

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
SPECIAL BOARD AND  
EXECUTIVE AND FINANCE COMMITTEE MEETING MINUTES  
MONDAY, JUNE 13, 2016  
BOARD ROOM**

**CALL TO ORDER:** Chair Gleason called the Special Board and Executive and Finance Committee Meeting to order at 9:01 a.m., on Monday, June 13, 2016, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

**PLEDGE OF ALLEGIANCE:** Amy Gonzalez, General Counsel, led the Pledge of Allegiance.

**ROLL CALL:**

***Board***

Present: Board Members: Boling, Desmond, Gleason, Janney, Kersey  
Robinson, Sessom

Absent: Board Members: Berman (Ex-Officio), Cox, Hubbs,  
Ortega (Ex-Officio), Woodworth (Ex-Officio)

***Executive Committee***

Present: Committee Members: Gleason, Janney, Robinson

Absent: Committee Members: None

***Finance Committee***

Present: Committee Members: Boling, Janney, Sessom

Absent: Committee Members: Cox

Also Present: Thella F. Bowens, President/CEO; Amy Gonzalez, General Counsel;  
Linda Gehlken, Assistant Authority Clerk I; Ariel Levy-Mayer, Assistant  
Authority Clerk I

**NON-AGENDA PUBLIC COMMENT:** None

**NEW BUSINESS:**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the May 9, 2016 regular meeting.

**ACTON: Moved by Board Member Robinson and seconded by Board Member Janney to approve staff's recommendation. Motion carried unanimously.**

**FINANCE COMMITTEE NEW BUSINESS:**

**2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TEN MONTHS ENDED APRIL 30, 2016:**

Scott Brickner, Vice President, Finance and Asset Management/Treasurer, and Kathy Kiefer, Senior Director, Finance and Asset Management, provided a presentation on the Unaudited Financial Statements for the Ten Months Ended April 30, 2016 which included, Enplanements, Car Rental License Fees, Food and Beverage Concessions Revenue, Retail Concessions Revenue, Total Terminal Concessions, Parking Revenue, Operating Revenues, Operating Expenses, Financial Summary, Non-operating Revenues & Expenses, and Statements of Net Position (Unaudited).

RECOMMENDATION: Accept the report.

**3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF APRIL 30, 2016:**

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Authority's Investment Report as of April 30, 2016 which included, Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity, Benchmark Comparison, Detail of Security Holdings, Portfolio Investment Transactions, Bond Proceeds Summary, and Bond Proceeds Investment Transactions.

RECOMMENDATION: Accept the report.

**EXECUTIVE COMMITTEE NEW BUSINESS**

**4. 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:**

Chair Gleason requested an amendment to the Travel Expense Report for Breton Lobner, noting the expenses in the Hotel category were not placed under the correct date.

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

**ACTION: Moved by Board Member Robinson and seconded by Board Member Janney to approve as amended. Motion carried unanimously.**

**REVIEW OF FUTURE AGENDAS:**

**5. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 23, 2016 BOARD MEETING:**

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the June 23, 2016 Board Meeting.

Board Member Desmond requested that staff revise the table in the Staff Report for Item 13, "Airport Parking Management and Parking Shuttle Agreements", to reflect two separate tables, one with the proposals where there is agreement with the current operator, and one with the proposals that staff disagreed with. He also suggested that staff look at any further opportunities for agreement with Ace Parking Proposals.

Chair Gleason requested from General Counsel that Item 13, "Airport Parking Management and Parking Shuttle Agreements" and Item 14, "Transportation Network Company (TNC) Pilot Program Update", on the Draft Board agenda, be written to allow the Board to take action on these Items. He also requested that Old Business be moved to follow New Business.

**6. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 23, 2016 AIRPORT LAND USE COMMISSION MEETING:**

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the June 23, 2016 Airport Land Use Commission Meeting.

**ACTION: Moved by Board Member Robinson and seconded by Board Member Janney to approve Items 5 and 6 as amended. Motion carried unanimously.**

**BOARD BUSINESS:**

**7. APPROVE AND ADOPT A MID-YEAR ADJUSTMENT OF THE CAPITAL PROGRAM BUDGET FOR FISCAL YEARS 2016-2020 TO FUND AN INCREASE IN THE TERMINAL 2 PARKING PLAZA PROGRAM BUDGET; AND APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A FIRST AMENDMENT TO THE SWINERTON BUILDERS, INC., AGREEMENT TO ESTABLISH A MAXIMUM CONTRACT VALUE AND TO NEGOTIATE AND EXECUTE FUTURE WORK AUTHORIZATIONS AND A FUTURE GUARANTEED MAXIMUM PRICE AMENDMENT:**

Bob Bolton, Director, Airport Design and Construction, Regina Brown, Manager, Small Business Development, and Geoff Bryant, Manager, Airport Finance provided a presentation on the Terminal 2 Parking Plaza Budget increase which included, Parking Plaza Justification, Previous Board Approvals, Coastal

Commission Approval, Key Project Milestones, Public Outreach, Existing Utilities, Unique Features, 2 Public Art Opportunities, Program Evolution, Scope/Cost Increases to Preliminary Budget, Scope/Cost Reductions, Validated Program Budget, Construction Cost Comparison (Benchmark), Design & Pre-Construction Local & Small Business Participation, Financial Analysis, and Parking Plaza Cost Trend.

Board Member Boling expressed concern that the consumer request for covered parking was not met with the design for a two level covered parking structure.

Board Member Sessom expressed concern and questioned the safety in using the license plate identifier application. She also requested that General Counsel review the application for compliance with the Authority's Privacy Policy.

Thella F. Bowens, President/CEO, stated that safety conditions are a top priority and that safety features, such as a passcode for the application, would be implemented.

David Boenitz, Director, Ground Transportation, stated that current license plate data is collected in order to make overnight parking comparisons and that the data is not shared.

Board Member Kersey stated that there is an expectation of decreased cost for uncovered parking, such as the Laurel St. and Kettner Blvd. parking structure, and in terms of customer service, cars usually become filthy in uncovered spaces.

Chair Gleason requested a memo from staff on the groups contacted in the local and small business community, what was done, when, and the attendees of public outreach events.

Board Member Janney expressed concern regarding the technological amenities driving the \$45,000,000 increase. He questioned if the technological amenities were required to provide customer satisfaction and how the parking structure would operate without them. He also stated that the enhancements to the Naval Training Center (NTC) Lot may not be necessary with future technology, and stated his lack of support in approving the Resolution No. 2016-0046.

Board Member Boling expressed concern regarding approval of the \$127,800,000 Validated Program Budget. She stated that if cost savings are made, there would not be a need for further Board action in order to add elements that were removed, back into the project. She requested that the motion be adjusted so that the Validated Program Budget is controlled by the Board.

Ms. Bowens suggested that a prioritized list of items be provided to the Board monthly at the Executive and Finance Committee Meetings for consideration, in the event that cost savings were made and items could be placed back into the project.

Board Member Sessom expressed her support for developing a list of items to be provided to the Board, either before any cost savings are determined or during construction of the Parking Plaza.

Chair Gleason suggested Resolution No. 2016-0047 be amended to state that “future change orders that relate to the existing scope of the project using uncommitted funds within the Validated Program Budget of \$127,800,000.”

Ms. Bowens stated that for clarity, the understanding is that the \$127,800,000 budget covers the project as it has been presented today, and if in working toward a Guaranteed Maximum Price (GMP) staff is able to come in below \$127,800,000, staff would bring back a list of prioritized projects to the Board before adding them to the project.

Board Member Boling stated that it is her intent that the President/CEO would be authorized to approve change orders that fall within the existing scope of the project, but any change orders beyond the existing scope of the project should come back to the Board.

RECOMMENDATION: Adopt Resolution No. 2016-0046, approving and adopting a mid-year adjustment to the Fiscal Year 2016-2020 Capital Program Budget to fund an increase in the Terminal 2 Parking Plaza budget of \$45,720,000 for a Validated Program budget of \$127,800,000.

**ACTION: Moved by Board Member Robinson and seconded by Board Member Desmond to approve staff’s recommendation. Motion carried by the following vote: YES – Boling, Desmond, Gleason, Kersey, Robinson, Sessom ; NO – Janney ; ABSENT – Cox, Hubbs; (Weighted Vote Points: YES – 68; NO – 12; ABSENT – 20)**

Adopt Resolution No. 2016-0047, approving and authorizing the President/CEO to negotiate and execute: 1) a First Amendment (the “Validation Amendment”) to the Agreement with Swinerton Builders, Inc., establishing a Maximum Project Budget of \$99,800,000 and a Master Project Schedule for the design and construction of the Terminal 2 Parking Plaza; 2) Work Authorizations and a Second Amendment (“Guaranteed Maximum Price Amendment”) within the Maximum Project Budget after the issuance of the Validation Amendment in order to allow completion of 100% design and construction; and 3) future change orders using uncommitted funds within the Validated Program Budget of \$127,800,000.

**ACTION: Moved by Board Member Boling and seconded by Board Member Robinson to approve staff's recommendation amending #3 of the resolution to read "future change orders that relate to the existing scope of the project using uncommitted funds within the Validated Program Budget of \$127,800,000 and that any change orders beyond the existing scope of the project is to be brought back to the Board for approval." Motion carried by the following vote: YES – Boling, Desmond, Gleason, Janney, Kersey, Robinson, Sessom; NO – None; ABSENT – Cox, Hubbs; Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20)**

*The Board recessed at 11:02 a.m. and reconvened at 11:07 a.m.*

**BUDGET WORKSHOP:**

**8. DISCUSSION REGARDING THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FISCAL YEAR 2017 PROPOSED BUDGET AND FISCAL YEAR 2018 PROPOSED CONCEPTUAL BUDGET:**

Scott Brickner, Vice President, Finance & Asset Management/Treasurer and Geoff Bryant, Manager, Airport Finance provided a presentation on the Authority's Fiscal Year 2017 Proposed Budget and Fiscal Year 2018 Proposed Conceptual Budget which included, Organizational Strategies, Organizational Initiatives, Economic, Industry and Credit Overview, Budget Objectives, Budget Process, Budget Revenue and Expense Overview, Capital Program Budget, and Plan of Finance FY2017-2021.

*Board Member Kersey left the meeting at 12:19 p.m.*

In response to Board Member Boling regarding how the cost for the requested increase in personnel will be offset in the budget's revenues, Mr. Brickner stated that staff could provide details prior to the Board's approval of the final budget in a memo.

Ms. Bowens stated that employee costs are spread through various cost centers and that they have different recovery percentages.

Chair Gleason stated that it would be helpful if staff provided the Board with comparison cost data of personnel over a period of time such as pre Green Build to now, and also how revenue drove the cost.

In response to Board Member Desmond regarding the Authority's policy for cash on hand contingencies, Mr. Brickner stated that the target is 500 days cash on hand and currently the Authority has around 600 days. He stated that the amount equivalent in dollars would be provided to the Board.

Chair Gleason requested that staff include information on bond covenants, Board policy, and the Authority's position in relation to it.

RECOMMENDATION: Discuss the Fiscal Year 2017 Proposed Budget and Fiscal Year 2018 Proposed Conceptual Budget.

**CLOSED SESSION:** None.

**REPORT ON CLOSED SESSION:** None.

**NON-AGENDA PUBLIC COMMENT:**

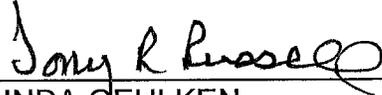
LISA MCGHEE, SAN DIEGO, representing Airport Parking Operators, provided a presentation on Annual Ground Transportation Fees and the Low Carbon Fuel Standard (LCFS) Conversion Program. She expressed concern that not all ground transportation modes are following the LCFS Conversion Program, and that hotels are in defiance of their airport permit.

Chair Gleason requested that Ms. Bowens provide the Board information during the June Board Meeting regarding the survey taken of ground transportation permit users preference between trip fees and permit fees, and what is the permit mode for hotels.

**COMMITTEE MEMBER COMMENTS:** None.

**ADJOURNMENT:** The meeting was adjourned at 12:35 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY EXECUTIVE COMMITTEE THIS 11<sup>th</sup> DAY OF JULY, 2016.

  
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LINDA GEHLKEN  
ASSISTANT AUTHORITY CLERK I

APPROVED AS TO FORM:

  
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AMY GONZALEZ  
GENERAL COUNSEL