

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND EXECUTIVE AND FINANCE COMMITTEE MEETING
MINUTES
MONDAY, MAY 23, 2011
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER

Vice Chair Smisek called the Special Board Meeting and Executive and Finance Committee meeting to order at 9:00 a.m., Monday, May 23, 2011, 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 Robinson led the Pledge of Allegiance.

ROLL CALL

Board

Present:	Board Members:	Boland, Cox, Hubbs, Panknin, Robinson, Smisek, Young
Absent:	Board Members:	Berman (Ex Officio), Desmond, Gleason, Reyes (Ex Officio), Richie (Ex Officio)

Executive Committee

Present:	Committee Members:	Cox, Smisek
Absent:	Committee Members:	Gleason

Finance Committee

Present:	Committee Members:	Cox, Panknin, Robinson, Young
Absent:	Committee Members:	None

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

Board Member Robinson called for a moment of silence in honor of former Board Member John Davies, who passed away on May 20.

SPECIAL BOARD BUDGET WORKSHOP

1. DISCUSSION REGARDING THE FISCAL YEAR 2012 PROPOSED AND FISCAL YEAR 2013 PROPOSED CONCEPTUAL OPERATING BUDGETS AND CAPITAL IMPROVEMENT PROGRAM:

Vernon Evans, Vice President, Finance/Treasurer, provided an overview of the Fiscal Year 2012 Proposed Budget and FY 2013 Proposed Conceptual Operating Budget, which included Organizational Strategies, Economic and Industry Overview, Ground Transportation Cost Recovery Breakdown, Revenue Budget Overview, Expense Budget Overview, Division Expense Budgets, Proposed Capital Improvement Program FY2012-2016, and the Plan of Finance.

Vice Chair Smisek reported that the Authority was the recipient of a San Diego Taxpayers Association Award for the Authority's bond proposal and bond sales.

Board Member Boland noted that listed under the major budget drivers that employee training had been reduced, and he urged the Board to not eliminate necessary employee training.

Board Member Panknin stated that he would like to see the traffic issues at the Cell Phone Lot and Terminal 2 addressed. He stated that the Cell Phone Lot is over flowing on some days and it is difficult for traffic to maneuver in front of Terminal 2.

In response to Board Member Young regarding the availability of federal grants, Ms. Bowens stated that there is very little chance of an increase in the Airport Improvement Program (AIP) program in the next few years. She stated that there is a push for keeping the airport trust funded at its current level. She further stated that there are no opportunities to increase Passenger Facility Charges at this time.

Board Member Young requested that the Authority's lobbyist in Washington D.C. provide the Board with an update on federal activities.

Vice Chair Smisek suggested that the presentation on employee benefits be deferred to the June 2 Board Meeting. The Board concurred.

RECOMMENDATION: Discuss the Fiscal Year 2012 Proposed and Fiscal Year 2013 Proposed Conceptual Operating Budgets And Capital Improvement Program.

The Board recessed at 10:31 a.m. and resumed at 10:40 a.m.

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TEN MONTHS ENDED APRIL 30, 2011:

Kathy Kiefer, Director, Accounting, provided a presentation on the Unaudited Financial Statements for the Ten Months Ended April 30, 2011, which included Enplanements, Gross Landing Weight Units, Airport Parking Transactions, Parking Revenue by Lot, Car Rental License Fees, Operating Revenues for the Month Ended April 30, 2011, Operating Expenses for the Month Ended April 30, 2011, Financial Summary for the Month Ended April 30, 2011, Monthly Operating Revenue FY 2011, Monthly Operating Expenses FY 2011, Financial Summary for the Ten Months Ended April 30, 2011, and Balance Sheets.

RECOMMENDATION: Receive the report.

ACTION: Moved by Board Member Young and seconded by Board Member Robinson to receive the report. Motion carried unanimously.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF APRIL 30, 2011:

Scott Brickner, Director, Financial Planning & Budget, provided a presentation on the Authority's Investment Report as of April 30, 2011, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity Distribution, and Benchmark Comparison.

Vice Chair Smisek requested that any large changes in the Total Portfolio Summary be highlighted and explained.

RECOMMENDATION: Receive the report.

ACTION: Moved by Board Member Young and seconded by Board Member Robinson to receive the report. Motion carried unanimously.

4. ANNUAL REVIEW AND UPDATE OF AUTHORITY POLICY 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE/TREASURER:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Annual Review and Update of Authority Policy 4.20, which included the Investment Policy, Investment Policy – Amendments, and Delegation of Investment Authority.

Board Member Cox requested that staff evaluate if the CalTrust should be considered as a potential investment and included in the policy.

RECOMMENDATION: Forward this item to the Board for approval.

ACTION: Moved by Board Member Robinson and seconded by Board Member Young to forward this item to the Board for approval and directed that staff evaluate whether the CalTrust should be included in the policy as a potential investment vehicle. Motion carried unanimously.

EXECUTIVE COMMITTEE NEW BUSINESS

5. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the April 25, 2011 Committee Meeting.

ACTION: Moved by Board Member Cox and seconded by Vice Chair Smisek to accept 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 Vice Chair Smisek and seconded by Board Member Cox 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 JUNE 2, 2011 SPECIAL BOARD MEETING:

Thella F. Bowens, President/CEO, presented the draft agenda for the June 2, 2011 Special Board Meeting.

Tony R. Russell, Director, Corporate Services/Authority Clerk, noted that staff has requested that Item 19, regarding an easement for the Marine Corps Recruit Depot, be removed from the agenda.

Board Member Boland suggested that the item regarding the approval of the budget be moved to New Business.

8. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 2, 2011 SPECIAL AIRPORT LAND USE COMMISSION MEETING:

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the June 2, 2011 Special Airport Land Use Commission meeting.

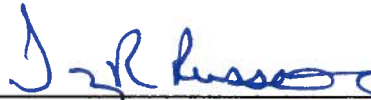
GENERAL COUNSEL REPORT:

BOARD COMMENT:

ADJOURNMENT

The meeting was adjourned at 11:07 a.m. The next meeting of the Executive and Finance Committee will be held on Monday, June 27, 2011 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 THIS 27th DAY OF JUNE, 2011.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL