

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE AND FINANCE COMMITTEE AND SPECIAL BOARD MEETING
MINUTES
MONDAY, JANUARY 5, 2015
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER:

Vice Chair Smisek called the Special Board and Executive and Finance Committee meeting to order at 9:02 a.m., Monday, January 5, 2015, 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 Cox led the Pledge of Allegiance.

ROLL CALL:

Board

Present: Board Members: Boling, Cox, Hubbs, Robinson, Smisek

Absent: Board Members: Alvarez, Berman (Ex-Officio), Desmond, Farnam (Ex-Officio), Gleason, Ortega (Ex-Officio), Sessom

Executive Committee

Present: Committee Members: Robinson, Smisek

Absent: Committee Members: Gleason

Finance Committee

Present: Committee Members: Cox, Hubbs, Robinson

Absent: Committee Members: Alvarez, Sessom

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

BOARD BUSINESS:

1. DISCUSSION REGARDING FISCAL YEAR 2016 ORGANIZATIONAL INITIATIVES:

Jeffrey Lindeman, Senior Director, Organizational Performance & Development, provided a presentation on the Fiscal Year 2016 Organizational Initiatives, which included the Authority's Mission, Vision, Strategies, Values, Fiscal Year 2015 Initiatives, Draft Initiatives for Fiscal Year 2016, Sustainable Business Practices, Economic Viability, Operational Excellence, Natural Resource Conservation, and Goals.

In response to Board Member Cox regarding contract services such as Fire Services, and if there are cost saving measures for such contracts, Thella Bowens, President/CEO stated that staff will be reviewing every contract prior to its expiration for cost controls and revenue generation.

In response to Board Member Boling's request for clarification regarding what is included in the Long Term Capital Plan initiative, Mr. Lindeman stated that staff will revise the goal to make it more action oriented.

Thella Bowens, President/CEO stated that there is a capital plan in place, with the focus on financing strategies and timelines for capital projects.

Board Member Boling requested that staff provide information on what projects in the capital plan are achievable this fiscal year, in order to get the Authority closer to the goals.

Board Member Hubbs requested that staff provide an update on the Authority's strategic engagement practices. Ms. Bowens stated that this will be included as part of the upcoming budget discussions by the Board.

RECOMMENDATION: Discuss the Fiscal Year 2016 organizational initiatives.

ACTION: No action taken.

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2014:

Scott Brickner, Vice President, Finance & Asset Management /Treasurer, and Kathy Kiefer, Senior Director, Finance & Asset Management, provided a presentation on the Unaudited Financial Statements for the Five Months Ended November 30, 2014, which included Enplanements, Gross Landing Weight Units, Car Rental License Fees, Parking Revenue, Food and Beverage Concessions Revenue, Retail Concessions Revenue, Operating Revenues for the Month Ended November 30, 2014, Operating Expenses for the Month Ended November 30, 2014, Financial Summary for the Month ended November 30, 2014, Nonoperating Revenues & Expenses for the Month Ended November 30, 2014 (Unaudited), Monthly Operating Revenue, Fiscal Year 2015 (Unaudited), Operating Revenues for the Five Months Ended November 30, 2014 (Unaudited), Monthly Operating Expenses, Fiscal Year 2015 (Unaudited), Financial Summary for the Five Months Ended November 30, 2014 (Unaudited), Nonoperating Revenues & Expenses for the Five Months Ended November 30, 2014 (Unaudited), and Statements of Net Position (Unaudited).

In response to Board Member Hubbs regarding what was the driver for the increase in utility costs, Ms. Kiefer stated that the 26% rate increase by SDG&E was significantly higher than the 10% increase that was projected in the budget. She also stated there was additional electricity usage for the 12Kv project.

RECOMMENDATION: Accept the report.

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

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

RECOMMENDATION: Accept the report.

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

4. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH U.S. BANK NATIONAL ASSOCIATION, FOR DEPOSITORY BANKING SERVICES AND MERCHANT CREDIT CARD SERVICES:

Michael Sears, Director, Financial Management, provided a presentation on the Agreement with U.S. Banking Services and Merchant Credit Card Services, which included Existing Banking Services, Existing Letter of Credit Services, and Request for Proposal.

RECOMMENDATION: Forward to the Board for approval.

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

Board Member Cox left the meeting at 9:46 a.m.

EXECUTIVE COMMITTEE NEW BUSINESS

5. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the November 21, 2014, special meeting.

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

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 approve staff's recommendation. Motion carried unanimously, noting Chair Gleason as ABSENT.

REVIEW OF FUTURE AGENDAS

7. REVIEW OF THE DRAFT AGENDA FOR THE JANUARY 15, 2015, BOARD MEETING:

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the January 15, 2015 Board Meeting.

Board Member Robinson requested that staff provide an update to the Board regarding negotiations with the Transportation Network Companies.

Ms. Bowens stated that staff will provide an update via Board memorandum.

8. **REVIEW OF THE DRAFT AGENDA FOR THE JANUARY 15, 2015, AIRPORT LAND USE COMMISSION MEETING:**
Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the January 15, 2015 ALUC Meeting.

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.

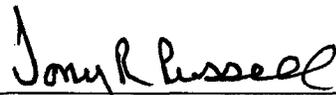
COMMITTEE MEMBER COMMENTS

Vice Chair Smisek called for a moment of silence in honor of Vice Admiral Edward Martin, who was a supporter of both military and civilian aviation.

ADJOURNMENT

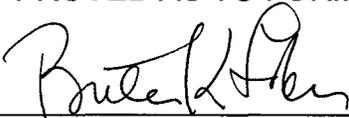
The meeting was adjourned at 9:55 a.m. The next meeting of the Executive and Finance Committee will be held on Monday, February 9, 2015 at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 9TH DAY OF FEBRUARY, 2015.



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

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL