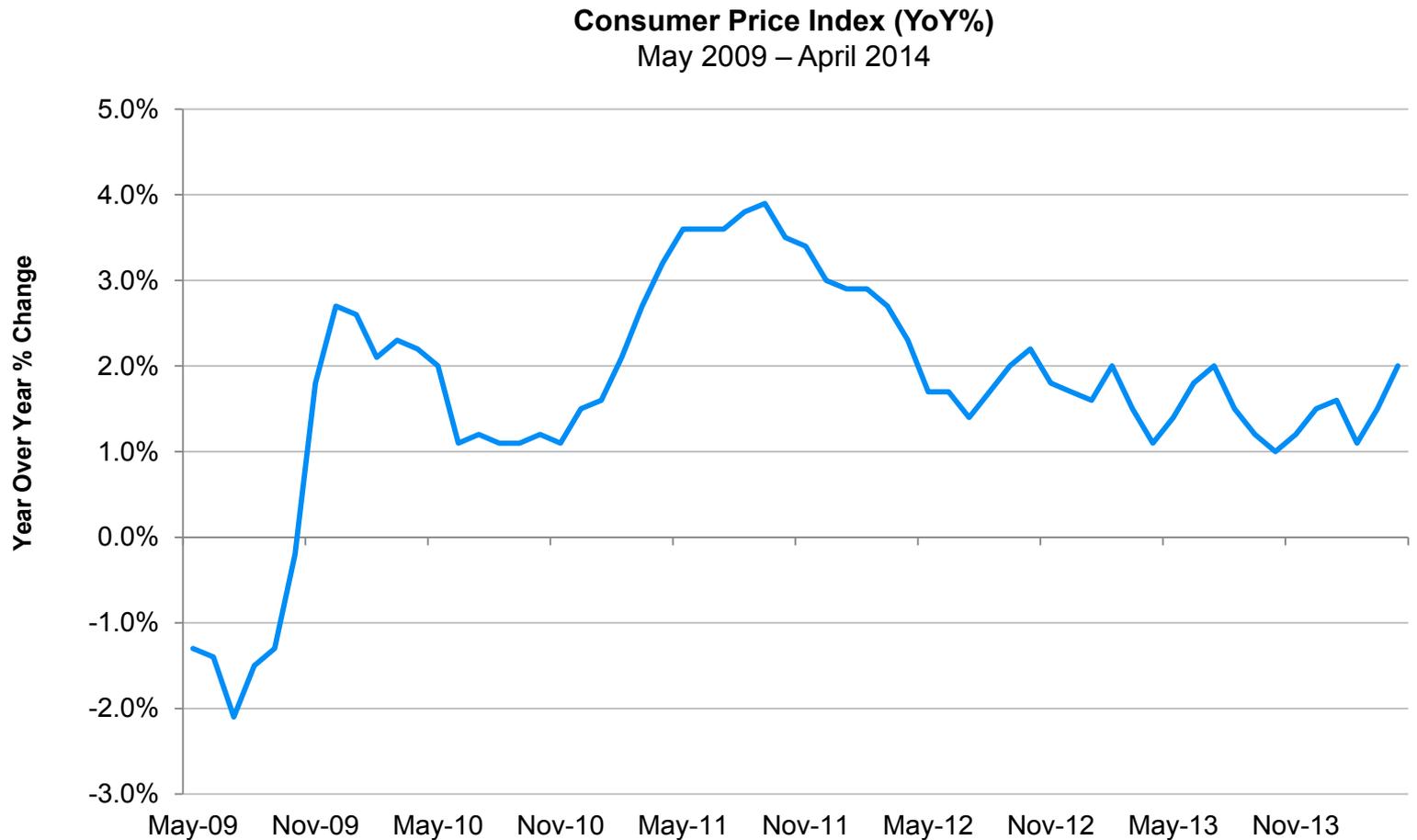


Consumer Confidence Improving

- The Consumer Confidence Index, which fell slightly in April, increased by 1.3 points to 83.0 in May. Consumers' assessment of current conditions, particularly the labor market, grew more favorable. Consumers were also more optimistic about conditions over the next six months.

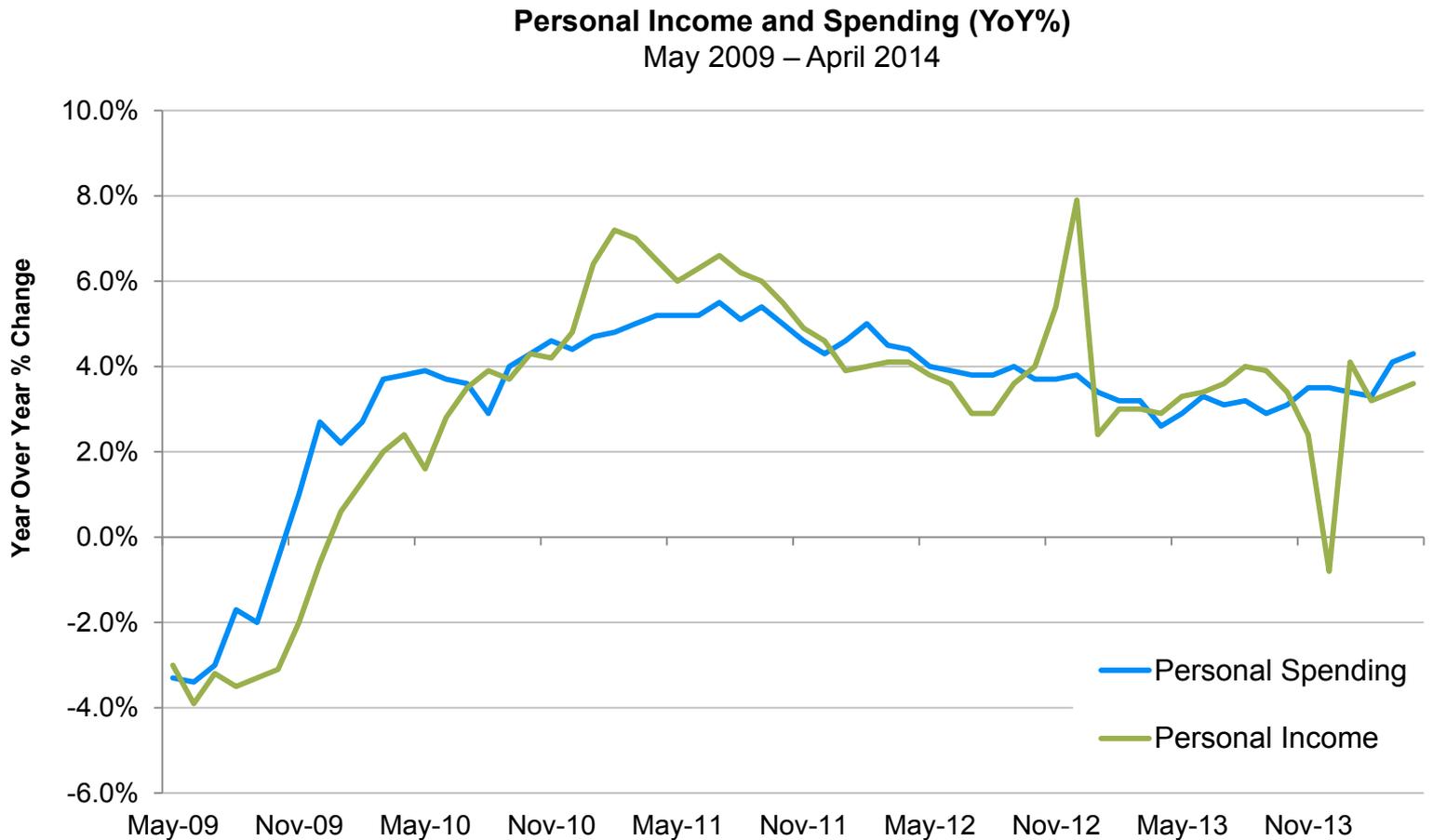


Consumer Price Increases Remain Moderate



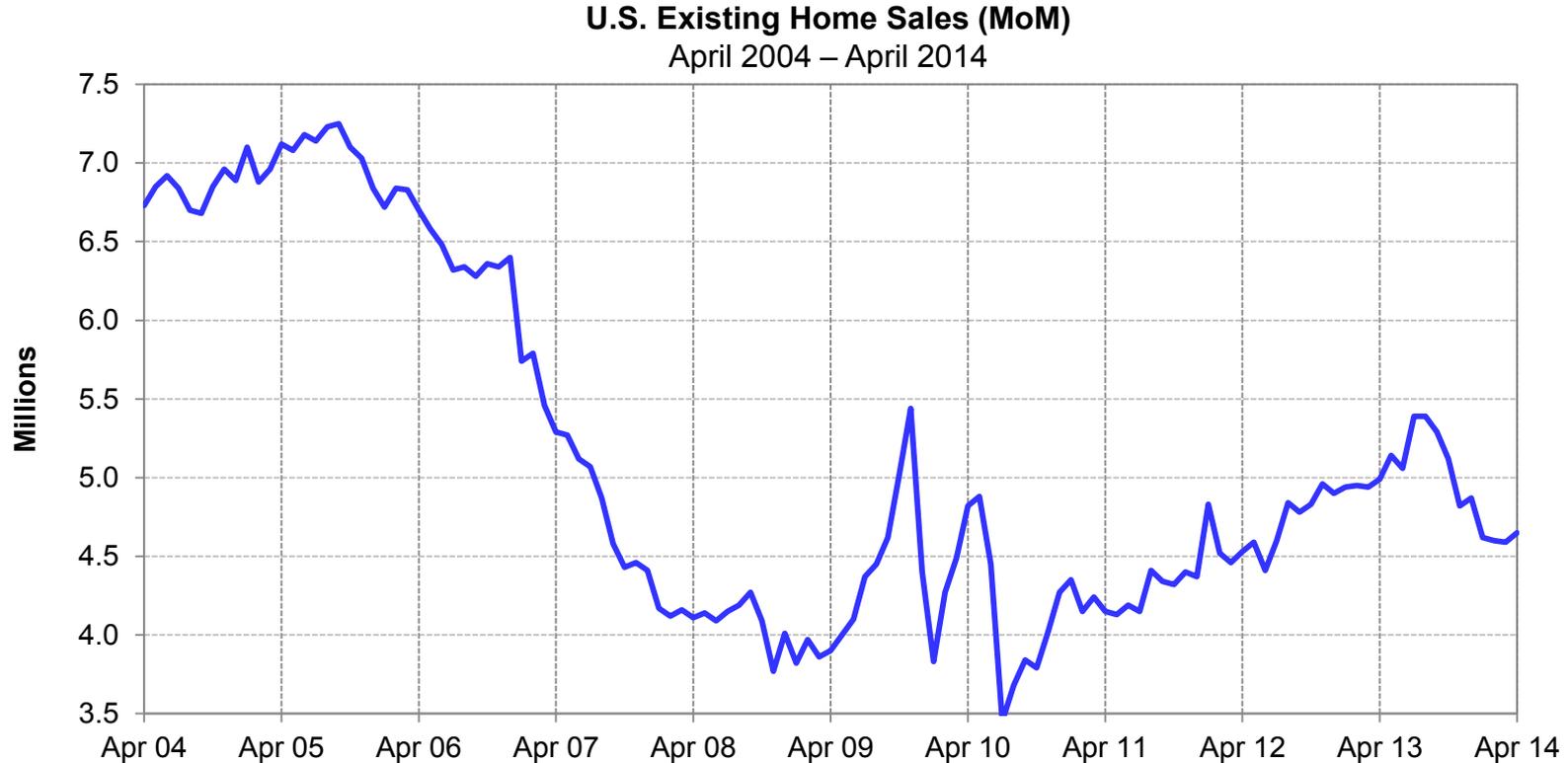
Personal Spending And Income Up in April

- Personal spending was up 4.3% and personal income was up 3.3% compared to April 2013.



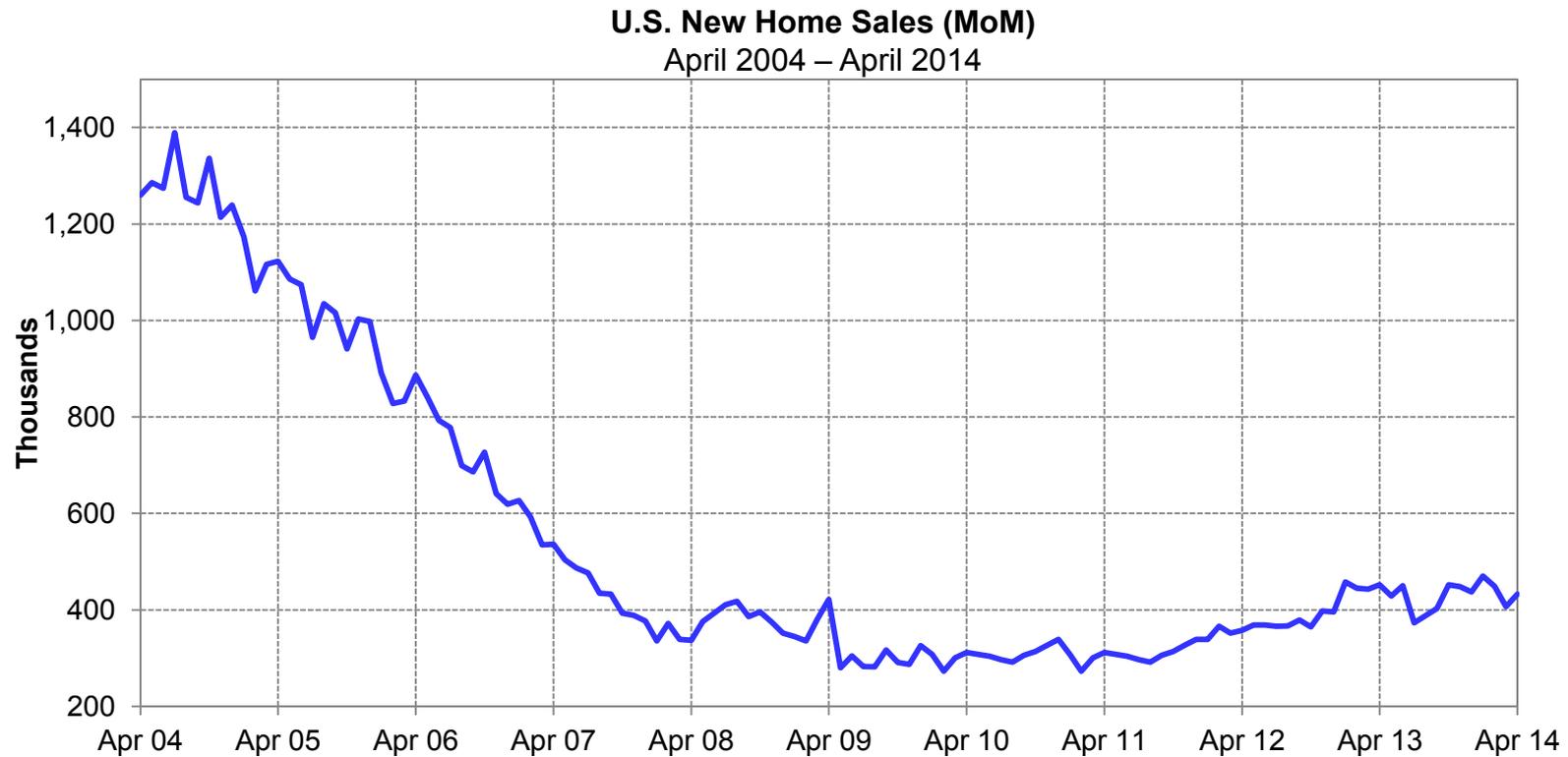
Existing Home Sales Up in April

- Existing home sales increased by 1.3% in April, which was the first monthly increase in 2014. Home sales were still down 6.8% compared to April 2013. However, it is unclear if the improvement in April is the beginning of an upward trend following the harsh winter. The report also indicated that the inventory of homes for sale was up and that price increases had moderated during the month, which could help the market in coming months.



New Home Sales Up Strongly in April

- New home sales were up by 6.4% in April to a seasonally adjusted annualized rate of 433,000 units. Year-over-year sales were down 4.2% from April 2013.



Oil Prices Moving Modestly Higher

- Oil (WTI spot) closed at \$103.07 June 2, 2014, which is down slightly from its most recent high of \$105.00 on May 23rd. However, over the past month, the average price has moved modestly higher from \$102.09 on May 2nd to \$102.45 on June 2nd. Improved economic conditions in the United States and Asia have helped move oil prices higher in recent weeks.

West Texas Intermediate Oil Price Per Barrel (WTI Spot)

June 1, 2009 – June 2, 2014



Jet Fuel Prices Remain Range Bound

- Jet fuel (U.S. Gulf Coast Spot) closed at \$2.81 on June 2nd^h just below its monthly moving average of \$2.87. In recent weeks, jet fuel prices have trended toward the lower end of their recent trading range. Since the beginning of the year, jet fuel prices have traded in a range of \$0.29.

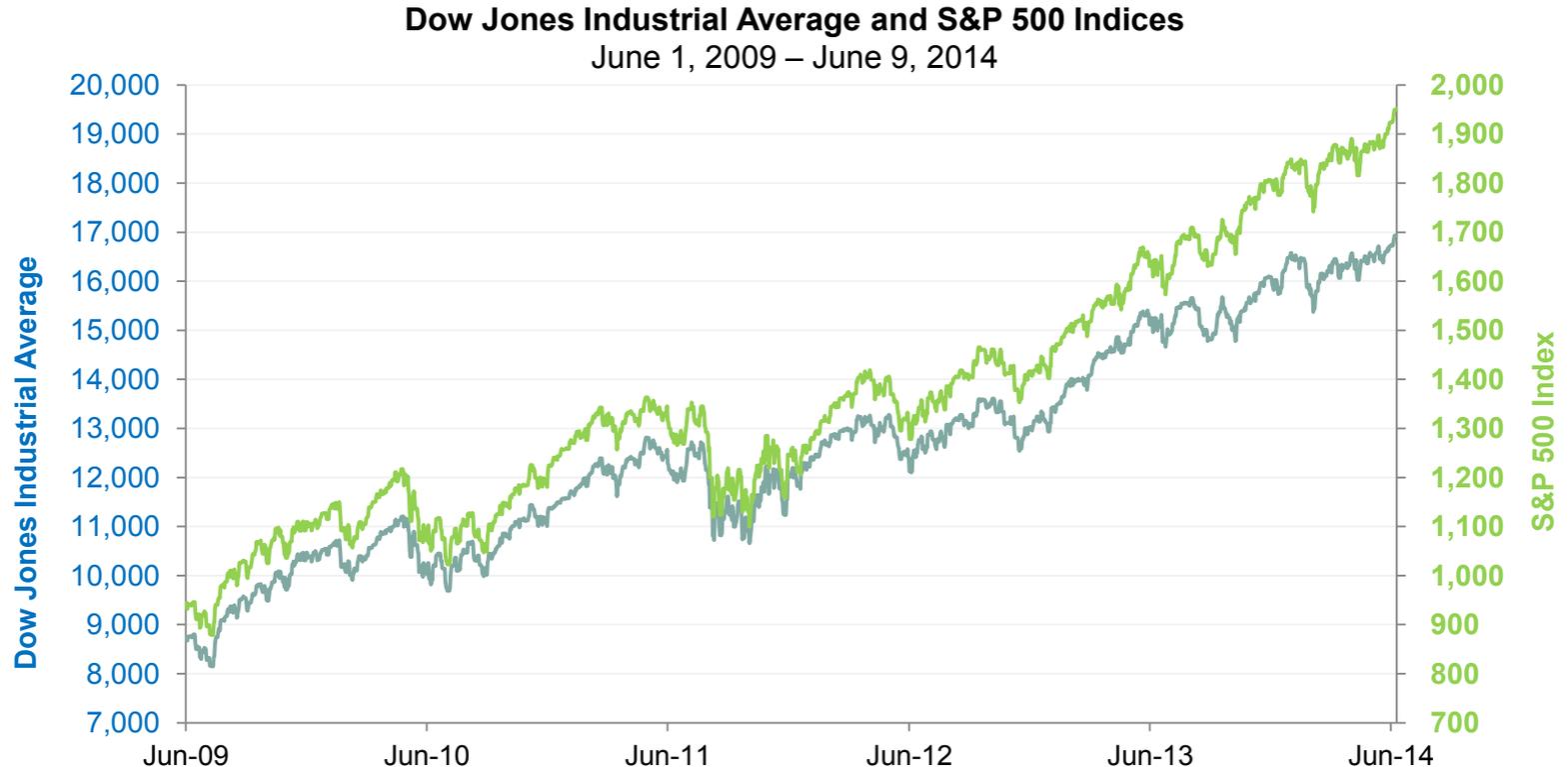
U.S. Gulf Coast Kerosene-Type Jet Fuel Spot Price FOB

June 1, 2009 – June 2, 104



Equity Markets Up in Recent Weeks

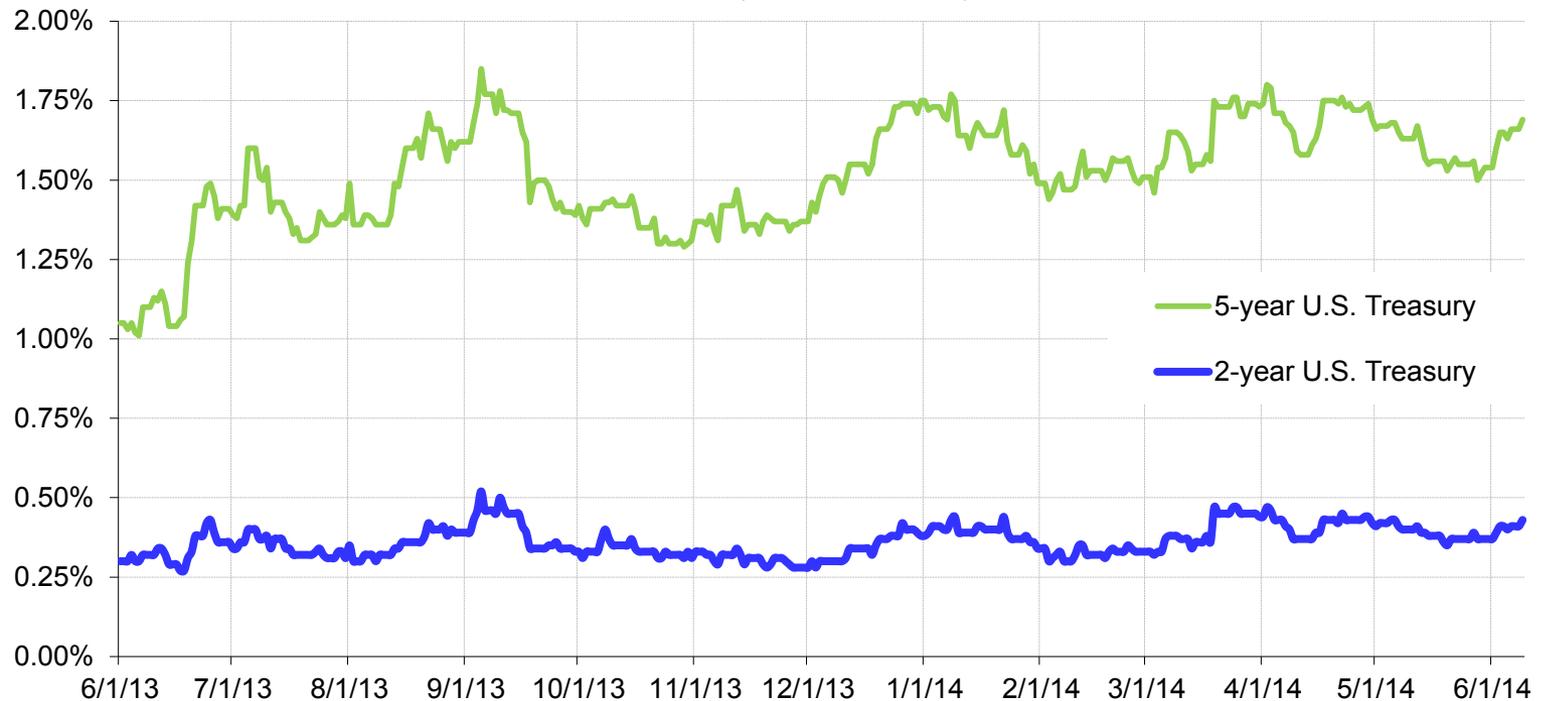
- Since falling sharply in early February, the equity markets have trended higher on the Federal Reserve's continued accommodative monetary policy and generally favorable economic news and earnings reports. In recent weeks, the DJIA and S&P 500 have each reached new all-time highs. Year to date, the DJIA is up 2.21% and the S&P 500 is up 5.57%.



Treasury Yields Remain Range Bound

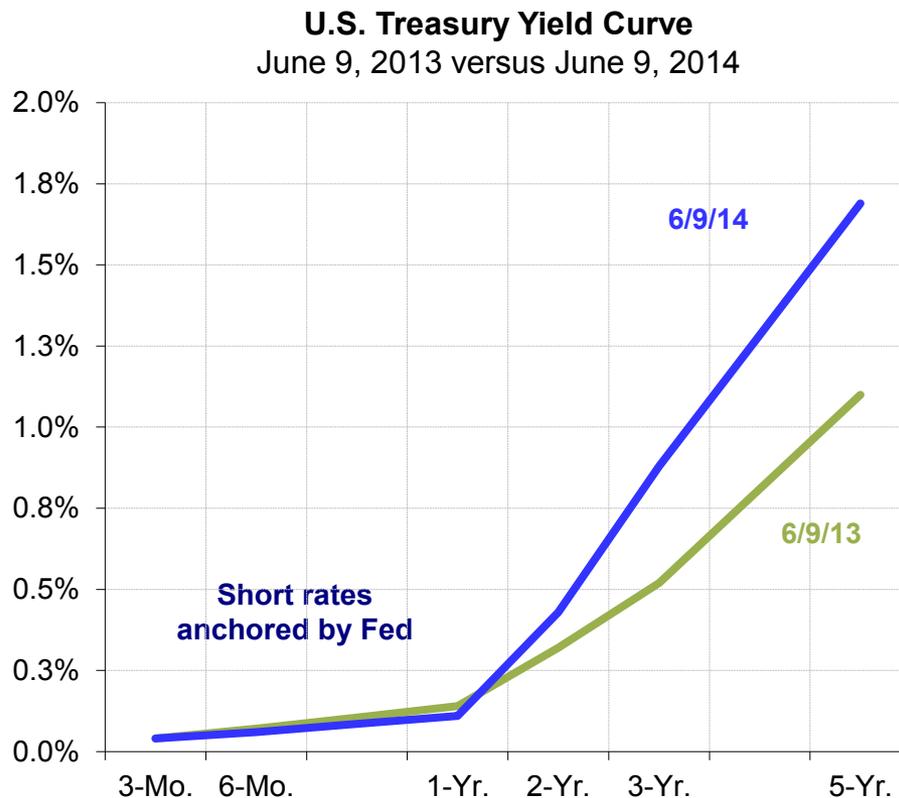
- Treasury yields have traded in a range during 2014 due to mixed economic news and geopolitical uncertainty. Longer-term yields, however, are expected to move higher if the economy improves during the year and the FOMC ends its asset purchase program as expected. Shorter-term yields are likely to stay low until it is clear that the FOMC is ready to start increasing the Federal Funds target rate.

2- and 5-year U.S. Treasury Yields
June 1, 2013 – June 9, 2014



U.S. Treasury Yield Curve Steepens

- The Treasury yield curve has steepened significantly over the past year.

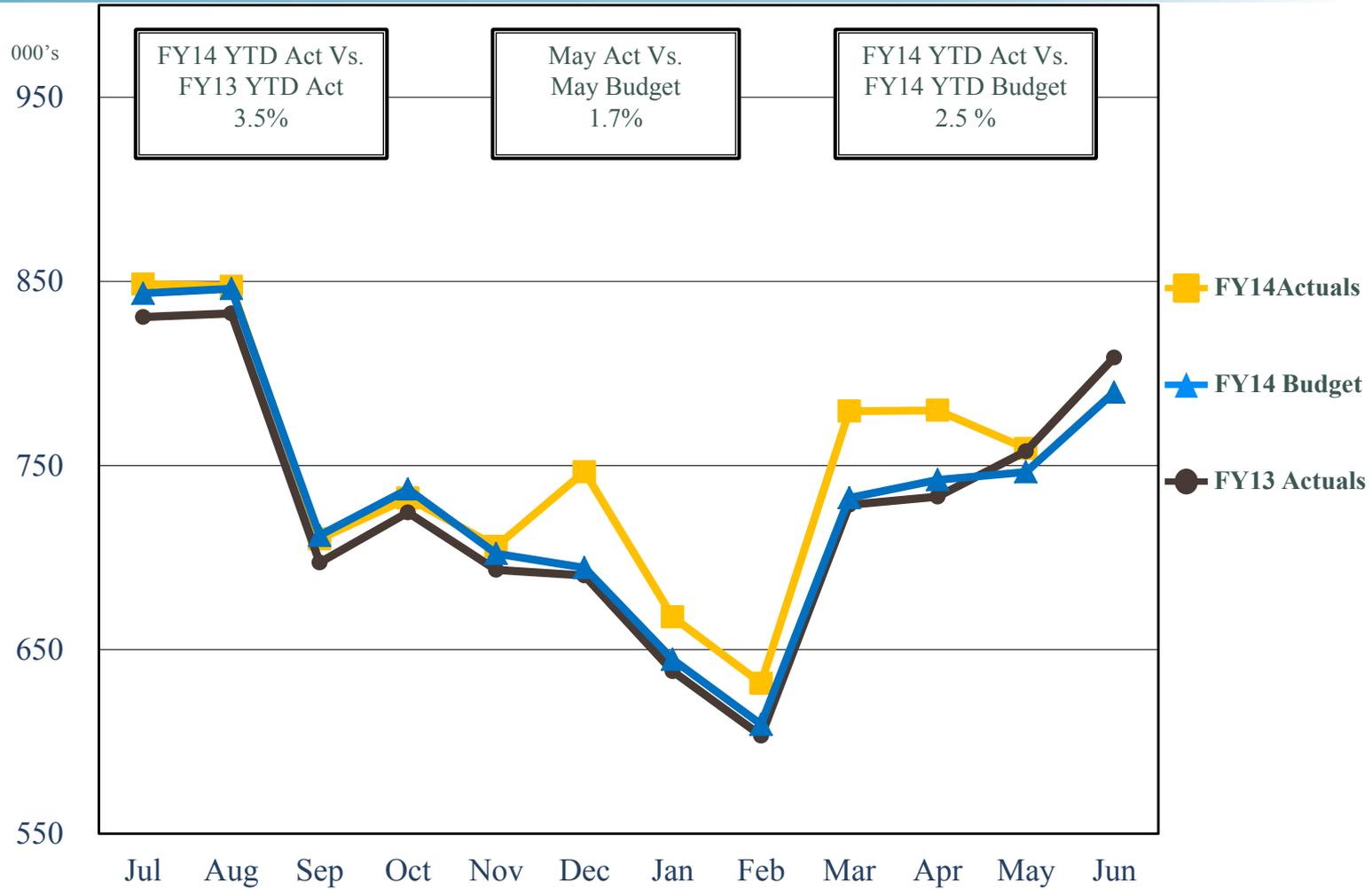


	6/9/13	6/9/14	Change
3-Mo.	0.04%	0.04%	0.00%
6-Mo.	0.07%	0.06%	(0.01%)
1-Yr.	0.14%	0.11%	(0.03%)
2-Yr.	0.32%	0.43%	0.11%
3-Yr.	0.52%	0.88%	0.36%
5-Yr.	1.10%	1.69%	0.59%
10-Yr.	2.17%	2.62%	0.45%
20-Yr.	2.98%	3.18%	0.20%
30-Yr.	3.33%	3.45%	0.12%



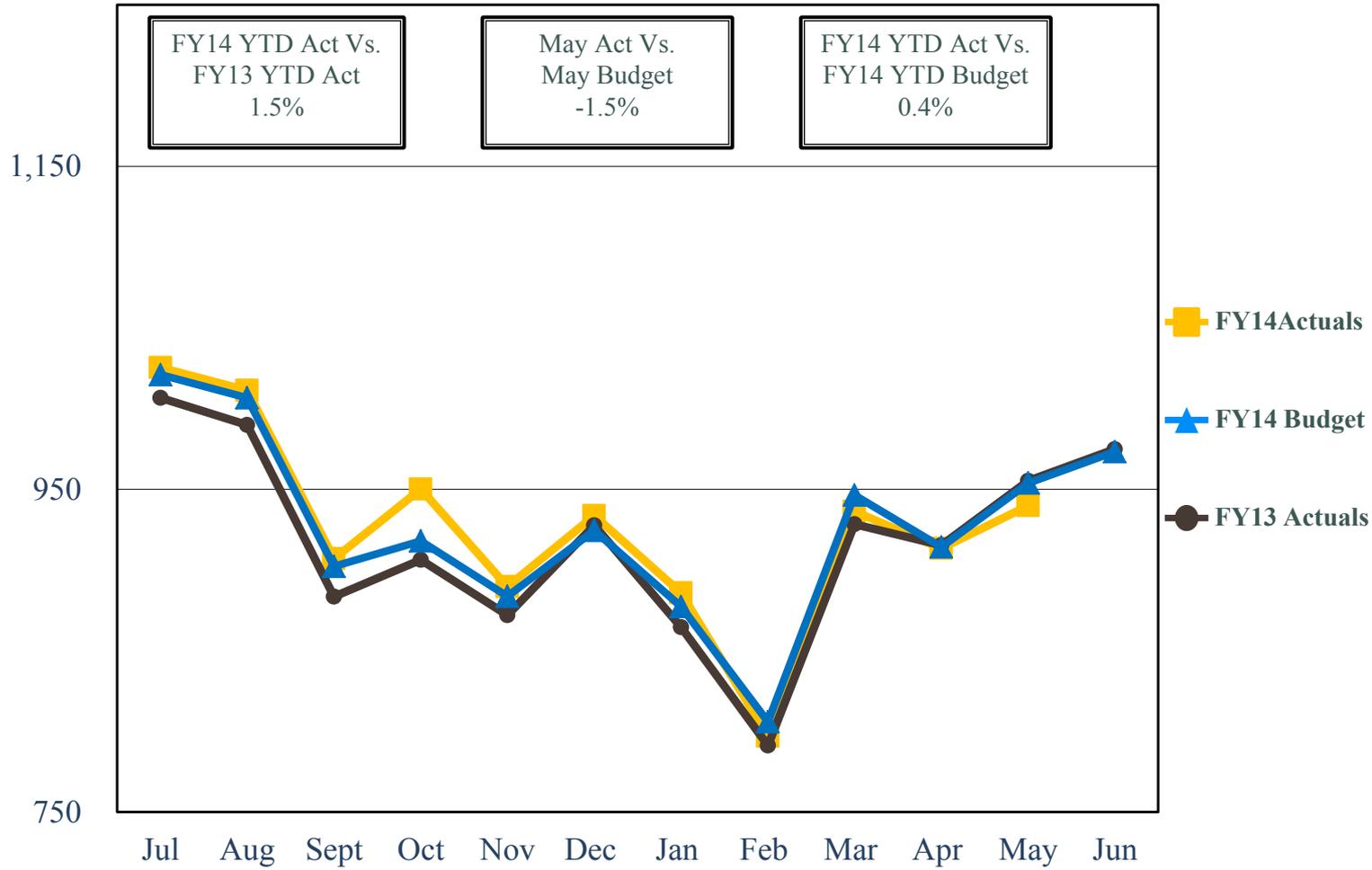
**Unaudited Financial Statements
For the Month Ended
May 31, 2014**

Enplanements



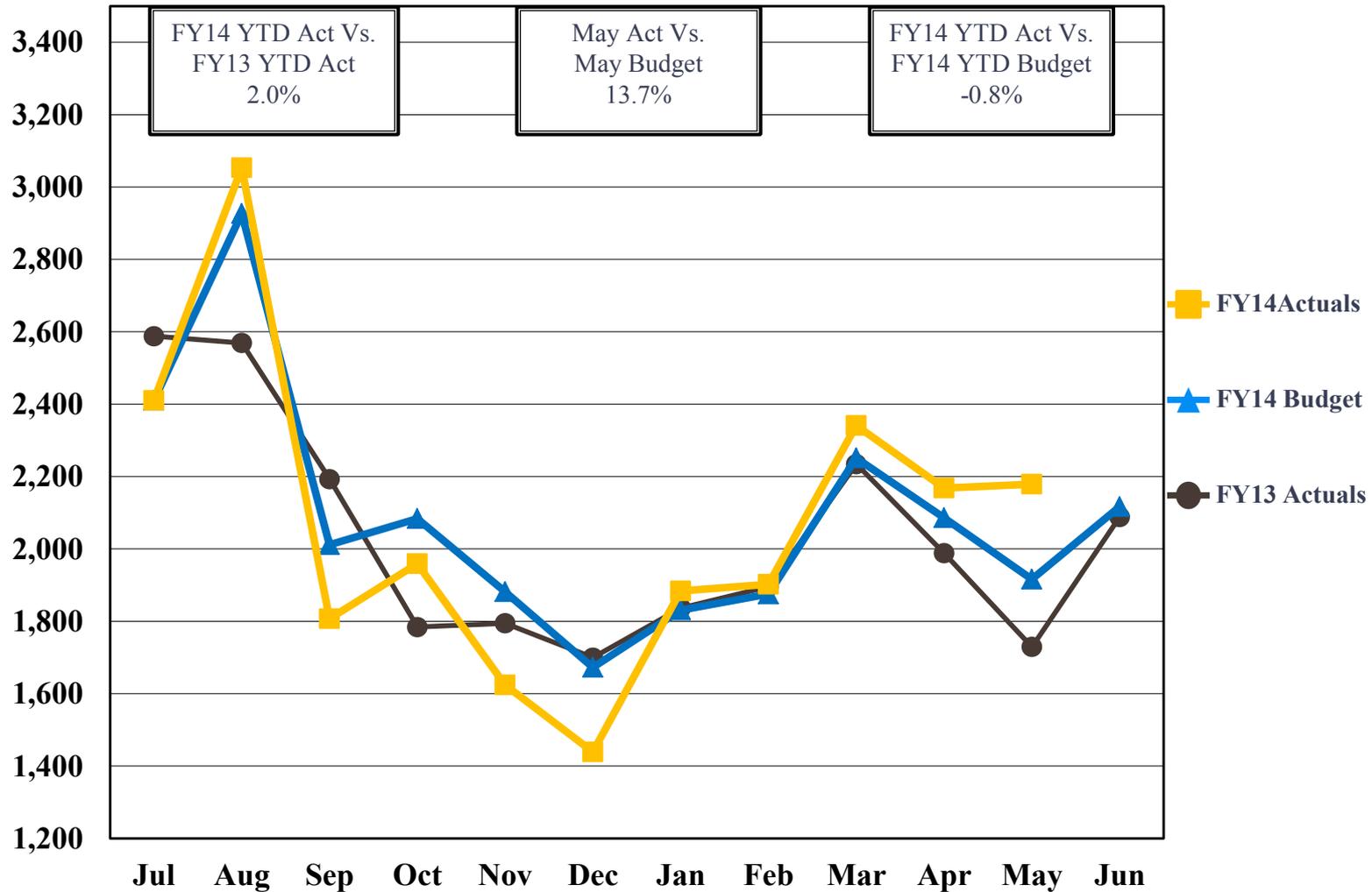
Gross Landing Weight Units (000 lbs)

000's

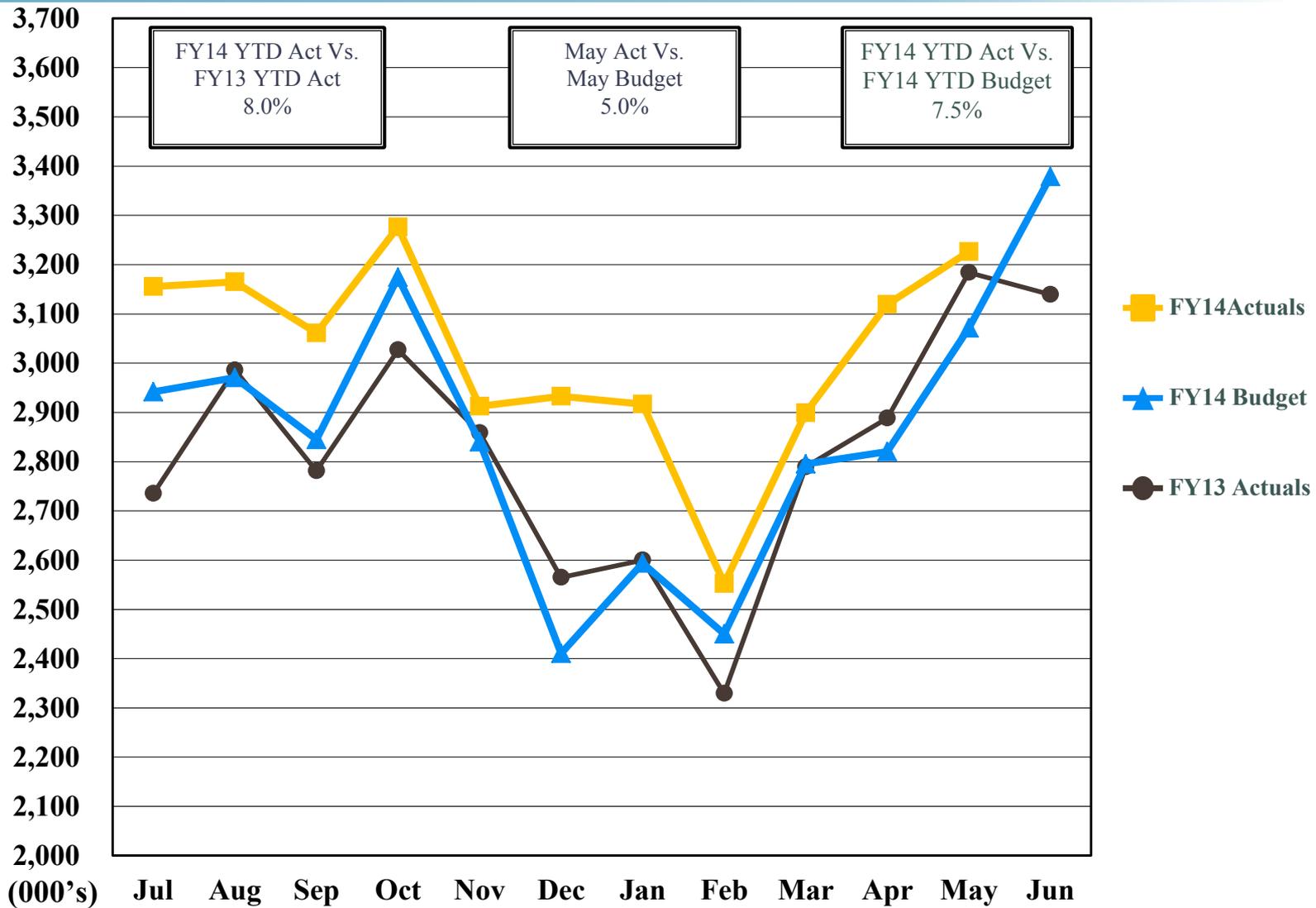


Car Rental License Fees

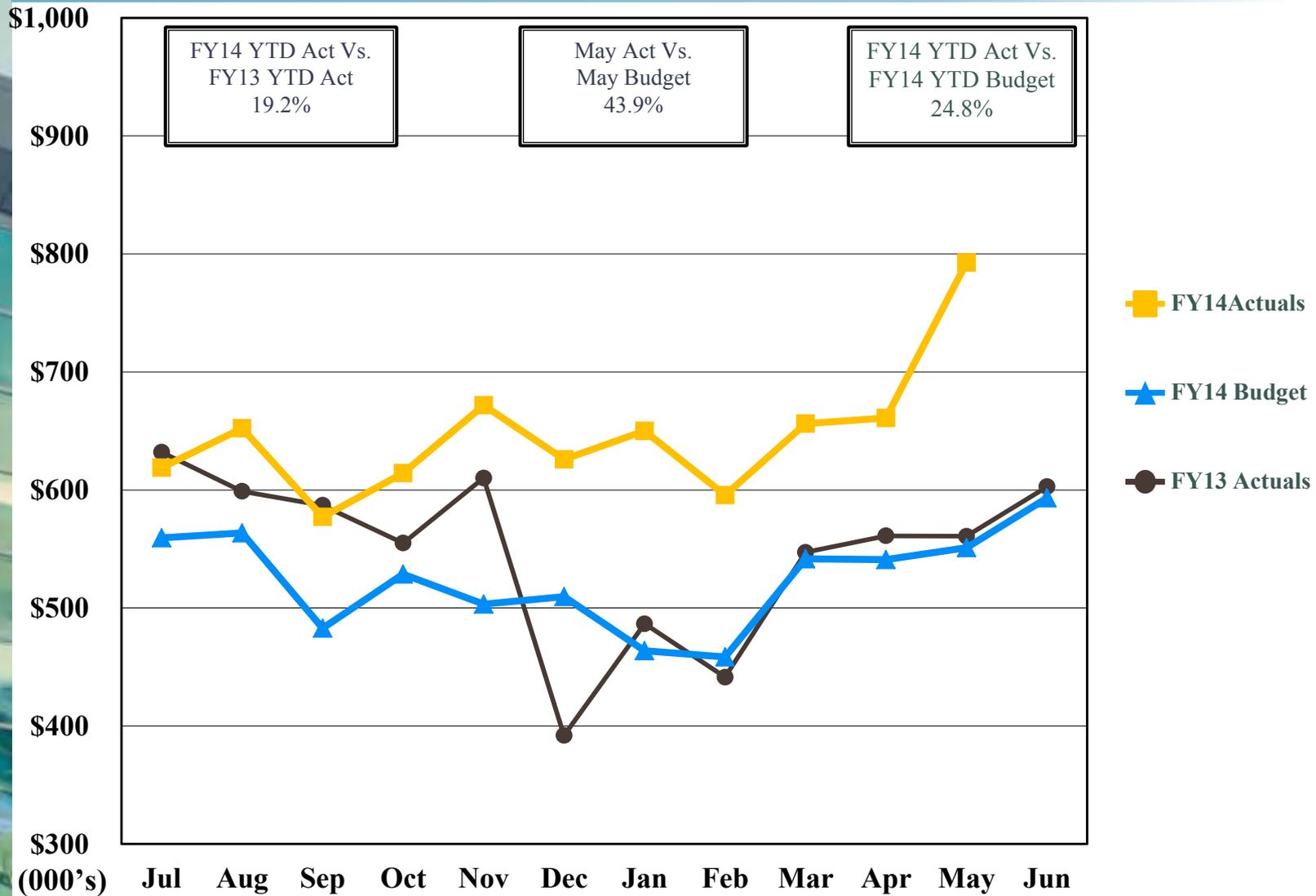
(000's)



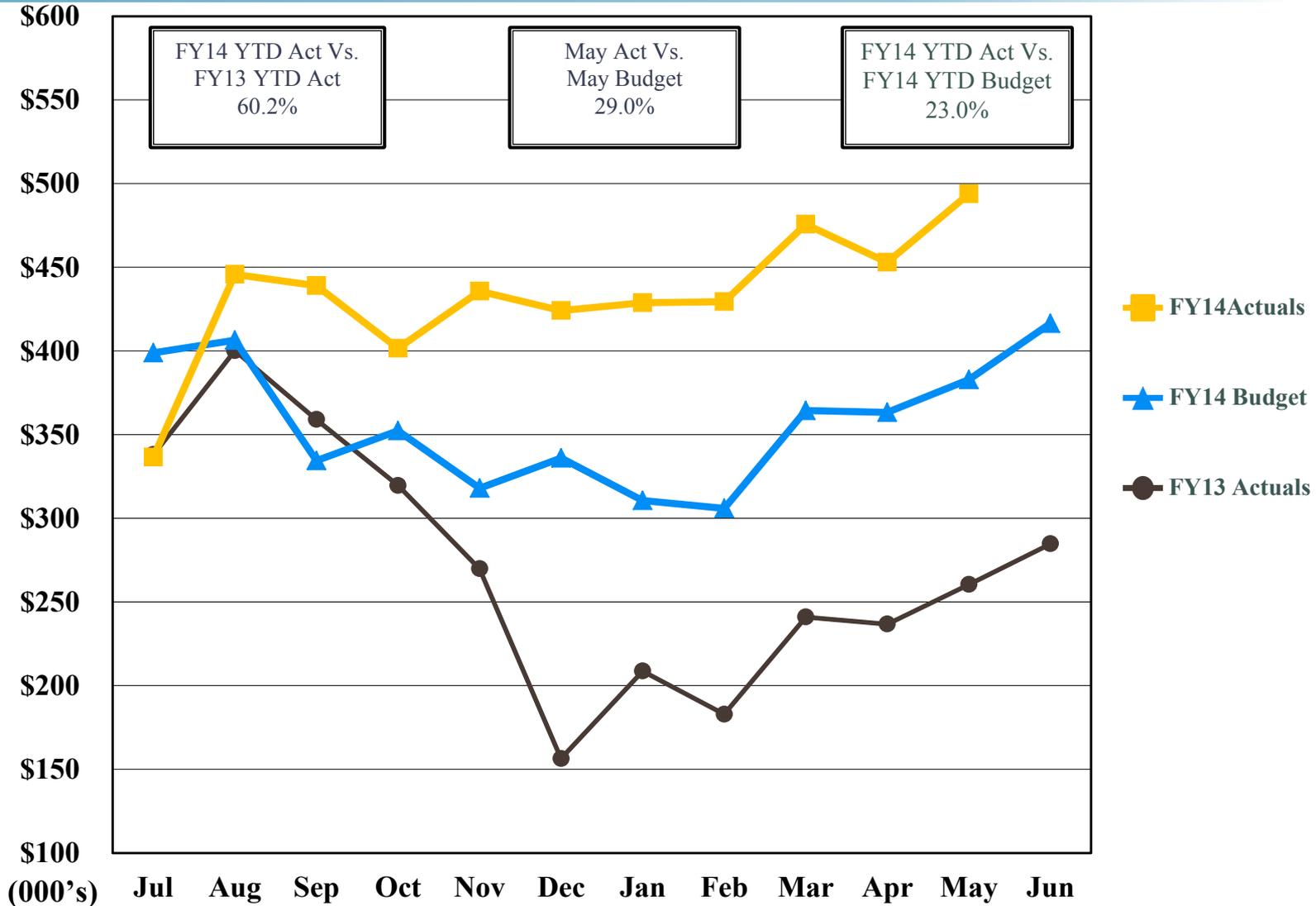
Parking Revenue



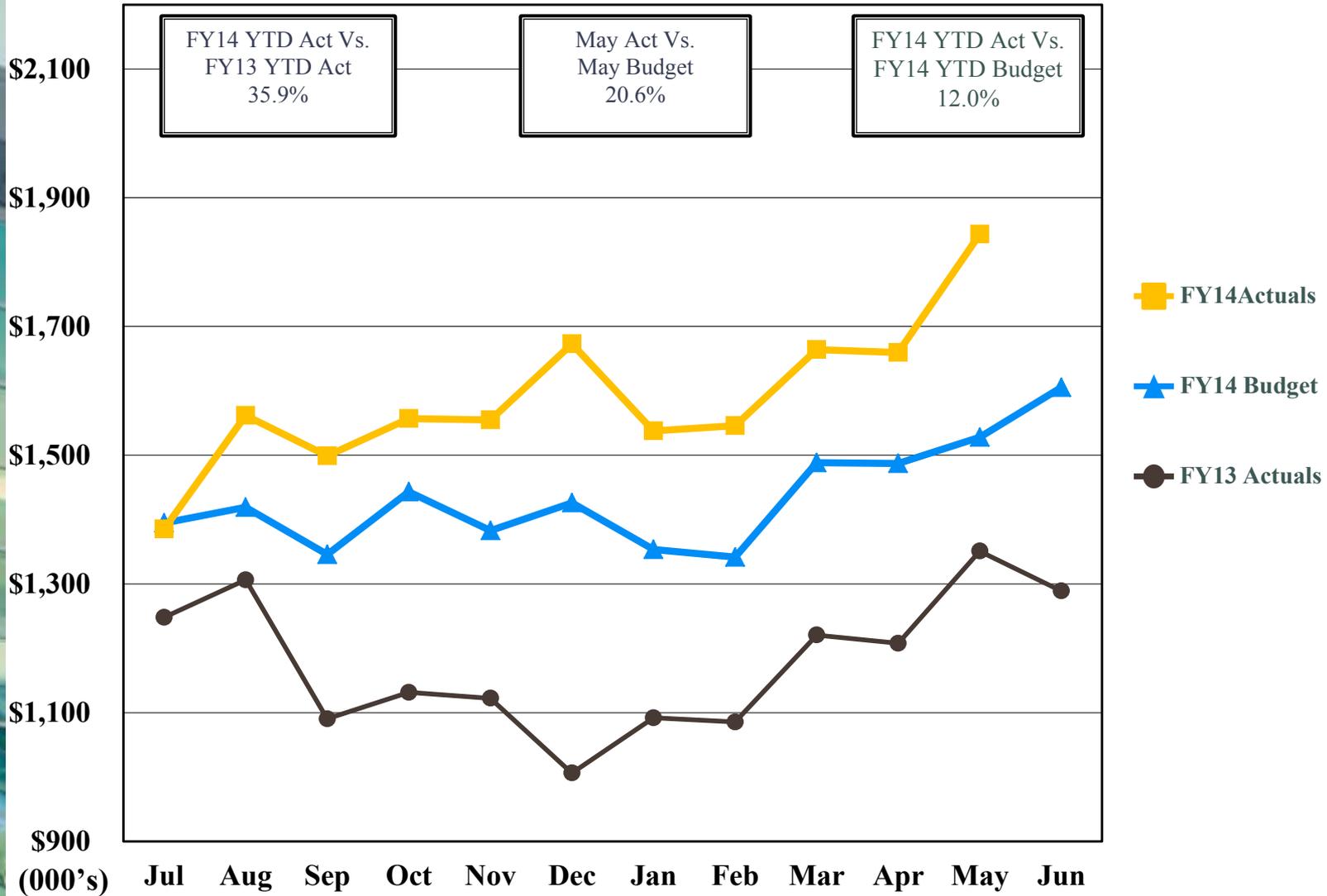
Food and Beverage Concessions Revenue



Retail Concessions Revenue



Total Terminal Concessions



Operating Revenues

for the Month Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 1,880	\$ 1,831	\$ (49)	(3)%	\$ 1,867
Aircraft parking fees	213	197	(16)	(8)%	270
Building rentals	3,864	3,803	(61)	(2)%	3,613
Security surcharge	2,081	2,081	0	-	1,667
CUPPS Support Charges	93	93	0	-	0
Other aviation revenue	133	131	(2)	(2)%	133
Total aviation revenue	\$ 8,264	\$ 8,136	\$ (128)	(2)%	\$ 7,550

Operating Revenues

for the Month Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 86	\$ 106	\$ 20	23%	\$ 82
Concession revenue:					
Terminal concession revenue:					
Food and beverage	551	793	242	44%	561
Gifts and news	383	494	111	29%	260
Space storage	63	78	15	24%	66
Cost recovery	262	186	(76)	(29)%	138
Other (Primarily advertising)	270	293	23	8%	326
Total terminal concession revenue	1,529	1,844	315	21%	1,351
Car rental and license fee revenue:					
Rental car and license fees	1,915	2,179	264	14%	1,729
License fees-other	275	345	70	25%	277
Total rental car and license fees	2,190	2,524	334	15%	2,006
Total concession revenue	\$ 3,719	\$ 4,368	\$ 649	17%	\$ 3,357

Operating Revenues

for the Month Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
Short-term parking revenue	\$ 2,027	\$ 2,094	\$ 67	3%	\$ 1,811
Long-term parking revenue	1,044	1,132	88	8%	1,373
Total parking revenue	3,071	3,226	155	5%	3,184
Ground transportation permits and citations	130	163	33	26%	372
Ground rentals	683	675	(8)	(1)%	633
Grant reimbursements	19	25	6	31%	16
Other operating revenue	37	36	(1)	(2)%	38
Subtotal	3,940	4,125	185	5%	4,243
Total operating revenues	\$ 16,009	\$ 16,735	\$ 726	5%	\$ 15,232

Operating Expenses

for the Month Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 4,629	\$ 4,276	\$ 353	8%	\$ 4,145
Contractual services	2,666	2,524	142	5%	3,151
Safety and security	2,573	2,757	(184)	(7)%	2,854
Space rental	865	898	(33)	(4)%	865
Utilities	711	1,018	(307)	(43)%	578
Maintenance	907	1,189	(282)	(30)%	809
Equipment and systems	37	194	(157)	(424)%	117
Materials and supplies	33	54	(21)	(65)%	45
Insurance	105	82	23	22%	69
Employee development and support	93	77	16	17%	112
Business development	138	280	(142)	(103)%	125
Equipment rental and repairs	183	352	(169)	(92)%	128
Total operating expenses	\$ 12,940	\$ 13,701	\$ (761)	(6)%	\$ 12,998

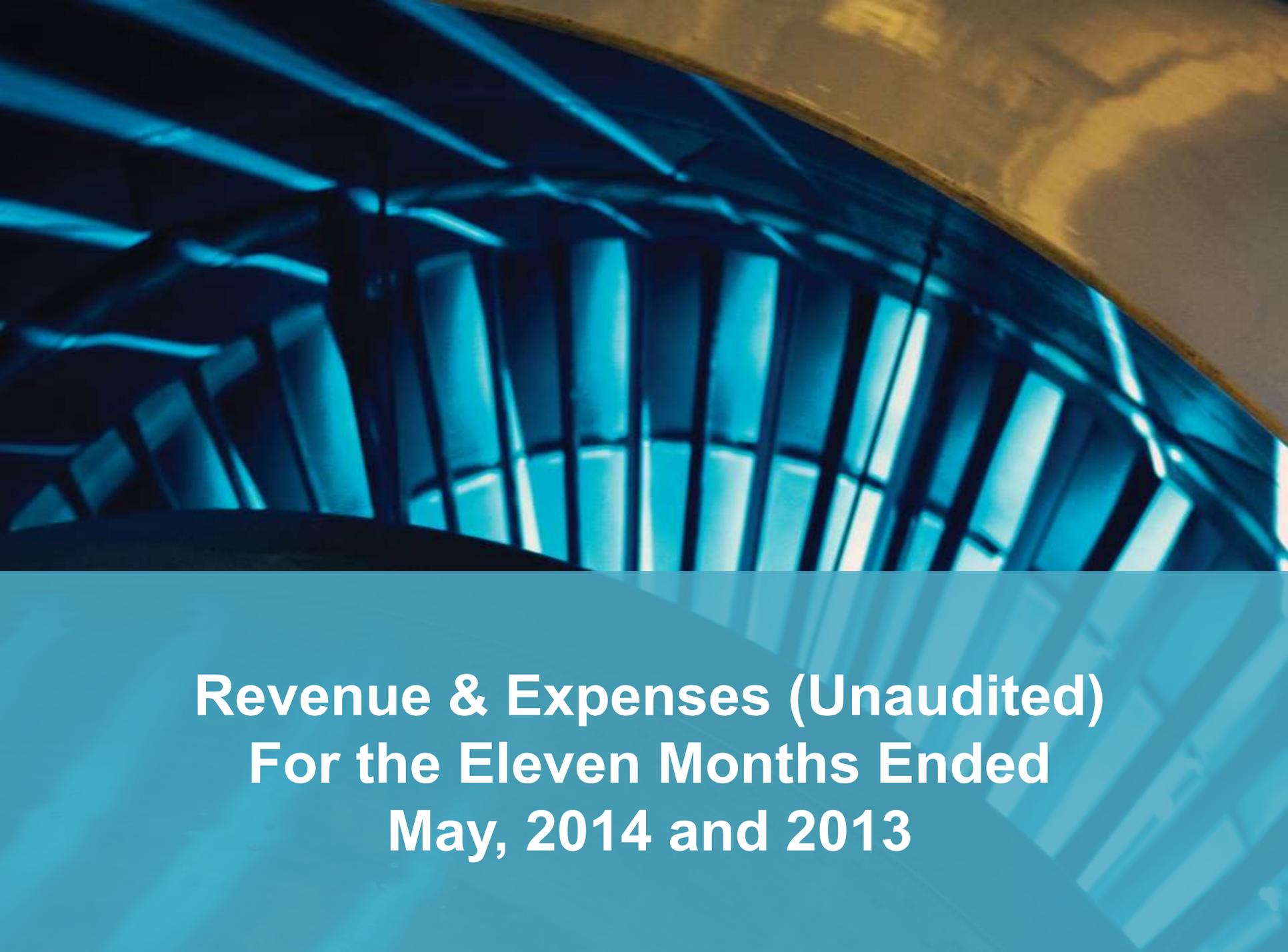
Financial Summary

for the Month Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 16,009	\$ 16,735	\$ 726	5%	\$ 15,232
Total operating expenses	12,940	13,701	\$ (761)	(6)%	12,998
Income from operations	3,069	3,034	(35)	(1)%	2,234
Depreciation	6,606	6,606	0	-	3,297
Operating income (loss)	\$ (3,537)	\$ (3,572)	\$ (35)	(1)%	\$ (1,063)

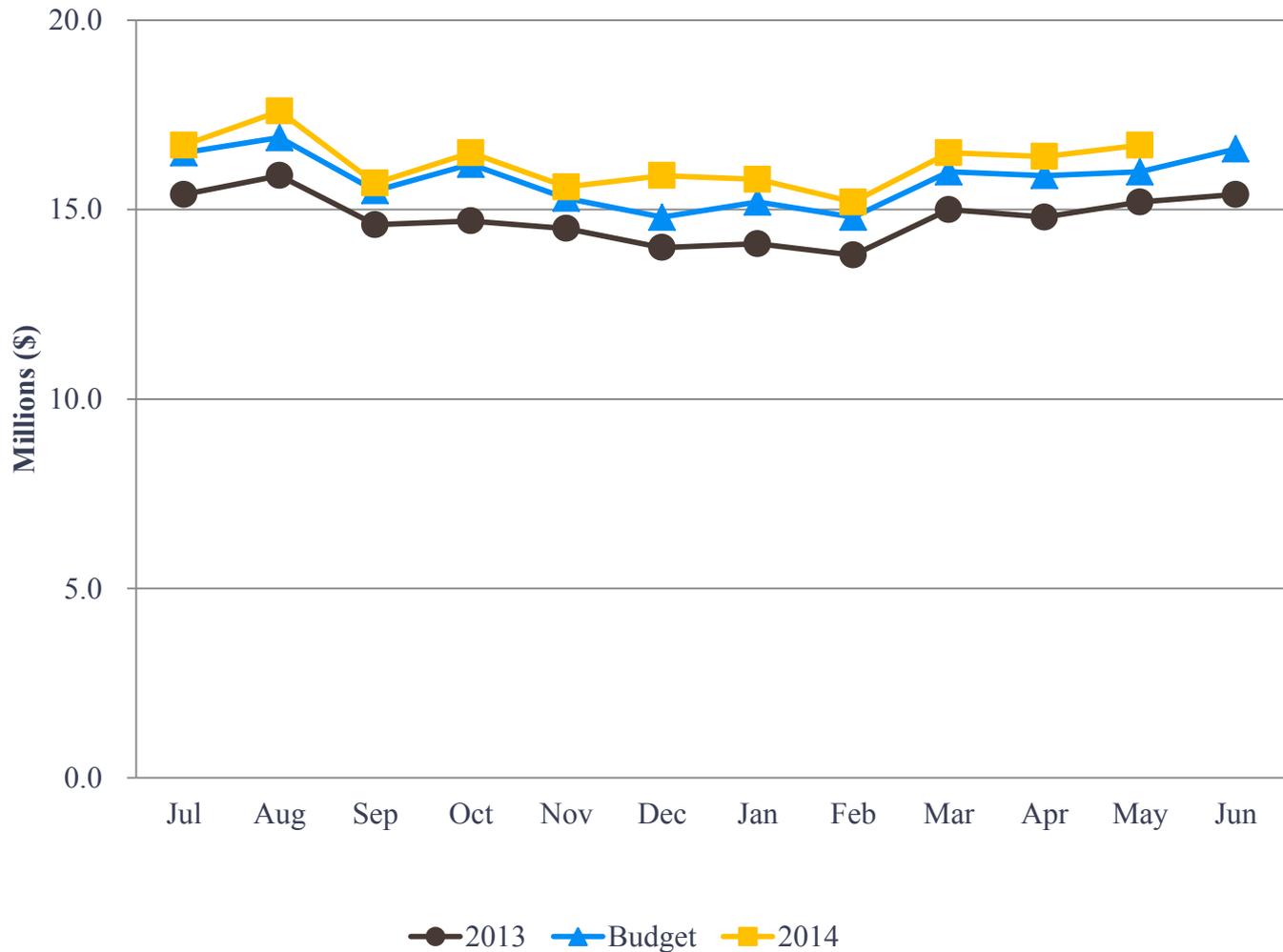
Nonoperating Revenues & Expenses for the Month Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 3,236	\$ 3,438	\$ 202	6%	\$ 3,245
Customer facility charges (Rental Car Center)	2,490	2,724	234	9%	2,049
Quieter Home Program, net	(347)	(536)	(189)	(54)%	(170)
Interest income	441	501	60	14%	340
BAB interest rebate	395	386	(9)	(2)%	416
Interest expense & debt issuance costs	(4,168)	(6,037)	(1,869)	(45)%	(1,281)
Bond amortization	331	365	34	10%	336
Other nonoperating revenue (expenses)	(2)	581	583	-	(318)
Nonoperating revenue, net	2,376	1,422	(954)	(40)%	4,617
Change in net position before grant contributions	(1,161)	(2,150)	(989)	(85)%	3,554
Capital grant contributions	2,829	240	(2,589)	(92)%	2,902
Change in net position	\$ 1,668	\$ (1,910)	\$ (3,578)	(214)%	\$ 6,456



**Revenue & Expenses (Unaudited)
For the Eleven Months Ended
May, 2014 and 2013**

Monthly Operating Revenue, FY 2014 (Unaudited)



Operating Revenues

for the Eleven Months Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation revenue:					
Landing fees	\$ 19,896	\$ 19,768	\$ (128)	(1)%	\$ 19,209
Aircraft parking fees	2,346	2,290	(56)	(2)%	2,921
Building rentals	42,006	41,709	(297)	(1)%	39,863
Security surcharge	22,889	22,889	0	-	18,664
CUPPS Support Charges	1,024	1,024	0	-	0
Other aviation revenue	1,458	1,454	(4)	-	1,460
Total aviation revenue	\$ 89,619	\$ 89,134	\$ (485)	(1)%	\$ 82,117

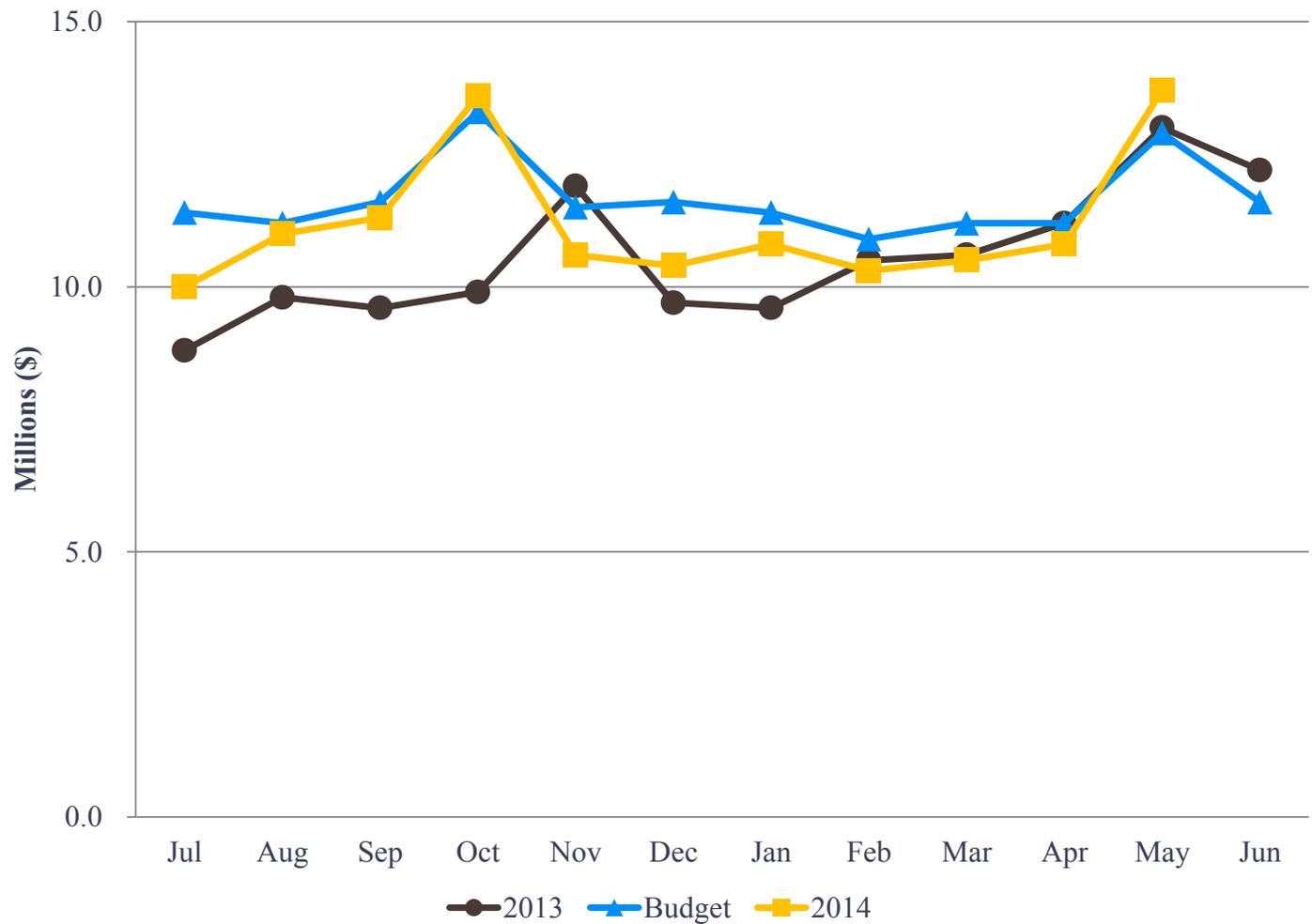
Operating Revenues for the Eleven Months Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 938	\$ 1,039	\$ 101	11%	\$ 891
Concession revenue:					
Terminal concession revenue:					
Food and beverage	5,703	7,116	1,413	25%	5,972
Retail	3,874	4,764	890	23%	2,973
Space storage	688	735	47	7%	336
Cost recovery	2,554	1,956	(598)	(23)%	808
Other (Primarily advertising)	2,793	2,910	117	4%	2,773
Total terminal concession revenue	15,612	17,481	1,869	12%	12,862
Car rental and license fee revenue:					
Rental car license fees	22,944	22,768	(176)	(1)%	22,313
License fees-other	2,982	3,631	649	22%	3,142
Total rental car and license fees	25,926	26,399	473	2%	25,455
Total concession revenue	\$ 41,538	\$ 43,880	\$ 2,342	6%	\$ 38,317

Operating Revenues for the Eleven Months Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Parking revenue:					
Short-term parking revenue	\$ 20,046	\$ 21,014	\$ 968	5%	\$ 16,505
Long-term parking revenue	10,865	12,202	1,337	12%	14,239
Total parking revenue	30,911	33,216	2,305	7%	30,744
Ground transportation permits and citations	2,143	2,334	191	9%	1,727
Ground rentals	7,506	7,672	166	2%	7,504
Grant reimbursements	205	344	139	68%	174
Other operating revenue	405	1,076	671	166%	653
Subtotal	41,170	44,642	3,472	8%	40,802
Total operating revenues	\$ 173,265	\$ 178,695	\$ 5,430	3%	\$ 162,127

Monthly Operating Expenses, FY 2014 (Unaudited)



Operating Expenses

for the Eleven Months Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits	\$ 38,331	\$ 36,333	\$ 1,998	5%	\$ 34,751
Contractual services	30,588	28,047	2,541	8%	26,328
Safety and security	22,909	22,199	710	3%	22,076
Space rental	9,517	9,555	(38)	-	10,031
Utilities	7,847	7,748	99	1%	5,936
Maintenance	10,636	11,684	(1,048)	(10)%	9,516
Equipment and systems	419	532	(113)	(27)%	390
Materials and supplies	343	352	(9)	(3)%	315
Insurance	1,149	905	244	21%	742
Employee development and support	1,155	933	222	19%	1,121
Business development	2,686	2,265	421	16%	2,009
Equipment rental and repairs	2,617	2,505	112	4%	1,333
Total operating expenses	\$ 128,197	\$ 123,058	\$ 5,139	4%	\$ 114,548

Financial Summary

for the Eleven Months Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 173,265	\$ 178,695	\$ 5,430	3%	\$ 162,127
Total operating expenses	128,197	123,058	5,139	4%	114,548
Income from operations	45,068	55,637	10,569	23%	47,579
Depreciation	72,794	72,794	0	-	37,783
Operating income (loss)	\$ (27,726)	\$ (17,157)	\$ 10,569	38%	\$ 9,796

Nonoperating Revenues & Expenses for the Eleven Months Ended May 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 32,095	\$ 32,673	\$ 578	2%	\$ 32,151
Customer facility charges (Rental Car Center)	24,022	24,803	781	3%	16,787
Quieter Home Program, net	(2,779)	(2,674)	105	4%	(1,393)
Interest income	4,849	4,542	(307)	(6)%	4,205
BAB interest rebate	4,346	4,250	(96)	(2)%	4,580
Interest expense & debt issuance costs	(45,857)	(50,911)	(5,054)	(11)%	(5,431)
Bond amortization	3,673	4,028	355	10%	1,983
Other nonoperating revenue (expenses)	(18)	1,812	1,830	-	(1,322)
Nonoperating revenue, net	20,331	18,523	(1,808)	(9)%	51,560
Change in Net Position before grant contributions	(7,395)	1,366	8,761	118%	61,356
Capital grant contributions	15,223	3,590	(11,633)	(76)%	16,456
Change in Net Position	\$ 7,828	\$ 4,956	\$ (2,872)	(37)%	\$ 77,812



**Statements of Net Position (Unaudited)
May 31, 2014 and 2013**

Statements of Net Position (Unaudited)

	(In thousands)	
	May	
	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and investments	\$ 90,327	\$ 97,869
Tenant lease receivable, net of allowance of 2014: (\$81,326) and 2013: (\$55,959)	9,014	6,959
Grants receivable	5,536	5,552
Notes receivable-current portion	1,447	1,370
Prepaid expenses and other current assets	6,887	7,329
Total current assets	113,211	119,079
 Cash designated for capital projects and other	 \$ 16,002	 \$ 9,468

Statements of Net Position (Unaudited)

	(In thousands)	
	May	
	2014	2013
Restricted assets:		
Cash and investments:		
Bonds reserve	\$ 52,007	\$ 62,533
Passenger facility charges and interest unapplied	57,020	56,089
Customer facility charges and interest applied*	41,614	39,694
Commercial paper reserve	4	79
SBD bond guarantee	4,000	4,000
Bond proceeds held by trustee	505,175	384,670
Commercial paper interest held by trustee	13	13
Passenger facility charges receivable	4,531	4,006
Customer facility charges receivable*	3,402	2,198
OCIP insurance reserve	4,994	5,508
Total restricted assets	\$ 672,760	\$ 558,790

*Rental Car Center

Statements of Net Position (Unaudited)

	(In thousands)	
	May	
	<u>2014</u>	<u>2013</u>
Noncurrent assets:		
Capital assets:		
Land and land improvements	\$ 70,943	\$ 38,971
Runways, roads and parking lots	564,763	284,798
Buildings and structures	1,003,078	477,236
Machinery and equipment	13,669	13,616
Vehicles	5,582	5,423
Office furniture and equipment	32,154	31,762
Works of art	2,469	2,284
Construction-in-progress	248,052	879,958
Total capital assets	1,940,710	1,734,048
Less: accumulated depreciation	(649,633)	(576,172)
Total capital assets, net	\$ 1,291,077	\$ 1,157,876

Statements of Net Position (Unaudited)

	(In thousands)	
	May	
	2014	2013
Other assets:		
Notes receivable - long-term portion	\$ 38,566	\$ 40,084
Investments - long-term portion	70,128	33,625
Net pension asset	6,966	6,695
Security deposit	500	615
Total other assets	116,160	81,019
Total noncurrent assets	1,407,237	1,238,895
TOTAL ASSETS	\$ 2,209,210	\$ 1,926,232

Statements of Net Position (Unaudited)

	(In thousands)	
	May	
	<u>2014</u>	<u>2013</u>
Current liabilities:		
Accounts payable and accrued liabilities	\$ 64,993	\$ 76,074
Deposits and other current liabilities	4,397	5,767
Total current liabilities	69,390	81,841
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	11,944	6,172
Accrued interest on bonds and commercial paper	25,563	19,502
Total liabilities payable from restricted assets	\$ 37,507	\$ 25,674

Statements of Net Position (Unaudited)

	(In thousands)	
	May	
	2014	2013
Long-term liabilities - other:		
Commercial paper notes payable	\$ 38,725	\$ 50,969
Other long-term liabilities	10,153	9,312
Long-term debt - bonds net of amortized premium	1,321,416	1,021,773
Total long-term liabilities	1,370,294	1,082,054
Total liabilities	\$ 1,477,191	\$ 1,189,569

Statements of Net Position (Unaudited)

	(In thousands)	
	May	
	<u>2014</u>	<u>2013</u>
Net Position:		
Invested in capital assets, net of related debt	\$ 416,157	\$ 455,303
Other restricted	167,032	174,120
Unrestricted:		
Designated	22,140	16,162
Undesignated	126,690	91,078
Total net position	<u>732,019</u>	<u>736,663</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,209,210</u>	<u>\$ 1,926,232</u>



Questions?

San Diego County Regional Airport Authority

Investment Report
As of May 31, 2014



Presented by:
Scott M. Brickner, CPA
Vice President, Finance & Asset Management/Treasurer

June 23, 2014



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

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

A handwritten signature in black ink, which appears to read "Scott Brickner", enclosed within a rectangular box.

Scott Brickner, C.P.A.

V.P. Finance & Asset Management / Treasurer

San Diego County Regional Airport Authority



Total Portfolio Summary



	Current Period	Prior Period	Change From Prior
	May 31, 2014	April 30, 2014	
Book Value (1)	\$332,727,000	\$326,341,000	\$6,386,000
Market Value (1)	\$332,732,000	\$326,266,000	\$6,466,000
Market Value%	100.00%	99.98%	0.02%
Unrealized Gain / (Loss)	\$5,000	(\$75,000)	\$80,000
Weighted Average Maturity (Days)	289 days	288 days	1
Weighted Average Yield as of Period End	0.42%	0.41%	0.01%
Cash Interest Received- Current Month	\$89,000	\$169,000	(\$80,000)
Cash Interest Received- Year-to-Date	\$1,361,000	\$1,272,000	\$89,000
Accrued Interest	\$276,000	\$234,000	\$42,000

Notes:

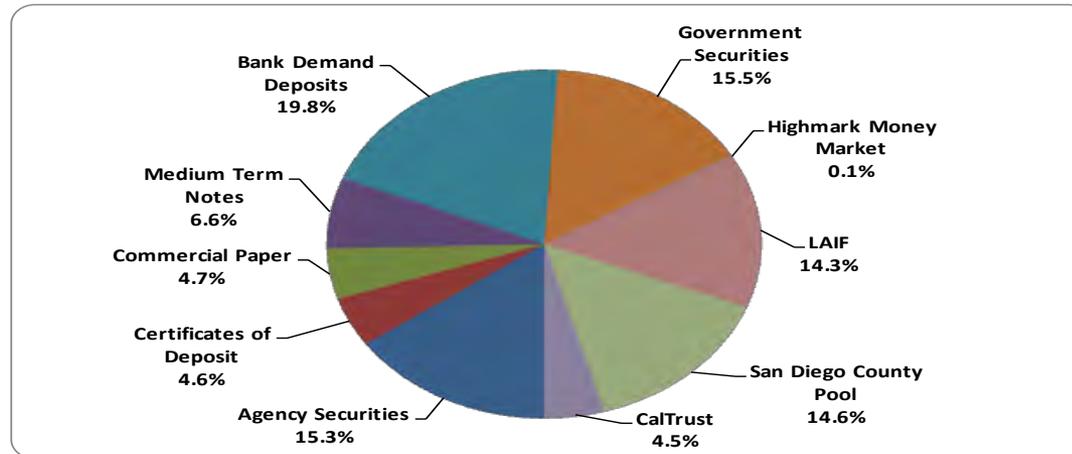
(1) Increase in cash balance was predominantly due to capital receipts exceeding capital expenditures, and operating revenue exceeding operating expenditures.



Portfolio Composition by Security Type



	May 31, 2014		April 30, 2014		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 50,995,000	15.3%	\$ 50,936,000	15.6%	100%
Certificates of Deposit	15,192,000	4.6%	15,190,000	4.7%	30%
Commercial Paper	15,492,000	4.7%	15,495,000	4.7%	25%
Medium Term Notes	22,035,000	6.6%	22,026,000	6.8%	15%
Bank Demand Deposits	66,131,000	19.8%	69,893,000	21.4%	100%
Government Securities	51,613,000	15.5%	43,530,000	13.3%	100%
Highmark Money Market	221,000	0.1%	8,144,000	2.5%	20%
LAIF	47,543,000	14.3%	47,536,000	14.6%	\$50 million ⁽¹⁾
San Diego County Pool	48,484,000	14.6%	48,492,000	14.9%	\$50 million ⁽²⁾
CalTrust	15,026,000	4.5%	5,024,000	1.5%	\$50 million ⁽³⁾
Total:	\$ 332,732,000	100.0%	\$ 326,266,000	100.0%	



Notes:

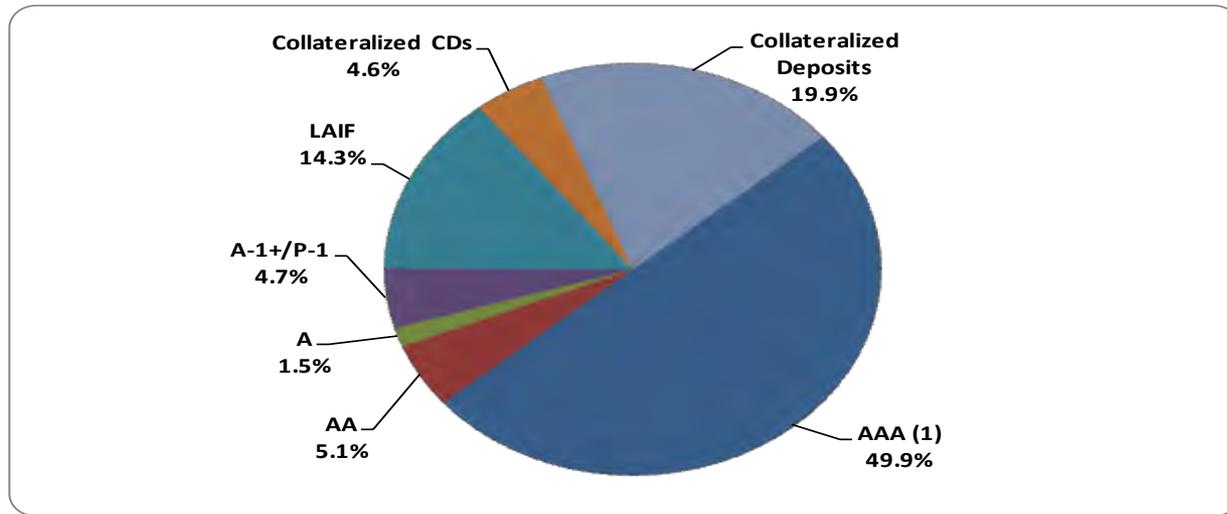
- 1.) The \$50 million limit on LAIF is a non-statutory LAIF internal limit. It does not apply to bond proceeds.
- 2.) The San Diego County Investment Pool mirrors the LAIF internal limit and does not apply to bond proceeds.
- 3.) The CalTrust mirrors the LAIF internal limit and does not apply to bond proceeds.



Portfolio Composition by Credit Rating



	May 31, 2014		April 30, 2014	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA ⁽¹⁾	\$ 166,339,000	49.9%	\$ 156,126,000	47.9%
AA	17,031,000	5.1%	\$ 17,021,000	5.2%
A	5,004,000	1.5%	\$ 5,005,000	1.5%
A-1+/P-1	15,492,000	4.7%	15,495,000	4.7%
LAIF	47,543,000	14.3%	47,536,000	14.6%
Collateralized CDs	15,192,000	4.6%	15,190,000	4.7%
Collateralized Deposits	66,131,000	19.9%	69,893,000	21.4%
Total:	\$ 332,732,000	100.0%	\$ 326,266,000	100.0%



Notes:

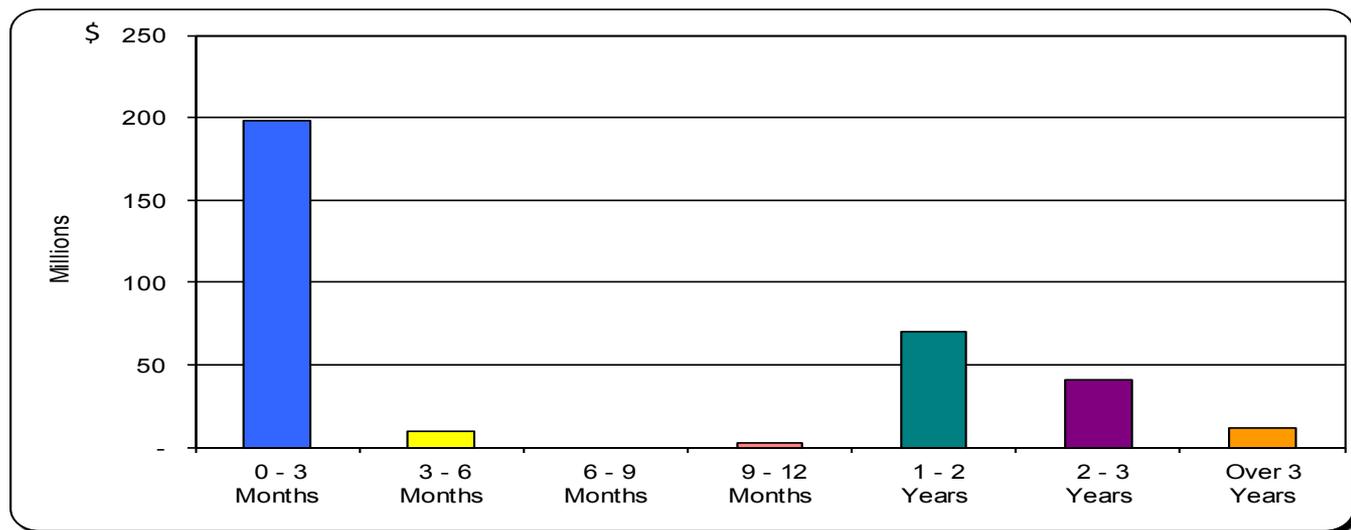
1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)



Portfolio Composition by Maturity Distribution⁽¹⁾



	May 31, 2014		April 30, 2014	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	\$ 198,076,000	59.6%	\$ 201,759,000	61.8%
3 - 6 Month	10,012,000	3.0%	8,014,000	2.5%
6 - 9 Months	-	0.0%	-	0.0%
9 - 12 Months	2,509,000	0.8%	-	0.0%
1 - 2 Years	69,654,000	20.9%	45,283,000	13.9%
2 - 3 Years	41,053,000	12.3%	59,805,000	18.3%
Over 3 Years	11,428,000	3.4%	11,405,000	3.5%
Total:	\$ 332,732,000	100.0%	\$ 326,266,000	100.0%

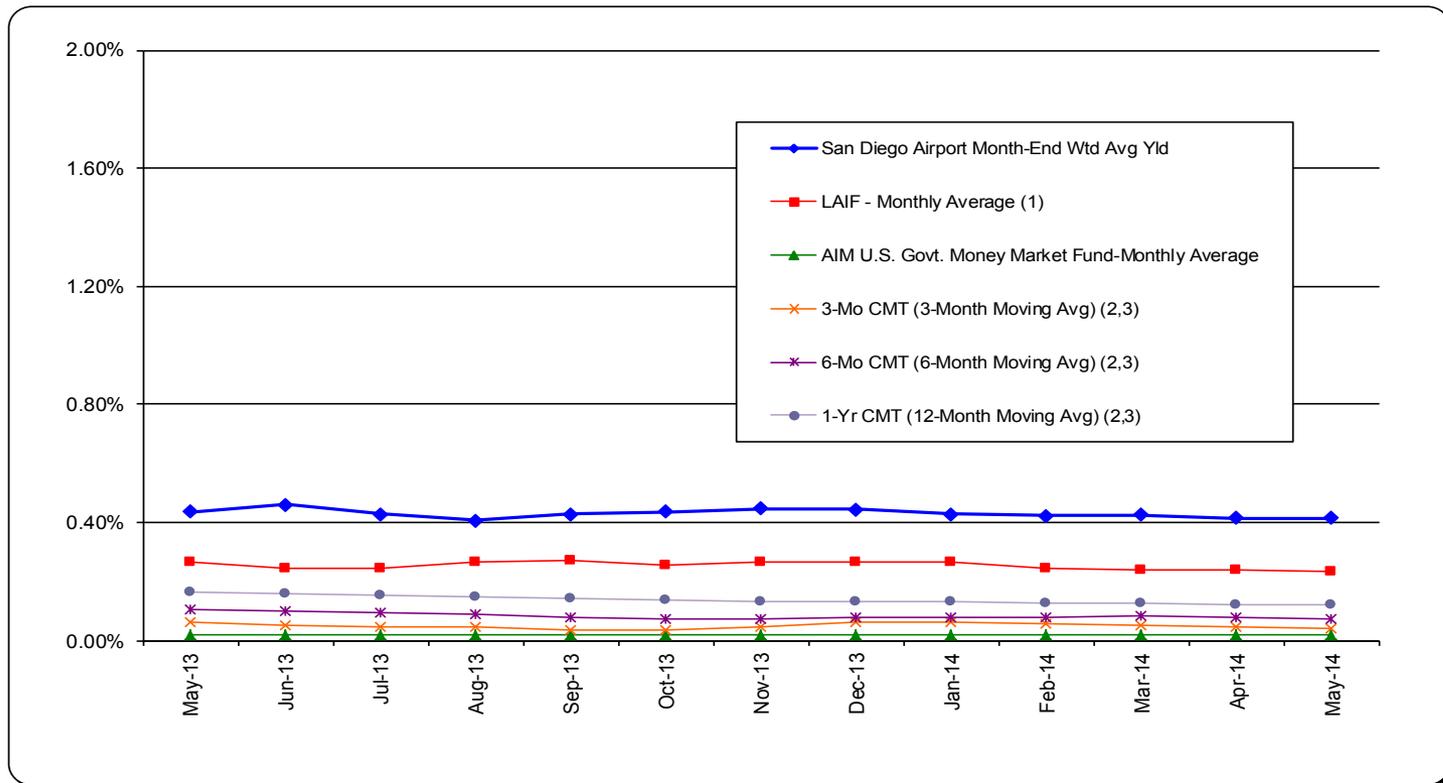


Notes:

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



Benchmark Comparison



Notes:

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

Detail of Security Holdings

As of May 31, 2014



Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
12/28/12	FNMA	0.006	06/27/16	06/27/14	5,000,000	99.875	4,993,750	99.784	4,989,200	758	0.596
09/21/12	FHLMC	1.000	09/12/17	06/12/14	3,000,000	99.975	2,999,250	99.462	2,983,860	1200	1.000
01/16/13	FHLMC	1.050	01/16/18	04/16/14	3,000,000	99.970	2,999,100	99.111	2,973,330	1326	1.056
01/09/13	FHLMC	1.375	01/09/18	01/09/15	2,000,000	101.440	2,028,800	100.335	2,006,700	1319	1.080
01/30/13	FNMA	1.030	01/30/18	04/30/14	3,500,000	99.990	3,499,650	98.964	3,463,740	1340	1.032
06/13/13	FHLB	0.375	06/24/16	06/24/16	5,000,000	99.023	4,951,150	99.839	4,991,950	755	0.701
02/14/13	FNMA	0.500	05/27/15	05/27/15	2,500,000	100.349	2,508,725	100.366	2,509,150	361	0.347
02/13/13	FHLB	0.500	11/20/15	11/20/15	5,000,000	100.172	5,008,600	100.429	5,021,450	538	0.437
02/13/13	FNMA	0.375	12/21/15	12/21/15	5,000,000	99.772	4,988,600	100.166	5,008,300	569	0.455
10/10/13	FHLMC	0.875	10/14/16	10/14/16	4,000,000	100.180	4,007,200	100.737	4,029,480	867	0.814
12/10/13	FHLB	0.625	12/28/16	12/28/16	5,000,000	99.816	4,990,800	99.962	4,998,100	942	0.438
06/12/13	FHLMC	0.500	05/13/16	05/13/16	8,000,000	99.707	7,976,568	100.252	8,020,160	713	0.601
Agency Total					51,000,000		50,952,193		50,995,420	839	0.667
07/02/13	East West Bk CD	0.500	07/02/14		10,174,231	100.000	10,174,231	100.000	10,174,231	32	0.500
09/05/13	Torrey Pines Bank CD	0.500	09/04/14		5,000,000	100.000	5,017,981	100.360	5,017,981	96	0.500
CD's Total					15,174,231		15,192,212		15,192,212	53	0.500
01/17/14	UBS FINANCE CP	0.215	07/16/14		4,000,000	99.893	3,995,700	99.983	3,999,320	46	0.215
02/06/14	BANK OF TOKYO-MITSUBISHI CP	0.240	08/06/14		3,000,000	99.879	2,996,380	99.969	2,999,070	67	0.240
05/12/14	RABUSA CP	0.210	11/12/14		5,000,000	99.893	4,994,633	99.882	4,994,100	165	0.210
01/15/14	BANK OF TOKYO-MITSUBISHI CP	0.240	07/15/14		3,500,000	99.879	3,495,777	99.983	3,499,405	45	0.240
Commercial Paper Total					15,500,000		15,482,490		15,491,895	88	0.224
05/09/13	Apple Inc Notes	0.450	05/03/16		4,000,000	99.944	3,997,760	100.023	4,000,920	703	0.469
06/03/13	Toyota Motor Corp Notes	2.800	01/11/16		4,000,000	105.114	4,204,560	103.703	4,148,120	590	0.812
08/30/13	Caterpillar Financial	0.409	08/28/15		5,000,000	100.000	5,000,000	100.086	5,004,300	454	0.409
10/10/13	GE CAP CORP	0.896	01/08/16		5,000,000	100.452	5,022,600	100.675	5,033,750	587	0.695
11/01/13	COCA COLA CORP NOTE	0.750	11/01/16		800,000	100.080	799,080	100.148	801,184	885	0.789
07/08/13	WAL MART STORES INC	1.500	10/25/15		3,000,000	102.028	3,060,836	101.556	3,046,680	512	0.617
Medium Term Notes					21,800,000		22,084,836		22,034,954	579	0.604

Detail of Security Holdings

As of May 31, 2014



Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
02/13/13	U.S. Treasury	0.375	01/15/16		7,500,000	99.926	7,495,410	100.207	7,515,525	594	0.401
02/10/14	U.S. Treasury	0.375	02/10/16		3,000,000	100.144	3,004,336	100.203	3,006,090	620	0.375
02/24/14	U.S. Treasury	0.750	01/15/17		3,000,000	100.230	3,006,914	100.313	3,009,390	960	0.669
06/03/13	U.S. Treasury	0.250	05/15/16		6,850,000	99.234	6,797,555	99.805	6,836,643	715	0.512
03/31/14	U.S. Treasury	1000	03/31/17		3,000,000	100.175	3,005,273	100.781	3,023,430	1035	0.940
03/05/14	U.S. Treasury	1000	08/31/16		8,890,000	101.203	8,996,958	101.195	8,996,236	823	0.512
04/15/14	U.S. Treasury	0.375	03/31/16		5,000,000	100.016	5,000,781	100.125	5,006,250	670	0.367
05/01/14	U.S. Treasury	0.375	04/30/16		8,000,000	99.910	7,992,812	100.070	8,005,600	700	0.420
07/08/13	U.S. Treasury	0.500	06/15/16		6,197,856	99.602	6,175,297	100.262	6,214,074	746	0.637
	Government Total				51,437,856		51,475,337		51,613,237	741	0.509
	US Bank General Acct				16,762,790	100.000	16,762,790	100.000	16,762,790	1	0.035
	US Bank Accounts Total				16,762,790		16,762,790		16,762,790	1	0.035
	Highmark US Govt MMF				220,632	100.000	220,632	100.000	220,632	1	0.000
	Highmark Money Market Total				220,632		220,632		220,632	1	0.000
	Torrey Pines Bank MM				5,018,919	100.000	5,018,919	100.000	5,018,919	1	0.500
	Local Agency Invstmnt Fd				47,520,920	100.000	47,520,920	100.046	47,542,724	1	0.233
	San Diego County Inv Pool				48,641,264	100.000	48,641,264	99.677	48,484,211	1	0.410
	CalTrust				15,025,838	100.000	15,025,838	100.000	15,025,838	1	0.360
	Bank of the West				8,751,886	100.000	8,751,886	100.000	8,751,886	1	0.240
	Wells Fargo Bank				4,050,750	100.000	4,050,750	100.000	4,050,750	1	0.250
	East West Bank				103,305	100.000	103,305	100.000	103,305	1	0.350
	East West Bank				31,443,548	100.000	31,443,548	100.000	31,443,548	1	0.350
	East West Bank Total				31,546,853		31,546,853		31,546,853	1	0.350
	Grand Total				\$ 332,451,939	98.57	\$ 332,726,920	100.00	\$ 332,732,320	289	0.416

Portfolio Investment Transactions

From May 1st, 2014 – May 31st, 2014



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
05/01/14	TREAS NOTE	U.S. Treasury	912828C81	0.375	04/30/16	--	99.910	\$ 7,992,812
05/12/14	RABUSA CP	CP - DISC	74977LLC9	0.210	11/12/14	--	99.893	4,994,100
								\$ 12,986,912
CALLS								
								\$ -
MATURITIES								
08/12/13	RABUSA CP	CP - DISC	74977LE94	0.260	05/09/14	--	99.805	\$ 4,999,850
								\$ 4,999,850
DEPOSITS								
05/28/14	CALTRUST	SHORT TERM FUND		0.360	--	--	100.000	\$ 10,000,000
								\$ 10,000,000
WITHDRAWALS/SALES								
05/19/14	BANK OF THE WEST	BANK DEMAND DEPOSIT		0.240	--	--	100.000	\$ 10,000,000
								\$ 10,000,000

Bond Proceeds Summary

As of: May 31, 2014

(in thousands)

	Series 2010	Series 2013	Series 2014	Total	Yield	Rating
Project Fund						
LAIF ⁽¹⁾	\$ -	\$ -	\$ 142,663	\$ 142,663	0.23%	N/R
SDCIP ⁽²⁾	-	100,441	92,525	192,966	0.41%	AAAF
	\$ -	\$ 100,441	\$ 235,188	\$ 335,629		
Capitalized Interest						
SDCIP ⁽²⁾	\$ -	\$ 753	\$ 30,417	\$ 31,170	0.41%	AAAF
	\$ -	\$ 753	\$ 30,417	\$ 31,170		
Debt Service Reserve & Coverage Funds						
SDCIP ⁽²⁾	\$ 14,217	\$ 32,981	\$ 13,460	\$ 60,658	0.41%	AAAF
East West Bank CD	20,577	-	-	20,577	0.75%	N/R
Bank of the West DDA	16,155	-	-	16,155	0.29%	N/R
Torrey Pines DDA	-	-	15,019	15,019	0.50%	N/R
	\$ 50,949	\$ 32,981	\$ 28,479	\$ 112,409		
	\$ 50,949	\$ 134,175	\$ 294,084	\$ 479,208	0.37%	

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

(1) LAIF Yield as of 4/30/2014

(2) SDCIP Yield as of 4/30/2014



Bond Proceeds Investment Transactions

From May 1st, 2014 – May 31st, 2014



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
							\$	-
CALLS								
							\$	-
MATURITIES								
							\$	-
DEPOSITS								
							\$	-
WITHDRAWALS / SALES								
5/5/2014	SDCIP (2013 Bonds)	SDCIP		0.41			1.000 \$	9,778,581
5/23/2014	SDCIP (2014 Bonds)	LAIF		0.23			1.000	9,232,678
5/27/2014	SDCIP (2013 Bonds)	SDCIP		0.41			1.000	13,505,879
							\$	32,517,138



Questions



San Diego County Regional Airport Authority

AUTHORIZATION OF A REVOLVING LINE OF CREDIT FOR AN AMOUNT UP TO \$125,000,000



Presented by:
Scott Brickner, CPA
Vice President, Finance and Asset
Management/Treasurer

June 23, 2014



Agenda



- Rationale for a Short-term Variable Rate Debt Program
- Comparison of Revolving Line of Credit and Commercial Paper Program
- Authority's Existing Commercial Paper Program
- Request for Proposal Results
- Principal Documents for Board Approval
- Recommendation and Requested Action





Rationale for a Short-term Variable Rate Debt Program



- Used to manage capital funding requirements
 - Flexible, “just-in-time” funding
 - Interim capital funding source between long-term bond issues
- Provides variable interest rate component in our debt portfolio
 - Variable rate debt generally provides the lowest cost of funds for the short-term

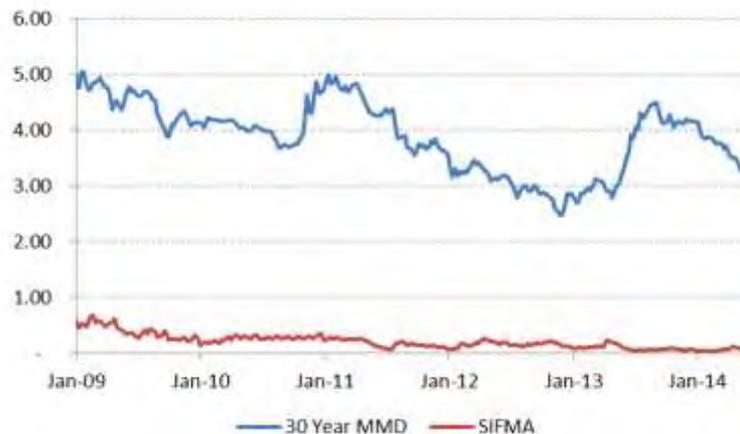


Rationale - Historical Interest Rates

- Historically, short-term average rates are below long-term rates
 - Short-term tax-exempt rates have averaged 0.22% compared to an average 30-year bond rate of 3.89%
 - Short-term taxable rates have averaged 0.25% compared to an average 30-year US Treasury rate of 3.72%



30-Year MMD vs SIFMA



30-Year Treasury vs One-Month LIBOR





Comparison of Revolving Line of Credit and Commercial Paper Program



	CP Program	Revolving Line of Credit
Lien	Subordinate	Subordinate
Term	CP Notes issued up to 270 days and may be rolled at maturity over the life of the Letter of Credit (LOC)	The length of the agreement with the issuing bank
Letter of Credit	Yes	No
Credit Risk	Fluctuates based on the credit of the LOC bank	Limited
Issuance Cost	~\$330K	~\$190K
Admin Costs	~\$75K per year	Nil.
Credit Rating	Required	Not Required



Authority's Existing Commercial Paper Program



- The Authority's current \$250M Commercial Paper Program was established in September 2007.
- The Authority currently has \$44.9 million of outstanding Commercial Paper Notes:
 - \$18.9 million (AMT) of Notes that funded various capital projects and which are being amortized through 2030
 - \$26.0 million (Taxable) of Notes that defeased the Series 2005 bonds and which are being amortized through 2019



Authority's Existing Commercial Paper Program - Continued



- Commercial Paper Program has provided interim funding for the Capital Program
- The current Commercial Paper program is supported by a letter of credit (LOC) from Lloyds TSB bank
- The LOC has a 7-year term and expires on September 10, 2014



Request for Proposal Results



- The Authority's received a strong response to its RFP:
 - 7 proposed direct pay letters of credit to support a new Commercial Paper Program with terms of 1 to 5 years
 - 3 proposed revolving lines of credit with terms of 1 to 4 years
 - 3 proposed fixed rate loans (each for approximately \$25 million to refund the outstanding taxable Commercial Paper notes)



Request for Proposal Results



- The highest ranked proposal was from US Bank for a revolving line of credit for up to \$125 million with the following terms:
 - Tax Exempt pricing: 75% of one-month LIBOR + 42 bps
 - Taxable pricing: One-month LIBOR + 60 bps
 - Unutilized Pricing: 37 bps
 - 3 year term

- Negotiations are currently in process to finalize the agreement with US Bank.



Principal Documents for Board Approval



DOCUMENT	PURPOSE OF DOCUMENT
Resolution	(i) Authorizes the issuance of the revolving line of credit (ii) authorizes the President/CEO to negotiate an extension to the revolving line of credit for up to three years with the same or advantageous terms and provisions and (iii) approves the financing documents
Revolving Credit Agreement	The financing document that will be entered into with the Bank.
Third Supplemental Subordinate Trust Indenture	Describes the terms and descriptions of the revolving line of credit, how it is secured, the creation of debt service funds, how proceeds may be used and other certain matters
Fourth Supplemental Senior Trust Indenture	Clarifies that non-cash obligations will not be included in operations and maintenance expenses when calculating the Rate Covenant and the Additional Bonds Test

Recommendation and Requested Actions

- Staff recommends that the Committee forward the following recommendations to the Board for approval:
 - Adopt Resolution No. 2014-XXXX,
 - (1) authorizing the issuance and/or incurrence of San Diego County Regional Airport Authority subordinate airport revenue revolving obligations from time to time in the form of a revolving line of credit in an aggregate principal amount not-to-exceed \$125,000,000;
 - (2) revoking the authorization to issue commercial paper notes; and
 - (3) approving a Third Supplemental Subordinate Trust Indenture, a Revolving Credit Agreement, a Fourth Supplemental Senior Trust Indenture and certain related matters.



Questions





Revised 6/19/14

**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
EXECUTIVE COMMITTEE**

Item No.
5

Meeting Date: **JUNE 23, 2014**

Subject:

Pre-Approval of Travel Requests and Approval of Business and Travel Expense Reimbursement Requests for Board Members, the President/CEO, the Chief Auditor and General Counsel

Recommendation:

Pre-approve Travel Requests and approve Business and Travel Expense Reimbursement Requests.

Background/Justification:

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

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

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

Fiscal Impact:

Funds for Business and Travel expenses are included in the FY 2013-2014 Budget.

Environmental Review:

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

Application of Inclusionary Policies:

Not applicable

Prepared by:

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

TRAVEL REQUESTS

ROBERT GLEASON

**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: Robert H. Gleason 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: 6/23/14 **PLANNED DATE OF DEPARTURE/RETURN:** 9/5/14 / 9/10/14

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

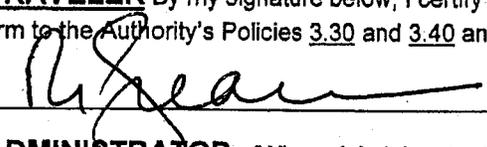
Destination: Washington, DC Purpose: Attend Chamber Event
Explanation: San Diego Regional Chamber of Commerce One Region/One Voice, Mission to Washington, DC

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$	630
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	100
B. LODGING	\$	990
C. MEALS	\$	
D. SEMINAR AND CONFERENCE FEES	\$	1399
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	100
TOTAL PROJECTED TRAVEL EXPENSE	\$	3219

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: 6-19-14

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.)

PAUL ROBINSON

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

GENERAL INSTRUCTIONS:

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

1. TRAVELER:

Travelers Name: Paul Robinson Dept: 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: 6/23/14 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):

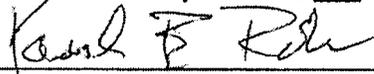
Destination: Washington, DC Purpose: Attend Chamber Event
 Explanation: San Diego Regional Chamber of Commerce One Region/One Voice, Mission to Washington, DC

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$	630
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	100
B. LODGING	\$	1320
C. MEALS	\$	200
D. SEMINAR AND CONFERENCE FEES	\$	1199
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	100
TOTAL PROJECTED TRAVEL EXPENSE	\$	3549

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: 6/19/14

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.)

THELLA F. BOWENS

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

GENERAL INSTRUCTIONS:

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

1. TRAVELER:

Travelers Name: Thella F. Bowens Dept: Exec Office BU6
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

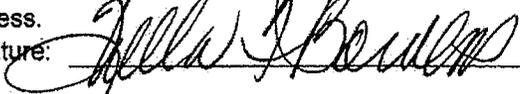
2. DATE OF REQUEST: 5/29/14 PLANNED DATE OF DEPARTURE/RETURN: 7/10/14 / 7/11/14

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip- continue on extra sheets of paper as necessary):
Destination: San Francisco, CA Purpose: CAC (CA Airports Council) Board Mtg
 Explanation:

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

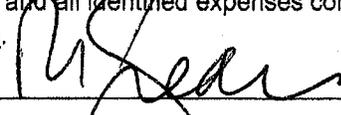
A. TRANSPORTATION COSTS:	
• AIRFARE	\$ 350.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100.00
B. LODGING	\$ 200.00
C. MEALS	\$ 100.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 100.00
TOTAL PROJECTED TRAVEL EXPENSE	\$ 850.00

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: 3 June 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:
- I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
 - 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.
 - 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: 6-5-14

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
EXECUTIVE COMMITTEE

Item No.
6

Meeting Date: **JUNE 23, 2014**

Subject:

Business Performance Incentive (An Employee Performance Compensation Program)

Recommendation:

Forward to the Board for approval.

Background/Justification:

The organization wishes to ensure the ongoing high performance of the San Diego County Regional Airport Authority ("Authority") and to recognize the collective contributions of employees that result in this performance. The Board is requested to approve an employee performance compensation program component, commonly referred to as a gain sharing plan, to the Authority's non-contracted employees' compensation commencing in fiscal year 2015.

Over the past 10 years, the Authority has been a prudent steward of its financial resources with award winning budgeting and financial reporting as well as with exemplary financial performance. These accomplishments have allowed the organization to continue to invest in infrastructure and efficiency improvements resulting in high customer service standards and performance on behalf of the county's 3.1 million residents and the 17.7 million passengers at the San Diego International Airport (SDIA).

The proposed Business Performance Incentive, which provides employee performance compensation specifically for eligible employees when there are measurable improvements in efficiency and productivity achieved, exists in multiple governmental entities throughout the United States. For instance, the County of San Diego offers an employee pay for performance incentive program called the Quality First program. It is a component of their compensation program which offers a monetary incentive to teams or individuals who bring added value to the organization (e.g., efficiencies, productivity, etc.). The Hillsborough County Aviation Authority (FL), owner and operator of Tampa International Airport (SDIA's closest comparable airport in size and demographics) provides an Employee Incentive Program, which closely matches the model being presented to the Authority's Board. The performance metrics triggering payout in their plan are specific to the Hillsborough County Aviation Authority. In addition, the Dallas Fort Worth Airport (TX) and the Port of Portland (OR) offer what would be a typical private sector incentive program, differentiated at various levels of the organization, that provides compensation only when greater organizational outcomes are achieved.

Eligible participants in the Authority's proposed Business Performance Incentive will include all full-time employees who do not report directly to the Board, subject to an executive employment contract. Eligible employees will need to have maintained an overall performance rating equal to or greater than 'meeting expectations' (currently rated in the employee performance evaluation as "On Target") in order to be eligible. In recent years, this performance qualifier would have disqualified approximately five (5) unrepresented employees each year due to Needs Improvement performance ratings (2011, 4 employees; 2012, 5 employees; and 2013, 7 employees), or anywhere from approximately 1%-3% of eligible employees.

Debt service becomes an increasingly more important metric in the Authority's future financials over the next 10 years. As such, and in an effort to substantively increase the likelihood that the organization exceeds its debt obligations, the Business Performance Incentive becomes an important addition to the organization's pay for performance compensation model. For reference, projected Debt Service is outlined below:

	(\$ millions)					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Gross Annual Debt Service*	\$ 40.0	\$ 61.1	\$ 67.5	\$ 68.2	\$ 68.4	\$ 68.4
Offset for PFC and BAB Subsidy	\$ (25.6)	\$ (32.6)	\$ (34.9)	\$ (34.5)	\$ (34.7)	\$ (34.6)
Net Annual Debt Service	\$ 14.4	\$ 28.5	\$ 32.7	\$ 33.7	\$ 33.7	\$ 33.8

* Cash Principal and Interest Payments Due Annually

The attached guidelines (Attachment A) establish the parameters of the Business Performance Incentive. Additionally, Attachment B shows the past five years' audited financial results and any potential payout that would have been available along with the corresponding variables for each year. This proposal is for both unrepresented and represented employees. The Authority, through its Memorandum of Agreements with represented employees effective October 1, 2013 through September 30, 2017, has agreed that when the program is implemented represented employees will be eligible according to the terms of the program.

Fiscal Impact:

The Business Performance Incentive will have no impact on the Authority's adopted budget because any payout will be funded by the excess actual financial performance over the budgeted financial performance achieved through effective budget management and meeting established financial parameters. The payout will also be recorded in the financial statements in the same fiscal year the excess actual financial performance is determined. Thus, it will not be included within the annual budget. Attachment B shows the past five years' audited financial results and any potential payout that would have been available for payment from excess funds in each year.

There is a high potential upside of increasing employee line of sight to the variables (financial performance, days cash on hand, debt service coverage, and cost per enplaned passenger) which increases the likelihood of enhanced employee productivity and engagement.

Authority Strategies:

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

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

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

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

Application of Inclusionary Policies:

Not applicable.

Prepared by:

KURT GERING
DIRECTOR, TALENT, CULTURE & CAPABILITY

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BUSINESS PERFORMANCE INCENTIVE GUIDELINES**

Effective July 1, 2015

(Revised 6/9/2014)

PROGRAM OBJECTIVES

The Business Performance Incentive is a gain-sharing program designed to provide a variable element of compensation for eligible employees of the San Diego County Regional Airport Authority ("Authority"). Specifically, the Program is designed to:

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

DEFINITION OF GAINSHARING

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

PLAN YEAR

The Program will run for a period of one year, concurrent with the Authority's fiscal year commencing on July 1, 2014 (July 1, 2014 through June 30, 2015). The program will continue each subsequent fiscal year unless or until terminated by the Board.

ELIGIBILITY AND PARTICIPATION

All full-time employees of the Authority except those reporting directly to the Board and subject to an executive employment contract (Chief Executive Officer, General Counsel & Chief Auditor) may participate in the Program. If an employee becomes eligible and approved in accordance with the Program during a Plan Year, then such employee may be eligible for participation in the Program on a pro-rated basis.

To be eligible for the incentive payment, an employee must be employed as of the end of the Plan Year. Furthermore, an employee must be employed as of the payment date and his/her overall performance rating must be equal to

or greater than meeting expectations (currently graded as "On Target") to receive the incentive payment.

AWARD DETERMINATION

Payouts are based on actual financial performance exceeding budgeted financial performance, measured by comparing operating revenue minus operating expenses plus interest income for both budget and actuals.

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

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

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

Payouts will be made annually, after audited financials are approved by the Board of Directors.

Participants are eligible for up to a maximum of \$2,500 per Plan Year, with a minimum payout determined to be \$100 when funding allows. All eligible employees will share equally in the available pool. All payouts are taxable earnings. Those employees hired after the beginning of the Plan Year will participate on a pro-rated basis.

NON ASSIGNABILITY

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

NO RIGHT TO CONTINUED EMPLOYMENT

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

**San Diego Regional Airport Authority
Business Performance Incentive Modeling**

Attachment B

Revised 6/9/2014

Maximum Award per Employee	2,500.00
Maximum Employee Share of Gain	10%

Gain Sharing Modeling Projections

	Fiscal Year 2010		Fiscal Year 2011		Fiscal Year 2012		Fiscal Year 2013	
Performance Criteria	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Financial Performance	\$ 18.4	\$ 23.1	\$ 29.2	\$ 32.6	\$ 38.9	\$ 39.9	\$ 52.0	\$ 54.8
Days Cash on Hand	365	537	365	494	365	522	425	603
Debt Service Coverage	1.50	3.60	1.50	3.11	1.50	2.81	1.50	3.77
Cost per Enplaned Passenger	\$ 7.45	\$ 6.73	\$ 7.61	\$ 7.54	\$ 8.32	\$ 8.33	\$ 10.34	\$ 10.16
Award Determination								
Gain Above Target	\$4,700,000		\$3,400,000		\$1,000,000		\$2,900,000	
Was Days Cash on Hand Met?	Yes		Yes		Yes		Yes	
Was Debt Service Ratio Met?	Yes		Yes		Yes		Yes	
Was Cost per Enplanement Met?	Yes		Yes		No		Yes	
Award Pool								
Total # of Employees	351		359		359		372	
Max pool Based on Participation	\$877,500		\$897,500		\$897,500		\$930,000	
Actual Award Pool	\$470,000		\$340,000		\$0		\$290,000	
Actual Award Pool	\$1,339		\$947		\$0		\$780	

- Financial Performance equals net income from operations before depreciation and amortization plus interest income.
- Days Cash on Hand is generally defined as unrestricted cash & investments divided by annual operating expenses.
- Debt Service Coverage is generally defined as operating income before depreciation, plus interest income, divided by debt principal & interest (net of pledged Passenger Facility Charges (PFCs) and the Build America Bond (BAB) subsidy), as defined in Authority's Master Trust Indenture.
- CPE is generally defined as airline revenue divided by annual enplanements.

Business Performance Incentive (An Employee Performance Compensation Program)



Presented By:

- Kurt Gering; Director, Talent, Culture and Capability

June 23, 2014



Discussion



- Outline of proposed incentive
- Discuss financial considerations to Authority based on gain sharing approach
- Consider adoption of resolution



Overview of the proposed incentive approach



Elements	Description
Objectives	<ul style="list-style-type: none"> • Align individual and organizational performance • Encourage attainment of organizational goals • Reinforce organizational culture • Motivate job performance • Objectively recognize employee contribution • Be clearly communicated and understood by those participating in and administering the program • Be easy to calculate and correlate to specific goals • Be perceived as fair by employees • Provide competitive compensation that is available to everyone • Encourage eligible employees to participate with a fair, motivating compensation program
Participation	<ul style="list-style-type: none"> • All full-time Authority employees except those reporting directly to the Board and subject to an executive employment contract (Chief Executive Officer, General Counsel & Chief Auditor) would be eligible
Metrics	<ul style="list-style-type: none"> • Financial Performance (Net operating income before depreciation and amortization, adjusted to include interest income) • Debt service coverage • Cost per enplanement • Days cash on hand
Mechanics	<ul style="list-style-type: none"> • Payout eligibility is based on the pre-established threshold for each metrics being met • If targets are reached, payout is based on a financial performance vs. budget
Frequency	<ul style="list-style-type: none"> • Annual payout, after financials are audited and approved by the Authority Board • Performance against goal will be communicated to the staff periodically throughout the year
Award Distribution	<ul style="list-style-type: none"> • All eligible participants would share equally in the available pool • Maximum award is \$2,500 per participant (pre-tax value) with a minimum award of \$100 per participant

Summary of how the plan would have performed based on historical financials



Maximum Award per Employee	\$ 2,500.00
Maximum Employee Share of Gain	10%

	Fiscal Year 2010		Fiscal Year 2011		Fiscal Year 2012		Fiscal Year 2013	
Performance Criteria	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Financial Performance	\$ 18.4	\$ 23.1	\$ 29.2	\$ 32.6	\$ 38.9	\$ 39.9	\$ 52.0	\$ 54.8
Days Cash on Hand	365	537	365	494	365	522	425	603
Debt Service Coverage	1.50	3.60	1.50	3.11	1.50	2.81	1.50	3.77
Cost per Enplaned Passenger	\$ 7.45	\$ 6.73	\$ 7.61	\$ 7.54	\$ 8.32	\$ 8.33	\$ 10.34	\$ 10.16
Award Determination								
Gain Above Target	\$4,700,000		\$3,400,000		\$1,000,000		\$2,900,000	
Was Days Cash on Hand Met?	Yes		Yes		Yes		Yes	
Was Debt Service Ratio Met?	Yes		Yes		Yes		Yes	
Was Cost per Enplanement Met?	Yes		Yes		No		Yes	
Award Pool								
Total # of Employees	351		359		359		372	
Max pool Based on Participation	\$877,500		\$897,500		\$897,500		\$930,000	
Actual Award Pool	\$470,000		\$340,000		\$0		\$290,000	
Actual Award Pool	\$1,339		\$947		\$0		\$780	



The Incentive Works for All Stakeholders



If the proposed program had been in effect for each of the past 5 fiscal years, the employees would have been provided an incentive to deliver even greater results which would fund future Authority Programs:

Fiscal Year	Employee Incentive	Reinvested in Authority Programs	Total Gain
2013	\$290,000	\$2,610,000	\$2,900,000
2012	\$0	\$1,000,000	\$1,000,000
2011	\$340,000	\$3,060,000	\$3,400,000
2010	\$470,000	\$4,230,000	\$4,700,000
2009	\$0	\$0 (no gain)	(\$3,267,000)

**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: 6/17/14 PLANNED DATE OF DEPARTURE/RETURN: 7/27/14 / 7/30/14

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 2014 AAAE/ACI-NA Legislative Mtg (7/28) and AAAE Summer Legislative Issues Conference (7/29)

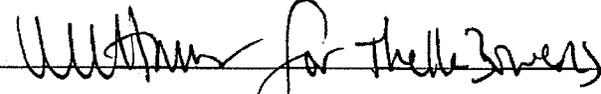
Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$ 750.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 150.00
B. LODGING	\$ 1000.00
C. MEALS	\$ 300.00
D. SEMINAR AND CONFERENCE FEES	\$ 500.00
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 100.00
TOTAL PROJECTED TRAVEL EXPENSE	\$ 2800.00

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: 6/17/14

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.)

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

Revised 6/19/14 **DRAFT** **SPECIAL BOARD** **AGENDA**

Monday, July 7, 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***

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

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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:

A. PRESENTATION OF AWARD TO THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FROM THE AMERICAN PUBLIC WORKS ASSOCIATION:

Presented by Roya Golchoobian, American Public Works Association

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:

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

CONSENT AGENDA (Items 1-14):

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 22, 2014, special meeting, and the June 5, 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 MAY 12, 2014, THROUGH JUNE 8, 2014, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MAY 12, 2014, THROUGH JUNE 8, 2014:

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

4. JULY 2014 LEGISLATIVE REPORT:

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2014-____, approving the July 2014 Legislative Report.

(Inter-Governmental Relations: Michael Kulis, Director)

5. APPROVE THE APPOINTMENTS TO THE ART ADVISORY COMMITTEE:

The Board is requested to approve the appointments.

RECOMMENDATION: Adopt Resolution No. 2014-____, approving the reappointments of Ben Fyffe and Deborah Van Huis to the Art Advisory Committee.

(Vision, Voice & Engagement: Constance White, Art Program Manager)

CLAIMS

6. REJECT THE CLAIM OF LLOYD LEE CHAPMAN:

The Board is requested to reject the claim.

RECOMMENDATION: Adopt Resolution No. 2014-____, rejecting the claim of Lloyd Lee Chapman.

(Legal: Breton Lobner, General Counsel)

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

7. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE ON-CALL HEATING, VENTILATION, AND AIR CONDITIONING SERVICES AGREEMENT WITH HELIX MECHANICAL, INC.; ENDLESS SUMMER HEATING & AIR CONDITIONING, INC.; AND DUWRIGHT CONSTRUCTION, INC.:

The Board is requested to approve the amendment.

RECOMMENDATION: Adopt Resolution No. 2014-____, approving and authorizing the President/CEO to execute a Second Amendment to the agreement with Helix Mechanical, Inc.; Endless Summer Heating & Air Conditioning, Inc.; and DuWright Construction, Inc., increasing the total amount payable by \$900,000 for an aggregate total not-to-exceed compensation amount of \$1,890,000 for all three firms.

(Facilities Management: Murray Bauer, Director)

8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AMENDED AND RESTATED SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY RETIREMENT PLAN AND TRUST OF 2014:

The Board is requested to approve and authorize the amendment.

RECOMMENDATION: Adopt Resolution No. 2014-____, approving and authorizing the President/CEO to execute a First Amendment to the Amended and Restated San Diego County Regional Airport Authority Retirement Plan and Trust of 2014 correcting and amending "Exhibit A" (Definition of "Base Compensation") to the Plan and other minor changes.

(Finance & Asset Management: Scott Brickner, Vice President, Finance & Asset Management/Treasurer, and Breton K. Lobner, General Counsel)

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

9. AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC., FOR QUIETER HOME PROGRAM PHASE 7, GROUP 11 (32 HISTORIC AND NON-HISTORIC SINGLE AND MULTI-FAMILY UNITS ON 19 RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT):

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2014-____, awarding a contract to G&G Specialty Contractors, Inc. in the amount of \$1,462,824, for Phase 7, Group 11, Project 380711, of the San Diego County Regional Airport Authority's Quieter Home Program.
(Airport Planning: Keith Wilschetz, Director)

10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH (TO BE DETERMINED) FOR PUBLIC OUTREACH SERVICES IN SUPPORT OF THE RENTAL CAR CENTER DEVELOPMENT PROJECT, AIRPORT DEVELOPMENT PLAN AND OTHER AUTHORITY PROGRAMS AND INITIATIVES OF SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to execute an agreement.

RECOMMENDATION: Adopt Resolution No. 2014-____, approving and authorizing the President/CEO to execute an agreement with (to be determined) for public outreach services in support of the Rental Car Center development project, Airport Development Plan, and other Authority programs and initiatives of the San Diego International Airport.

(Vision, Voice & Engagement: Diana Lucero, Director)

11. AWARD A CONTRACT TO THYSSENKRUPP AIRPORT SYSTEMS, INC., FOR REPLACE PASSENGER BOARDING BRIDGES IN TERMINAL 1 AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2014-____, awarding a contract to Thyssenkrupp Airport Systems, Inc., in the amount of \$_____, for Replace Passenger Boarding Bridges in Terminal 1 at San Diego International Airport.

(Facilities Development: Iraj Ghaemi, Director)

12. AWARD A CONTRACT TO HEARNE CORPORATION FOR RECONFIGURE SECURITY CHECKPOINT 2/REFURBISH TERMINAL 1 ROTUNDAS & BAGGAGE CLAIM AREA AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2014-____, awarding a contract to Hearne Corporation in the amount of \$_____, for Reconfigure Security Checkpoint 2/Refurbish Terminal 1 Rotundas & Baggage Claim Area at San Diego International Airport.

(Facilities Development: Iraj Ghaemi, Director)

13. AWARD A CONTRACT TO VASQUEZ CONSTRUCTION COMPANY FOR TERMINAL FLIGHT INFORMATION DISPLAY SYSTEM (FIDS) UPGRADE AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2014-____, awarding a contract to Vasquez Construction Company in the amount of \$_____, for Terminal Flight Information Display System (FIDS) Upgrade at the San Diego International Airport.

(Facilities Development: Iraj Ghaemi, Director)

14. AWARD OF A CONSTRUCTION CONTRACT TO (TO BE DETERMINED) FOR TERMINAL LINK ROAD:

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2014-____, awarding a construction contract to TO BE DETERMINED in the amount of \$_____ for Terminal Link Road.

NAME

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

15. REVIEW AND APPROVAL OF GROUND TRANSPORTATION STANDARDS FOR TAXI CAB AND VEHICLE FOR HIRE MEMORANDUMS OF AGREEMENT:

The Board is requested to approve the Memorandums of Agreement.

RECOMMENDATION: Adopt Resolution No. 2014-____,

(Ground Transportation: David Boenitz, Director)

16. APPROVAL OF AMENDMENTS TO AUTHORITY CODE §9.01 ET SEQ. REGARDING TRANSPORTATION NETWORK COMPANIES:

The Board is requested to approve amendments to Authority Codes.

RECOMMENDATION: Adopt Resolution No. 2014-____, approving amendments to the Authority Code regarding permit requirements and regulations applicable to Transportation Network Companies.

(Ground Transportation: David Boenitz, Director)

17. APPROVAL OF BUSINESS PERFORMANCE INCENTIVE (AN EMPLOYEE PERFORMANCE COMPENSATION PROGRAM):

The Board is requested to approve the Business Performance Incentive.

RECOMMENDATION: Adopt Resolution No. 2014-____,

(Talent, Culture & Capability: Kurt Gering, Director)

18. AUTHORIZATION OF A REVOLVING LINE OF CREDIT FOR AN AMOUNT UP TO \$125 MILLION:

The Finance Committee recommends that the Board authorize the revolving line of credit.

RECOMMENDATION: Adopt Resolution No. 2014-____, (1) authorizing the issuance and/or incurrence of San Diego County Regional Airport Authority subordinate airport revenue revolving obligations from time to time in the form of a revolving line of credit in an aggregate principal amount not-to-exceed \$125,000,000; (2) revoking the authorization to issue commercial paper notes; and (3) approving a Third Supplemental Subordinate Trust Indenture, a Revolving Credit Agreement, a Fourth Supplemental Senior Trust Indenture and certain related matters.

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

19. AUTHORIZING THE AUTHORITY TO SUBMIT A GRANT PROPOSAL CONSISTENT WITH CALIFORNIA OCEAN PROTECTION COUNCIL GRANT REQUIREMENTS, TO FUND ADVANCED FLOODING AND SEA LEVEL RISE MODELING IN COORDINATION WITH SCRIPPS INSTITUTION OF OCEANOGRAPHY AND IN PARTNERSHIP WITH THE SAN DIEGO UNIFIED PORT DISTRICT:

The Board is requested to submit a grant proposal.

RECOMMENDATION: Adopt Resolution No. 2014-____,
NAME

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, GGTW, 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
- 28. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)
Number of cases: 2
- 29. PUBLIC EMPLOYMENT PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: President/Chief Executive Officer
- 30. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: General Counsel
- 31. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: Chief Auditor

REPORT ON CLOSED SESSION:

NON-AGENDA PUBLIC COMMENT:

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GENERAL COUNSEL REPORT:

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

BOARD COMMENT:

ADJOURNMENT:

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

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

Additional Meeting Information

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UPCOMING MEETING SCHEDULE

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
September 4	Thursday	9:00 a.m.	Regular	Board Room
October 2	Thursday	9:00 a.m.	Regular	Board Room

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

DRAFT – REVISED 6/20/14
SPECIAL AIRPORT LAND USE COMMISSION
AGENDA

Monday, July 7, 2014
9:00 A.M. or immediately following the
Board Meeting

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

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

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CONSENT AGENDA (Items 1-4):

The Consent Agenda contains items that are routine in nature and non-controversial. It also contains consistency determinations that have been deemed consistent or conditionally consistent. The matters listed under 'Consent Agenda' may be approved by one motion. Any Commission 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 Commission is requested to approve minutes of prior meetings.

RECOMMENDATION: Approve the minutes of the June 5, 2014, regular meeting.

CONSISTENCY DETERMINATION

2. REPORT OF LAND USE ACTIONS DETERMINED TO BE CONSISTENT WITH AIRPORT LAND USE COMPATIBILITY PLANS:

The Commission is requested to receive a report of land use actions determined by staff to be consistent with Airport Land Use Compatibility Plans.

RECOMMENDATION: Receive the report.

(Airport Planning: Angela Jamison, Manager)

3. CONSISTENCY DETERMINATION – SAN DIEGO INTERNATIONAL AIRPORT - AIRPORT LAND USE COMPATIBILITY PLAN – CONSTRUCTION OF AN ATTACHED RESIDENTIAL UNIT AT 4626 CAPE MAY AVENUE, CITY OF SAN DIEGO:

The Commission is requested to make a consistency determination on a proposed project in the City of San Diego.

RECOMMENDATION: Adopt Resolution No. 2014-____ ALUC, making a determination that the project is conditionally consistent with the 1992 San Diego International Airport - Airport Land Use Compatibility Plan.

(Airport Planning: Angela Jamison, Manager)

4. CONSISTENCY DETERMINATION – GILLESPIE FIELD AIRPORT LAND USE COMPATIBILITY PLAN – CONSTRUCTION OF TWO DETACHED RESIDENTIAL UNITS AT 9537 & 9539 PRYOR DRIVE, CITY OF SANTEE:

The Commission is requested to make a consistency determination on a proposed project in the City of Santee.

RECOMMENDATION: Adopt Resolution No. 2014-____ ALUC, making a determination that the project is conditionally consistent with the Gillespie Field Airport - Airport Land Use Compatibility Plan.

(Airport Planning: Angela Jamison, Manager)

PUBLIC HEARINGS: None

OLD BUSINESS:

NEW BUSINESS:

COMMISSION COMMENT:

ADJOURNMENT:

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- 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.

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>
September 4	Thursday	9:00 a.m.	Regular	Board Room
October 2	Thursday	9:00 a.m.	Regular	Board Room