

**DRAFT**  
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**EXECUTIVE AND FINANCE COMMITTEE MEETING MINUTES**  
**MONDAY, NOVEMBER 26, 2012**  
**SAN DIEGO INTERNATIONAL AIRPORT**  
**BOARD ROOM**

**CALL TO ORDER:**

Chair Gleason called the regular Executive and Finance Committee meeting to order at 9:04 a.m., Monday, November 26, 2012, 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 Boland led the Pledge of Allegiance.

**ROLL CALL:**

***Executive Committee***

Present:	Committee Members:	Cox, Gleason, Panknin
	Board Members:	Boland, Hubbs
Absent:	Committee Members:	None

***Finance Committee***

Present:	Committee Members:	Cox, Robinson, Smisek, Young
Absent:	Committee Members:	Desmond

Also Present: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk, Sara Real, Assistant Authority Clerk I

*Committee Member Young arrived during the course of the meeting.*

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

**NEW BUSINESS**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the October 22, 2012, regular meeting.

**ACTION: Moved by Board Member Cox and seconded by Board Member Panknin to approve staff's recommendation. Motion carried unanimously.**

**FINANCE COMMITTEE NEW BUSINESS**

**2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012:**

Vernon Evans, Vice President, Finance/Treasurer, and Kathy Kiefer, Director, Accounting, provided a presentation on the Unaudited Financial Statements for the Four Months Ended October 31, 2012, which included Enplanements, Gross Landing Weight Units, Car Rental License Fees, Parking Revenue, Operating Revenues for the Month Ended October 31, 2012, Financial Summary for the Month Ended October 31, 2012, Non-Operating Revenues and Expenses for the Month Ended October 31, 2012, Monthly Operating Revenue, and Balance Sheets.

RECOMMENDATION: Receive the report.

**ACTION: No action taken.**

**3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF OCTOBER 31, 2012:**

Scott Brickner, Director, Financial Planning and Budget, provided a presentation on the Authority's Investment Report as of October 31, 2012, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity Distribution, Benchmark Comparison, Details of Security Holdings, Portfolio Investment Transactions, Bond Proceeds Summary, and Bond Proceeds Investment Transactions.

RECOMMENDATION: Receive the report.

**ACTION: No action taken.**

**4. AUTHORIZATION OF 1) BOND DOCUMENTS AND SALE OF GENERAL AIRPORT REVENUE BONDS, INCLUDING DELEGATION OF PRICING AUTHORITY, FOR GREEN BUILD AND CAPITAL IMPROVEMENT PROGRAM FUNDING; AND 2) DEFEASANCE OF 2005 GENERAL AIRPORT REVENUE BONDS:**

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Authorization of Bond Documents and Sale of General Airport Revenue Bonds, which included Defeasance of the Series 2005 General Airport Revenue Bonds (GARBs), Plan of Finance, Debt Profile, Debt Per Enplaned Passenger, Favorable Current Market Conditions, and Principle Documents of the GARB Sale.

In response to Board Member Cox regarding the range of interest rate to expect, Sam Smalls, Jefferies & Company, Inc., stated that rates are at a historic low and he anticipates that the interest may be in the 4% range.

In response to Board Member Smisek regarding commercial paper and the relationship to paying off the 2005 Bonds, Ken Cushine, Frasca & Associates, LLC, stated that the commercial paper will be issued in an amount sufficient to invest in state and local government securities which will fully pay off the outstanding 2005 bonds. He stated that the 2005 Bonds currently mature on July 1, 2020, so the proceeds of the commercial paper, along with the cash from the reserve fund associated with the 2005 Bonds, will be invested in these securities in order to make all the interest and principle payments that are due on the 2005 Bonds between now and 2020. He further stated that effectively, the obligation on the 2005 Bonds will be discharged. He stated that one of the benefits of using commercial paper is that the penalties, which are the difference between taxable and tax-exempt rates, are very, very minor and it's an efficient way to achieve defeasance at a low cost to the Authority. He further stated that it gives the Authority some flexibility so that if at some time in the future the Authority decides to pay down the commercial paper sooner, the Authority has that ability to do so with available funds.

RECOMMENDATION: Forward to the Board for approval.

**ACTION: Moved by Board Member Young and seconded by Board Member Smisek to forward this item to the Board for approval. Motion carried unanimously, noting Board Member Desmond as ABSENT.**

#### **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.

**ACTION: Moved by Board Member Panknin and seconded by Board Member Cox to approve staff's recommendation. Motion carried unanimously.**

**6. REVIEW OF THE PROPOSED 2013 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:**

RECOMMENDATION: Forward the 2013 Master Calendar to the Board for acceptance.

**ACTION: The Committee concurred to forward this item to the Board for acceptance.**

**REVIEW OF FUTURE AGENDAS**

**7. REVIEW OF THE DRAFT AGENDA FOR THE DECEMBER 13, 2012  
SPECIAL BOARD MEETING:**

Thella F. Bowens, President/CEO, provided an overview of the December 13, 2012, Special Board Meeting.

Chair Gleason requested that Item 7, regarding authorization of bond documents, be placed under New Business.

**8. REVIEW OF THE DRAFT AGENDA FOR THE DECEMBER 13, 2012  
SPECIAL AIRPORT LAND USE COMMISSION MEETING:**

Thella F. Bowens, President/CEO, provided an overview of the December 13, 2012, Special Airport Land Use Commission Meeting.

**ACTION: Moved by Board Member Panknin and seconded by Board Member Cox to approve Items 7 and 8, as amended. Motion carried unanimously.**

**COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT**

The meeting was adjourned at 9:44 a.m. The next meeting of the Executive and Finance Committee will be held on Thursday, December 20, 2012, 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 20<sup>th</sup> DAY OF DECEMBER, 2012.

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TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL