

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Chairman

Greg Cox
Jim Desmond
Robert H. Gleason
Jim Janney
Mark Kersey
Paul Robinson
Michael Schumacher
Mary Sessom

EXECUTIVE/FINANCE COMMITTEE and SPECIAL BOARD MEETING

AGENDA

Monday, May 22, 2017
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building -- Third Floor
Board Room
3225 N. Harbor Drive
San Diego, CA 92101

Ex-Officio Board Members

Laurie Berman
Eraina Ortega
Col. Jason Woodworth

President / CEO

Kimberly J. Becker

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: Boling (Chair), Janney, Robinson

Finance Committee

Committee Members: Boling (Chair), Cox, Janney, 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 April 24, 2017 regular meeting.

FINANCE COMMITTEE NEW BUSINESS:

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TEN MONTHS ENDED APRIL 30, 2017:

Presented by: Kathy Kiefer, Senior Director, Finance and Asset Management

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF APRIL 30, 2017:

Presented by: Geoff Bryant, Manager, Airport Finance

4. SUMMARY OF OUTSTANDING REVOLVING OBLIGATIONS AS OF APRIL 30, 2017:

Presented by: Geoff Bryant, Manager, Airport Finance

5. **ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:**
RECOMMENDATION: Forward to the Board for approval.
Presented by: John Dillon, Director, Financial Management

6. **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:**
RECOMMENDATION: Forward to the Board for approval.
Presented by: Geoff Bryant, Manager, Airport Finance

EXECUTIVE COMMITTEE NEW BUSINESS:

7. **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

REVIEW OF FUTURE AGENDAS:

8. **REVIEW OF THE DRAFT AGENDA FOR THE JUNE 1, 2017 BOARD MEETING:**
Presented by: Kimberly J. Becker, President/CEO

9. **REVIEW OF THE DRAFT AGENDA FOR THE JUNE 1, 2017 AIRPORT LAND USE COMMISSION MEETING:**
Presented by: Kimberly J. Becker, 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 announcement of that 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 period at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, or Committee 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 were not heard during the first Public Comment period.
- 3) Persons wishing to speak on a specific item listed on the agenda will be afforded an opportunity to speak during the presentation of that individual item. Persons wishing to speak on a specific item should reserve their comments until the item is taken up by the Board, ALUC or Committee. Public comment on a specific item 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 or 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 SDCRAA Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the SDCRAA Administration Building 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>
June 26	Monday	9:00 A.M.	Regular	Board Room

**DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE AND FINANCE COMMITTEE MEETING MINUTES
MONDAY, APRIL 24, 2017
BOARD ROOM**

CALL TO ORDER: Vice-Chair Robinson called the Executive and Finance Committee and Special Board Meeting to order at 9:00 a.m., on Monday, April 24, 2017, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Sessom led the pledge of allegiance.

ROLL CALL:

Executive Committee

Present: Committee Members: Janney, Robinson (Vice Chair)

 Board Members: Gleason, Schumacher

Absent: Committee Members: Boling (Chairman)

Finance Committee

Present: Committee Members: Cox, Janney, Sessom

Absent: Committee Members: Boling (Chairman)

Also Present: Angela Shafer-Payne, Interim President/CEO; Amy Gonzalez, General Counsel; Tony Russell, Director, Corporate and Information Governance/Authority Clerk; Ariel Levy Mayer, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the March 27, 2017 regular meeting.

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

FINANCE COMMITTEE NEW BUSINESS:

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2017:

Kathy Kiefer, Senior Director, Finance and Asset Management provided a presentation on the Unaudited Financial Statements for the Nine Months Ended March 31, 2017, which included Gross Landing Weight Units, Enplanements, Car Rental License Fees, Food and Beverage Concessions Revenue, Retail Concessions Revenue, Parking Revenue, Operating Revenues for the Month Ended March 31, 2017, Operating Expenses for the Month Ended March 31, 2017, Financial Summary for the Month Ended March 31, 2017, Nonoperating Revenues & Expenses for the Month Ended March 31, 2017, Operating Revenues for the Nine Months Ended March 31, 2017, Operating Expenses for the Nine Months Ended March 31, 2017, Financial Summary for the Nine Months Ended March 31, 2017, Nonoperating Revenues & Expenses for the Nine Months Ended March 31, 2017, and Statements of Net Position as of March 31, 2017.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2017:

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Authority's Investment Report as of March 31, 2017, 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.

Board Member Sessom left the meeting at 9:19 a.m.

4. SUMMARY OF OUTSTANDING REVOLVING CREDIT OBLIGATIONS AS OF MARCH 31, 2017:

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Outstanding Revolving Credit Obligations as of March 31, 2017.

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:

Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk, announced that an additional Travel Request was added to the packet for the President/CEO's trip to Washington, DC.

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

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

REVIEW OF FUTURE AGENDAS:

6. REVIEW OF THE DRAFT AGENDA FOR THE MAY 4, 2017 BOARD MEETING:

Angela Shafer-Payne, Interim President/CEO, provided an overview of the draft agenda for the May 4, 2017 Board meeting.

Amy Gonzalez, General Counsel, confirmed that Closed Session Item 21 could be removed.

7. REVIEW OF THE DRAFT AGENDA FOR THE MAY 4, 2017 AIRPORT LAND USE COMMISSION MEETING:

Angela Shafer-Payne, Interim President/CEO, provided an overview of the draft agenda for the May 4, 2017 ALUC meeting.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting adjourned at 9:24 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY EXECUTIVE COMMITTEE THIS 22nd DAY OF MAY, 2017.

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

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
 Statements of Net Position
 as of April 30, 2017
 (Unaudited)
 Revised

ASSETS

	April	
	2017	2016
Current assets:		
Cash and investments ⁽¹⁾	\$ 81,411,673	\$ 74,079,444
Tenant lease receivable, net of allowance of 2017: (\$218,877) and 2016: (\$224,404)	8,615,502	5,537,875
Grants receivable	3,181,229	6,276,142
Notes receivable-current portion	1,705,491	1,608,986
Prepaid expenses and other current assets	6,967,780	7,359,261
Total current assets	101,881,675	94,861,708
Cash designated for capital projects and other ⁽¹⁾	41,912,704	36,924,514
Restricted assets:		
Cash and investments:		
Bonds reserve ⁽¹⁾	57,872,255	56,867,703
Passenger facility charges and interest unapplied ⁽¹⁾	66,644,599	67,701,718
Customer facility charges and interest unapplied ⁽¹⁾	34,244,316	36,556,918
SBD Bond Guarantee ⁽¹⁾	4,000,000	4,000,000
Bond proceeds held by trustee ⁽¹⁾	149,596,012	183,200,728
Variable rate debt interest held by Trustee ⁽¹⁾	2,391,600	-
Passenger facility charges receivable	5,419,844	4,185,051
Customer facility charges receivable	4,129,946	5,631,672
OCIP insurance reserve	2,697,635	3,609,507
Total restricted assets	326,996,207	361,753,297
Noncurrent assets:		
Capital assets:		
Land and land improvements	110,139,441	109,265,444
Runways, roads and parking lots	592,048,831	589,529,009
Buildings and structures	1,415,136,302	1,397,878,174
Machinery and equipment	48,950,170	45,367,477
Vehicles	15,530,202	14,587,500
Office furniture and equipment	33,356,892	32,395,071
Works of art	10,065,769	9,534,749
Construction-in-progress	210,036,861	147,580,234
	2,435,264,468	2,346,137,658
Less accumulated depreciation	(888,934,142)	(802,402,471)
Total capital assets, net	1,546,330,326	1,543,735,187
Other assets:		
Notes receivable - long-term portion	33,628,238	35,414,665
Investments-long-term portion ⁽¹⁾	178,174,963	131,644,187
Security deposit	349,943	323,337
Total other assets	212,153,144	167,382,189
Deferred outflows of resources:		
Deferred pension contributions	5,676,845	5,697,106
Other deferred pension outflows	15,047,685	288,051
Total assets and deferred outflows of resources	\$ 2,249,998,586	\$ 2,210,642,052

⁽¹⁾ Total cash and investments, \$616,248,125 for 2017 and \$590,975,214 for 2016

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
 Statements of Net Position
 as of April 30, 2017
 (Unaudited)
 Revised

LIABILITIES AND NET POSITION

	April	
	2017	2016
Current liabilities:		
Accounts payable and accrued liabilities	\$ 43,973,969	\$ 48,934,796
Deposits and other current liabilities	8,892,600	8,226,444
Total current liabilities	52,866,569	57,161,240
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	11,585,000	11,090,000
Accrued interest on bonds and variable debt	21,802,470	21,969,203
Total liabilities payable from restricted assets	33,387,470	33,059,203
Long-term liabilities:		
Variable debt	59,131,000	38,705,000
Other long-term liabilities	8,614,578	10,230,136
Long term debt - bonds net of amortized premium	1,276,703,699	1,292,457,089
Net Pension Liability	18,111,482	1,680,759
Total long-term liabilities	1,362,560,759	1,343,072,984
Total liabilities	1,448,814,798	1,433,293,427
Deferred inflows of resources:		
Deferred pension inflows	1,815,440	1,807,420
Total liabilities and deferred inflows of resources	\$ 1,450,630,238	\$ 1,435,100,847
Net Position:		
Invested in capital assets, net of related debt	340,958,412	376,866,576
Other restricted	174,716,234	178,007,740
Unrestricted:		
Designated	41,912,704	36,924,514
Undesignated	241,780,998	183,742,375
Total Net Position	\$ 799,368,348	\$ 775,541,205

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ended April 30, 2017
(Unaudited)
Revised

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 2,217,338	\$ 2,295,676	\$ 78,338	4%	\$ 2,175,066
Aircraft parking Fees	242,304	242,299	(5)	-	221,525
Building rentals	4,577,390	4,612,689	35,299	1%	4,480,614
Security surcharge	2,488,129	2,486,660	(1,469)	-	2,304,985
CUPPS Support Charges	103,761	103,646	(115)	-	100,545
Other aviation revenue	134,498	133,962	(536)	-	129,254
Terminal rent non-airline	103,182	132,986	29,804	29%	110,440
Terminal concessions	1,991,137	2,463,305	472,168	24%	2,160,105
Rental car license fees	2,398,470	2,525,899	127,429	5%	2,380,399
Rental car center cost recovery	182,887	187,996	5,109	3%	147,654
License fees other	364,171	397,780	33,609	9%	372,457
Parking revenue	3,111,382	3,444,377	332,995	11%	3,675,739
Ground transportation permits and citations	491,223	722,202	230,979	47%	408,528
Ground rentals	1,548,570	1,535,897	(12,673)	(1)%	1,551,160
Grant reimbursements	18,074	-	(18,074)	(100)%	24,000
Other operating revenue	62,690	176,374	113,684	181%	89,472
Total operating revenues	20,035,206	21,461,748	1,426,542	7%	20,331,943
Operating expenses:					
Salaries and benefits ¹	3,601,714	5,227,593	(1,625,879)	(45)%	3,145,757
Contractual services	3,865,305	3,471,996	393,309	10%	3,437,477
Safety and security	2,293,499	2,247,784	45,715	2%	2,412,453
Space rental	849,288	849,963	(675)	-	870,450
Utilities	987,076	495,148	491,928	50%	805,590
Maintenance	1,416,577	1,534,666	(118,089)	(8)%	1,606,575
Equipment and systems	12,629	106,978	(94,349)	(747)%	43,960
Materials and supplies	30,462	39,878	(9,416)	(31)%	40,849
Insurance	158,388	78,596	79,792	50%	81,915
Employee development and support	84,524	78,126	6,398	8%	88,178
Business development	272,236	170,944	101,292	37%	170,455
Equipment rentals and repairs	298,341	316,191	(17,850)	(6)%	132,419
Total operating expenses	13,870,039	14,617,863	(747,824)	(5)%	12,836,078
Depreciation	7,691,139	7,691,139	-	-	9,276,219
Operating income (loss)	(1,525,972)	(847,254)	678,718	44%	(1,780,354)
Nonoperating revenue (expenses):					
Passenger facility charges	3,035,063	3,117,754	82,691	3%	2,926,399
Customer facility charges (Rental Car Center)	3,645,973	3,672,266	26,293	1%	2,799,312
Quieter Home Program	(322,410)	(199,590)	122,820	38%	(757,795)
Interest income	533,241	827,642	294,401	55%	430,034
BAB interest rebate	385,935	385,851	(84)	(0)%	385,851
Interest expense	(5,623,936)	(5,187,996)	435,940	8%	(4,224,234)
Bond amortization costs	343,857	343,857	-	-	351,457
Other nonoperating income (expenses)	(833)	62,197	63,030	-	3,659,126
Nonoperating revenue, net	1,996,890	3,021,981	1,025,091	51%	5,570,150
Change in net position before capital grant contributions	470,918	2,174,727	1,703,809	362%	3,789,796
Capital grant contributions	149,667	126,045	(23,622)	(16)%	137,443
Change in net position	\$ 620,585	\$ 2,300,772	\$ 1,680,187	(271)%	\$ 3,927,239

¹ Additional GASB 68 pension expense for fiscal year 2017 of \$1,679,106 recorded in April.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Ten Months Ended April 30, 2017 and 2016
(Unaudited)
Revised

	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees ¹	\$ 21,937,468	\$ 21,226,514	\$ (710,954)	(3)%	\$ 20,797,879
Aircraft parking fees	2,423,040	2,422,990	(50)	-	2,249,127
Building rentals	45,765,395	45,858,501	93,106	-	44,297,315
Security surcharge	24,881,290	24,852,610	(28,680)	-	22,263,961
CUPPS Support Charges	1,037,609	1,035,440	(2,169)	-	1,005,450
Other aviation revenue	1,347,322	1,348,610	1,288	-	1,333,176
Terminal rent non-airline	1,035,376	1,287,971	252,595	24%	811,010
Terminal concessions	19,577,523	21,367,659	1,790,136	9%	19,640,008
Rental car license fees	22,134,364	23,932,724	1,798,360	8%	22,040,141
Rental car center cost recovery	1,828,868	1,841,689	12,821	-	495,341
License fees other	3,608,570	3,968,639	360,069	10%	3,645,260
Parking revenue	33,659,825	34,064,754	404,929	-	35,413,084
Ground transportation permits and citations	5,190,654	6,617,626	1,426,972	27%	4,346,215
Ground rentals	15,485,701	15,400,776	(84,925)	-	12,122,877
Grant reimbursements	183,150	147,200	(35,950)	(20)%	243,930
Other operating revenue	626,908	1,311,339	684,431	109%	705,604
Total operating revenues	200,723,063	206,685,042	5,961,979	3%	191,410,378
Operating expenses:					
Salaries and benefits ²	37,626,632	38,039,809	(413,177)	(1)%	35,244,032
Contractual services	37,129,094	36,133,859	995,235	3%	30,609,024
Safety and security	23,892,058	23,003,963	888,095	4%	21,973,639
Space rental	8,492,875	8,492,400	475	-	8,630,868
Utilities	10,729,383	8,721,177	2,008,206	19%	9,446,523
Maintenance	11,698,641	11,869,575	(170,934)	(1)%	11,172,027
Equipment and systems	279,251	414,376	(135,125)	(48)%	418,692
Materials and supplies	362,673	480,246	(117,573)	(32)%	401,153
Insurance	857,981	798,844	59,137	7%	792,306
Employee development and support	1,114,976	1,057,855	57,121	5%	971,112
Business development	2,055,652	1,815,708	239,944	12%	1,866,920
Equipment rentals and repairs	3,053,284	2,619,841	433,443	14%	2,597,926
Total operating expenses	137,292,500	133,447,653	3,844,847	3%	124,124,222
Depreciation	76,474,500	76,474,500	-	-	70,822,446
Operating income (loss)	(13,043,937)	(3,237,111)	9,806,826		(3,536,290)
Nonoperating revenue (expenses):					
Passenger facility charges	33,958,022	33,716,992	(241,030)	-	32,844,576
Customer facility charges (Rental Car Center)	30,441,980	29,720,315	(721,665)	(2)%	27,671,770
Quieter Home Program	(2,516,721)	(805,186)	1,711,535	68%	(3,557,316)
Interest income	5,471,629	6,600,128	1,128,499	21%	4,888,271
BAB interest rebate	3,859,349	3,869,006	9,657	-	3,871,504
Interest expense	(55,812,407)	(51,250,353)	4,562,054	8%	(48,368,288)
Bond amortization costs	3,467,343	3,467,343	-	-	3,542,202
Other nonoperating income (expenses)	(8,330)	(2,047,772)	(2,039,442)	-	5,004,708
Nonoperating revenue, net	18,860,865	23,270,473	4,409,608	23%	25,897,427
Change in net position before capital grant contributions	5,816,928	20,033,362	14,216,434	244%	22,361,137
Capital grant contributions	1,050,665	1,661,928	611,263	58%	10,435,315
Change in net position	\$ 6,867,593	\$ 21,695,290	\$ 14,827,697	216%	\$ 32,796,452

¹ Includes \$1.4 M reduction in rates, fees and charges on landing fees due to operating expense savings for first nine months, recorded March 2017.

² For the fiscal year 2017, total pension expense will be \$7,451,396, compared to \$4,048,248 in fiscal year 2016



San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
 For the ten months ended April 30, 2017
 (Unaudited)

Print Date: 5/11/2017
 Print Time: 5:04:59PM
 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	\$2,226,763	\$2,323,260	\$96,498	4	\$2,175,066	\$22,056,688	\$21,516,093	\$(540,595)	(2)	\$20,914,522
41113 - Landing Fee Rebate	(9,425)	(27,584)	(18,159)	(193)	0	(119,220)	(289,579)	(170,359)	(143)	(116,643)
Total Landing Fees	2,217,338	2,295,677	78,338	4	2,175,066	21,937,469	21,226,514	(710,955)	(3)	20,797,879
Aircraft Parking Fees										
41150 - Terminal Aircraft Parking	208,381	208,376	(5)	0	194,400	2,083,814	2,083,764	(49)	0	1,943,996
41155 - Remote Aircraft Parking	33,923	33,923	0	0	27,126	339,226	339,226	0	0	305,131
Total Aircraft Parking Fees	242,304	242,299	(5)	0	221,525	2,423,039	2,422,990	(49)	0	2,249,127
Building and Other Rents										
41210 - Terminal Rent	4,507,685	4,549,642	41,957	1	4,416,539	45,076,852	45,183,997	107,145	0	43,688,415
41215 - Federal Inspection Services	69,704	63,047	(6,657)	(10)	64,073	688,543	674,504	(14,039)	(2)	608,900
Total Building and Other Rents	4,577,389	4,612,689	35,300	1	4,480,612	45,765,395	45,858,501	93,106	0	44,297,315
Security Surcharge										
41310 - Airside Security Charges	613,108	612,707	(401)	0	561,643	6,131,083	6,124,192	(6,891)	0	5,437,145
41320 - Terminal Security Charge	1,875,021	1,873,953	(1,068)	0	1,743,342	18,750,207	18,728,418	(21,789)	0	16,826,816
Total Security Surcharge	2,488,129	2,486,660	(1,469)	0	2,304,985	24,881,291	24,852,610	(28,680)	0	22,263,961
CUPPS Support Charges										
41400 - CUPPS Support Charges	103,761	103,646	(115)	0	100,545	1,037,609	1,035,440	(2,170)	0	1,005,450
Total CUPPS Support Charges	103,761	103,646	(115)	0	100,545	1,037,609	1,035,440	(2,170)	0	1,005,450
Other Aviation Revenue										
43100 - Fuel Franchise Fees	15,547	15,011	(536)	(3)	10,303	157,812	159,100	1,288	1	143,666
43105 - New Capital Recovery	118,951	118,951	0	0	118,951	1,189,510	1,189,510	0	0	1,189,510
Total Other Aviation Revenue	134,498	133,962	(536)	0	129,254	1,347,322	1,348,610	1,288	0	1,333,176
Non-Airline Terminal Rents										
45010 - Terminal Rent - Non-Airline	103,182	132,986	29,804	29	110,440	1,035,376	1,287,971	252,595	24	811,010
Total Non-Airline Terminal Rents	103,182	132,986	29,804	29	110,440	1,035,376	1,287,971	252,595	24	811,010

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Concession Revenue										
45111 - Term Concessions-Food & Bev	\$829,170	\$786,654	\$(42,516)	(5)	\$1,047,132	\$8,174,503	\$8,824,769	\$650,267	8	\$8,448,753
45112 - Terminal Concessions - Retail	535,120	599,348	64,228	12	522,668	5,292,251	5,867,335	575,084	11	5,184,556
45113 - Term Concessions - Other	256,967	741,277	484,311	188	263,908	2,556,323	3,340,646	784,323	31	2,734,004
45114 - Term Concessions Space Rents	71,969	72,591	621	1	71,170	719,693	725,906	6,214	1	712,654
45115 - Term Concessions Cost Recovery	120,162	83,853	(36,309)	(30)	85,157	1,099,055	846,319	(252,736)	(23)	859,111
45116 - Rec Distr Center Cost Recovery	127,172	128,643	1,471	1	123,459	1,271,718	1,260,392	(11,326)	(1)	1,238,332
45117 - Concessions Marketing Program	50,577	50,939	363	1	46,611	463,980	502,292	38,312	8	462,598
45120 - Rental car license fees	2,398,470	2,525,899	127,429	5	2,380,399	22,134,364	23,932,724	1,798,360	8	22,040,141
45121 - Rental Car Center Cost Recover	182,887	187,996	5,109	3	147,654	1,828,868	1,841,689	12,821	1	495,341
45130 - License Fees - Other	364,171	397,780	33,609	9	372,457	3,608,570	3,968,639	360,069	10	3,645,260
Total Concession Revenue	4,936,664	5,574,979	638,316	13	5,060,615	47,149,324	51,110,711	3,961,387	8	45,820,748
Parking and Ground Transportat										
45210 - Parking	3,111,382	3,444,377	332,994	11	3,675,739	33,659,825	34,064,754	404,929	1	35,413,084
45220 - AVI fees	482,842	689,404	206,563	43	387,623	4,614,213	5,795,075	1,180,862	26	3,194,744
45240 - Ground Transportation Pe	0	3,240	3,240	0	12,152	492,626	638,579	145,952	30	959,740
45250 - Citations	8,381	29,558	21,177	253	8,753	83,815	183,972	100,157	119	191,731
Total Parking and Ground Transportat	3,602,605	4,166,579	563,974	16	4,084,266	38,850,479	40,682,379	1,831,900	5	39,759,300
Ground Rentals										
45310 - Ground Rental - Fixed	1,548,570	1,535,898	(12,672)	(1)	1,551,160	15,485,701	15,400,776	(84,925)	(1)	12,100,303
45320 - Ground Rental - Percenta	0	0	0	0	0	0	0	0	0	22,574
Total Ground Rentals	1,548,570	1,535,898	(12,672)	(1)	1,551,160	15,485,701	15,400,776	(84,925)	(1)	12,122,877
Grant Reimbursements										
45410 - TSA Reimbursements	18,074	0	(18,074)	(100)	24,000	183,150	147,200	(35,950)	(20)	243,930
Total Grant Reimbursements	18,074	0	(18,074)	(100)	24,000	183,150	147,200	(35,950)	(20)	243,930

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Other Operating Revenue										
45510 - Finger Printing Fee	\$17,605	\$20,191	\$2,586	15	\$17,969	\$176,054	\$167,300	\$(8,754)	(5)	\$169,384
45520 - Utilities Reimbursements	19,427	19,481	54	0	37,461	194,267	194,321	54	0	203,204
45530 - Miscellaneous Other Reve	4,274	83,034	78,760	1,843	15,047	42,737	662,503	619,766	1,450	109,551
45540 - Service Charges	7,314	34,752	27,438	375	6,646	73,139	117,969	44,830	61	82,259
45570 - FBO Landing Fees	14,071	17,755	3,684	26	11,189	140,711	164,606	23,895	17	131,726
45580 - Equipment Rental	0	1,160	1,160	0	1,160	0	4,640	4,640	0	9,480
Total Other Operating Revenue	62,691	176,373	113,682	181	89,472	626,906	1,311,339	684,432	109	705,603
Total Operating Revenue	20,035,204	21,461,748	1,426,544	7	20,331,942	200,723,059	206,685,038	5,961,979	3	191,410,375
Personnel Expenses										
Salaries										
51110 - Salaries & Wages	2,688,301	2,217,271	471,029	18	2,192,422	28,910,923	23,736,249	5,174,673	18	23,086,162
51210 - Paid Time Off	0	198,909	(198,909)	0	203,073	0	2,270,274	(2,270,274)	0	2,214,827
51220 - Holiday Pay	0	53,162	(53,162)	0	215	0	656,009	(656,009)	0	723,628
51240 - Other Leave With Pay	0	12,673	(12,673)	0	9,535	0	95,883	(95,883)	0	97,121
51250 - Special Pay	0	32,273	(32,273)	0	57,933	0	714,574	(714,574)	0	658,611
Total Salaries	2,688,301	2,514,289	174,012	6	2,463,178	28,910,923	27,472,988	1,437,935	5	26,780,349
52110 - Overtime	55,991	48,489	7,502	13	49,912	550,062	571,038	(20,976)	(4)	576,450

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Benefits										
54110 - FICA Tax	\$207,575	\$188,656	\$18,919	9	\$186,825	\$2,125,622	\$1,975,966	\$149,656	7	\$1,933,187
54120 - Unemployment Insurance-S	0	0	0	0	20,672	0	66,357	(66,357)	0	55,070
54130 - Workers Compensation Ins	22,863	14,328	8,535	37	14,256	245,773	162,159	83,614	34	103,201
54135 - Workers Comp Incident Expense	0	10,192	(10,192)	0	3,968	0	72,055	(72,055)	0	33,868
54210 - Medical Insurance	384,716	307,575	77,141	20	331,309	3,745,387	3,314,494	430,893	12	3,326,064
54220 - Dental Insurance	27,522	26,048	1,474	5	26,109	274,707	259,746	14,961	5	257,115
54230 - Vision Insurance	3,376	3,252	124	4	3,192	33,763	32,000	1,763	5	31,608
54240 - Life Insurance	8,615	8,536	79	1	7,807	86,149	83,373	2,775	3	77,685
54250 - Short Term Disability	9,584	10,034	(449)	(5)	9,753	95,842	99,704	(3,861)	(4)	96,380
54310 - Retirement	516,387	556,233	(39,846)	(8)	501,729	5,163,871	4,779,640	384,231	7	4,756,357
54312 - GABS 68 -Non-funded Retirement	0	1,679,109	(1,679,109)	0	0	0	1,679,109	(1,679,109)	0	0
54315 - Retiree	174,548	174,800	(252)	0	100,200	1,745,484	1,742,150	3,334	0	1,866,950
54410 - Taxable Benefits	0	0	0	0	0	0	20,630	(20,630)	0	19,562
54430 - Accrued Vacation	0	66,417	(66,417)	0	14,119	0	(93,720)	93,720	0	123,472
Total Benefits	1,355,186	3,045,178	(1,689,992)	(125)	1,219,938	13,516,597	14,193,663	(677,066)	(5)	12,680,519
Cap Labor/Burden/OH Recharge										
54510 - Capitalized Labor Recha	(446,986)	(97,848)	(349,138)	(78)	(73,191)	(4,805,105)	(860,280)	(3,944,825)	(82)	(845,172)
54515 - Capitalized Burden Rech	0	(36,633)	36,633	0	(29,058)	0	(316,712)	316,712	0	(322,753)
54599 - OH Contra	0	(233,999)	233,999	0	(425,882)	0	(2,824,165)	2,824,165	0	(3,012,853)
Total Cap Labor/Burden/OH Recharge	(446,986)	(368,480)	(78,506)	(18)	(528,131)	(4,805,105)	(4,001,156)	(803,948)	(17)	(4,180,778)
QHP Labor/Burden/OH Recharge										
54520 - QHP Labor Recharge	(50,776)	(9,728)	(41,048)	(81)	(23,485)	(545,846)	(69,706)	(476,139)	(87)	(296,033)
54525 - QHP Burden Recharge	0	(4,129)	4,129	0	(10,241)	0	(28,627)	28,627	0	(126,139)
54526 - QHP OH Contra Acct	0	0	0	0	(25,418)	0	(99,109)	99,109	0	(190,940)
Total QHP Labor/Burden/OH Recharge	(50,776)	(13,857)	(36,920)	(73)	(59,144)	(545,846)	(197,443)	(348,403)	(64)	(613,113)
MM&JS Labor/Burden/OH Recharge										
54530 - MM & JS Labor Recharge	0	1,972	(1,972)	0	0	0	718	(718)	0	(1,488)
54531 - Joint Studies - Labor	0	0	0	0	0	0	0	0	0	2,092
54535 - MM & JS Burden Recharge	0	0	0	0	0	0	0	0	0	(500)
54536 - Maintenance-Burden	0	0	0	0	0	0	0	0	0	500
Total MM&JS Labor/Burden/OH Recharge	0	1,972	(1,972)	0	0	0	718	(718)	0	605
Total Personnel Expenses	3,601,715	5,227,591	(1,625,876)	(45)	3,145,753	37,626,632	38,039,808	(413,177)	(1)	35,244,032

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Non-Personnel Expenses										
Contract Services										
61100 - Temporary Staffing	\$22,194	\$28,746	\$(6,553)	(30)	\$36,338	\$138,945	\$329,765	\$(190,820)	(137)	\$313,288
61110 - Auditing Services	2,000	0	2,000	100	2,551	157,800	154,800	3,000	2	177,500
61120 - Legal Services	66,000	4,208	61,792	94	25,280	660,000	406,996	253,004	38	103,851
61130 - Services - Professional	1,310,028	964,719	345,310	26	1,093,990	10,969,174	10,291,633	677,540	6	9,932,097
61150 - Outside Svs - Other	308,837	276,222	32,616	11	187,128	3,096,639	2,766,979	329,660	11	2,713,207
61160 - Services - Custodial	2,297,821	2,313,438	(15,617)	(1)	2,051,348	23,531,640	22,918,218	613,422	3	17,953,496
61190 - Receiving & Dist Cntr Services	134,611	134,024	587	0	130,510	1,330,198	1,326,316	3,882	0	1,303,955
61990 - OH Contra	(276,186)	(249,360)	(26,826)	(10)	(89,667)	(2,755,302)	(2,060,848)	(694,454)	(25)	(1,888,370)
Total Contract Services	3,865,305	3,471,997	393,308	10	3,437,477	37,129,093	36,133,860	995,233	3	30,609,024
Safety and Security										
61170 - Services - Fire, Police,	495,720	472,875	22,844	5	468,025	4,957,196	4,650,688	306,508	6	4,973,453
61180 - Services - SDUPD-Harbor	1,409,445	1,350,817	58,628	4	1,604,789	15,151,529	14,409,368	742,161	5	13,754,344
61185 - Guard Services	278,333	273,333	5,001	2	272,174	2,613,333	2,684,710	(71,377)	(3)	2,487,384
61188 - Other Safety & Security Serv	110,000	150,758	(40,758)	(37)	67,464	1,170,000	1,259,197	(89,197)	(8)	758,458
Total Safety and Security	2,293,497	2,247,783	45,714	2	2,412,452	23,892,059	23,003,964	888,095	4	21,973,639
Space Rental										
62100 - Rent	849,288	849,963	(676)	0	870,450	8,492,875	8,492,400	475	0	8,630,868
Total Space Rental	849,288	849,963	(676)	0	870,450	8,492,875	8,492,400	475	0	8,630,868
Utilities										
63100 - Telephone & Other Commun	35,897	44,986	(9,089)	(25)	27,489	359,668	537,777	(178,109)	(50)	320,361
63110 - Utilities - Gas & Electr	848,239	380,355	467,885	55	673,838	9,536,493	7,347,500	2,188,993	23	8,293,603
63120 - Utilities - Water	102,940	69,838	33,102	32	107,975	833,222	839,098	(5,876)	(1)	836,271
63190 - OH Contra	0	(30)	30	0	(3,712)	0	(3,198)	3,198	0	(3,712)
Total Utilities	987,076	495,149	491,928	50	805,590	10,729,383	8,721,177	2,008,206	19	9,446,523

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Maintenance										
64100 - Facilities Supplies	\$102,830	\$80,536	\$22,294	22	\$120,487	\$796,130	\$771,191	\$24,939	3	\$776,571
64110 - Maintenance - Annual R	958,489	1,153,593	(195,104)	(20)	1,254,079	8,503,025	8,474,442	28,583	0	8,416,548
64122 - Contractor Labor	0	0	0	0	0	0	689	(689)	0	0
64123 - Contractor Burden	0	0	0	0	0	0	877	(877)	0	0
64124 - Maintenance-Overhead	0	43	(43)	0	39	0	408	(408)	0	73
64125 - Major Maintenance - Mat	325,258	267,435	57,823	18	178,772	1,949,486	2,297,607	(348,121)	(18)	1,257,662
64127 - Contract Overhead (co	0	0	0	0	0	0	2,765	(2,765)	0	394
64140 - Refuse & Hazardous Waste	30,000	33,060	(3,060)	(10)	53,198	450,000	321,596	128,404	29	720,779
Total Maintenance	1,416,577	1,534,668	(118,091)	(8)	1,606,574	11,698,641	11,869,575	(170,934)	(1)	11,172,027
Equipment and Systems										
65100 - Equipment & Systems	14,645	99,587	(84,941)	(580)	44,125	300,307	414,513	(114,207)	(38)	420,346
65101 - OH Contra	(2,016)	7,391	(9,407)	(467)	(165)	(21,056)	(137)	(20,919)	(99)	(1,654)
Total Equipment and Systems	12,629	106,978	(94,349)	(747)	43,960	279,251	414,377	(135,126)	(48)	418,692
Materials and Supplies										
65110 - Office & Operating Suppl	26,579	39,531	(12,952)	(49)	35,393	329,929	389,286	(59,356)	(18)	320,450
65120 - Safety Equipment & Suppl	5,968	1,829	4,139	69	7,526	66,986	79,901	(12,915)	(19)	91,203
65130 - Tools - Small	2,250	2,399	(149)	(7)	1,405	13,500	44,450	(30,950)	(229)	10,970
65199 - OH Contra	(4,336)	(3,881)	(455)	(11)	(3,474)	(47,742)	(33,391)	(14,351)	(30)	(21,470)
Total Materials and Supplies	30,461	39,879	(9,417)	(31)	40,851	362,673	480,245	(117,572)	(32)	401,153
Insurance										
67170 - Insurance - Property	40,726	40,919	(194)	0	37,184	407,258	409,194	(1,936)	0	371,839
67171 - Insurance - Liability	73,170	11,825	61,345	84	17,254	182,703	118,250	64,453	35	172,537
67172 - Insurance - Public Offic	31,281	11,255	20,026	64	11,771	133,761	113,502	20,259	15	118,657
67173 - Insurance Miscellaneous	13,211	14,598	(1,387)	(10)	15,707	134,259	157,898	(23,639)	(18)	129,273
Total Insurance	158,388	78,597	79,791	50	81,915	857,982	798,844	59,137	7	792,306

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Employee Development and Suppo										
66120 - Awards - Service	\$5,000	\$865	\$4,135	83	\$2,811	\$71,000	\$52,623	\$18,377	26	\$23,091
66130 - Book & Periodicals	5,742	8,996	(3,254)	(57)	5,242	60,558	34,956	25,602	42	45,435
66220 - Permits/Certificates/Lic	4,968	3,022	1,946	39	844	177,635	180,746	(3,111)	(2)	117,898
66260 - Recruiting	1,620	(10,388)	12,008	741	4,424	16,210	121,977	(105,767)	(652)	18,338
66280 - Seminars & Training	24,388	40,981	(16,594)	(68)	31,672	366,113	310,213	55,900	15	348,781
66290 - Transportation	12,963	12,076	888	7	11,187	132,182	116,413	15,769	12	118,434
66299 - OH Contra	(4,333)	(10,292)	5,959	138	(5,699)	(46,767)	(36,877)	(9,890)	(21)	(32,543)
66305 - Travel-Employee Developm	23,592	23,823	(232)	(1)	32,564	229,213	213,392	15,821	7	236,245
66310 - Tuition	5,000	424	4,576	92	1,951	50,000	21,054	28,946	58	37,381
66320 - Uniforms	5,583	8,618	(3,035)	(54)	3,182	58,832	43,358	15,474	26	58,052
Total Employee Development and Suppo	84,523	78,125	6,398	8	88,177	1,114,976	1,057,855	57,121	5	971,113
Business Development										
66100 - Advertising	112,387	61,773	50,614	45	36,360	885,455	687,656	197,799	22	259,902
66110 - Allowance for Bad Debts	0	0	0	0	0	7,500	1,735	5,765	77	164,942
66200 - Memberships & Dues	84,934	50,946	33,988	40	35,230	336,460	374,374	(37,914)	(11)	293,733
66230 - Postage & Shipping	2,178	420	1,759	81	374	24,799	15,191	9,608	39	16,091
66240 - Promotional Activities	49,966	44,238	5,728	11	58,276	578,512	494,133	84,379	15	517,859
66250 - Promotional Materials	11,153	5,536	5,618	50	36,783	69,608	75,946	(6,338)	(9)	455,721
66300 - Travel-Business Developm	11,618	8,030	3,588	31	3,432	153,318	166,673	(13,355)	(9)	158,672
Total Business Development	272,236	170,942	101,294	37	170,455	2,055,652	1,815,709	239,943	12	1,866,921
Equipment Rentals and Repairs										
66140 - Computer Licenses & Agre	8,624	44,263	(35,639)	(413)	(36,145)	312,610	322,437	(9,827)	(3)	183,631
66150 - Equipment Rental/Leasing	34,421	37,817	(3,396)	(10)	22,877	240,299	222,624	17,675	7	230,725
66160 - Tenant Improvements	70,000	53,185	16,815	24	27,163	765,000	491,311	273,689	36	578,690
66270 - Repairs - Office Equipme	187,355	183,462	3,894	2	126,848	1,911,906	1,789,300	122,606	6	1,727,500
66279 - OH Contra	(2,059)	(2,536)	477	23	(8,324)	(176,531)	(205,831)	29,301	17	(122,620)
Total Equipment Rentals and Repairs	298,341	316,190	(17,849)	(6)	132,419	3,053,284	2,619,841	433,443	14	2,597,927
Total Non-Personnel Expenses	10,268,323	9,390,272	878,051	9	9,690,320	99,665,867	95,407,846	4,258,021	4	88,880,192
Total Departmental Expenses before	13,870,038	14,617,862	(747,824)	(5)	12,836,073	137,292,499	133,447,654	3,844,844	3	124,124,224

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
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(Unaudited)

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	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
Depreciation and Amortization										
69110 - Depreciation Expense	\$7,691,139	\$7,691,139	\$0	0	\$9,276,219	\$76,474,500	\$76,474,500	\$0	0	\$70,822,446
Total Depreciation and Amortization	7,691,139	7,691,139	0	0	9,276,219	76,474,500	76,474,500	0	0	70,822,446
Non-Operating Revenue/(Expense)										
Passenger Facility Charges										
71110 - Passenger Facility Chrg	3,035,063	3,117,754	82,692	3	2,926,399	33,958,022	33,716,992	(241,030)	(1)	32,844,576
Total Passenger Facility Charges	3,035,063	3,117,754	82,692	3	2,926,399	33,958,022	33,716,992	(241,030)	(1)	32,844,576
Customer Facility Charges										
71120 - Customer facility charges (Con	3,645,973	3,672,266	26,293	1	2,799,312	30,441,980	29,720,315	(721,665)	(2)	27,671,770
Total Customer Facility Charges	3,645,973	3,672,266	26,293	1	2,799,312	30,441,980	29,720,315	(721,665)	(2)	27,671,770
Quieter Home Program										
71212 - Quieter Home - Labor	0	(9,728)	(9,728)	0	(23,485)	0	(69,706)	(69,706)	0	(296,033)
71213 - Quieter Home - Burden	0	(4,129)	(4,129)	0	(10,241)	0	(28,627)	(28,627)	0	(126,139)
71214 - Quieter Home - Overhead	0	0	0	0	(25,418)	0	(99,109)	(99,109)	0	(190,940)
71215 - Quieter Home - Material	(1,487,048)	(185,732)	1,301,317	88	(405,916)	(11,333,606)	(1,710,742)	9,622,864	85	(9,490,278)
71216 - Quieter Home Program	1,189,638	(2,765,281)	(3,954,919)	(332)	(297,194)	9,066,885	(1,662,162)	(10,729,047)	(118)	6,735,313
71217 - Contract Labor	0	0	0	0	(19)	0	(53)	(53)	0	(38,667)
71218 - Contractor Burden	0	0	0	0	(24)	0	(68)	(68)	0	(49,213)
71222 - Contractor Labor	0	0	0	0	167	0	0	0	0	(37,201)
71224 - Joint Studies Overhead	0	0	0	0	0	0	0	0	0	(2,962)
71225 - Joint Studies - Material	(25,000)	0	25,000	100	4,334	(250,000)	0	250,000	100	(61,196)
Total Quieter Home Program	(322,410)	(2,964,869)	(2,642,459)	(820)	(757,797)	(2,516,721)	(3,570,468)	(1,053,747)	(42)	(3,557,317)
Interest Income										
71310 - Interest - Investments	372,851	486,438	113,587	30	280,860	3,816,737	3,826,621	9,884	0	2,105,638
71340 - Interest - Note Receivab	160,390	160,391	1	0	167,996	1,654,892	1,654,896	4	0	1,735,832
71350 - Interest - Other	0	0	0	0	0	0	3,425	3,425	0	(1,337)
71360 - Interest - Bonds	0	0	0	0	0	0	0	0	0	(2,278)
71361 - Interest Income - 2010 Bonds	0	71,133	71,133	0	9,286	0	471,023	471,023	0	325,508
71363 - Interest Income - 2013 Bonds	0	68,168	68,168	0	(6,708)	0	346,641	346,641	0	308,923
71365 - Interest Income - 2014 Bond A	0	41,512	41,512	0	(21,400)	0	297,522	297,522	0	415,985
Total Interest Income	533,241	827,642	294,401	55	430,033	5,471,629	6,600,128	1,128,499	21	4,888,272

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Interest income BAB's rebate										
71362 - BAB interest rebate	\$385,935	\$385,851	\$(84)	0	\$385,851	\$3,859,349	\$3,869,006	\$9,657	0	\$3,871,504
Total Interest income BAB's rebate	385,935	385,851	(84)	0	385,851	3,859,349	3,869,006	9,657	0	3,871,504
Interest Expense										
71411 - Interest Expense- 2010 Bonds	(2,559,687)	(2,559,687)	0	0	(2,595,983)	(25,596,874)	(25,596,874)	0	0	(25,959,832)
71412 - Interest Expense 2013 Bonds	(1,529,163)	(1,529,163)	0	0	(1,534,550)	(15,291,625)	(15,291,625)	0	0	(15,345,500)
71413 - Interest Expense 2014 Bond A	(1,361,768)	(1,361,768)	0	0	(1,361,768)	(13,617,675)	(13,617,675)	0	0	(13,617,675)
71420 - Interest Expense-Variable Debt	(37,391)	(57,674)	(20,283)	(54)	(30,013)	(373,908)	(396,647)	(22,738)	(6)	(255,889)
71430 - LOC Fees - C/P	(57,491)	(19,618)	37,873	66	(27,495)	(407,889)	(250,782)	157,107	39	(271,461)
71450 - Trustee Fee Bonds	0	(1,625)	(1,625)	0	(1,675)	(20,800)	(14,411)	6,389	31	(11,995)
71451 - Program Fees - Variable Debt	0	0	0	0	0	(5,000)	0	5,000	100	(3,300)
71458 - Capitalized Interest	0	452,410	452,410	0	1,394,071	0	4,549,537	4,549,537	0	7,699,424
71460 - Interest Expense - Other	0	(55,300)	(55,300)	0	(9,720)	0	(70,300)	(70,300)	0	(25,720)
71461 - Interest Expense - Cap Leases	(78,437)	(55,572)	22,865	29	(57,100)	(498,636)	(561,576)	(62,939)	(13)	(576,340)
Total Interest Expense	(5,623,936)	(5,187,996)	435,940	8	(4,224,232)	(55,812,407)	(51,250,352)	4,562,055	8	(48,368,287)
Amortization										
69210 - Amortization - Premium	343,857	343,857	0	0	351,457	3,467,343	3,467,343	0	0	3,542,202
Total Amortization	343,857	343,857	0	0	351,457	3,467,343	3,467,343	0	0	3,542,202
Other Non-Operating Income (Expense)										
71510 - Legal Settlement Income	0	0	0	0	0	0	0	0	0	2,535
71520 - Fixed Asset Disposal-Pro	0	0	0	0	0	0	0	0	0	1,144,086
71521 - Fixed Asset Disposal - L	0	0	0	0	0	0	0	0	0	(78,560)
71530 - Gain/Loss On Investments	0	32,656	32,656	0	3,657,738	0	(2,180,465)	(2,180,465)	0	4,225,167
71540 - Discounts Earned	0	0	0	0	0	0	18,703	18,703	0	15,720
71610 - Legal Settlement Expense	(833)	0	833	100	0	(8,330)	(9,500)	(1,170)	(14)	(374,632)
71620 - Other non-operating revenue (e	0	29,541	29,541	0	1,388	0	121,490	121,490	0	70,392
71630 - Other Non-Operating Expe	0	0	0	0	0	0	2,000	2,000	0	0
73300 - DMJM and Auth OH Clearin	0	0	0	0	0	0	0	0	0	0
Total Other Non-Operating Income (Expense)	(833)	62,197	63,030	7,567	3,659,126	(8,330)	(2,047,771)	(2,039,441)	(24,483)	5,004,708
Total Non-Operating Revenue/(Expense)	1,996,889	256,702	(1,740,187)	(87)	(5,570,150)	18,860,865	20,505,192	1,644,328	9	(25,897,428)

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Capital Grant Contribution										
72100 - AIP Grants	\$149,667	\$(289,903)	\$(439,570)	(294)	\$137,443	\$1,050,665	\$1,245,980	\$195,315	19	\$10,435,315
Total Capital Grant Contribution	149,667	(289,903)	(439,570)	(294)	137,443	1,050,665	1,245,980	195,315	19	10,435,315
Total Expenses Net of Non-Operating Revenue/ (Expense)	19,414,621	22,342,203	(2,927,582)	(15)	16,404,699	193,855,469	188,170,982	5,684,487	3	158,613,927
Net Income/(Loss)	620,583	(880,454)	(1,501,037)	(242)	3,927,244	6,867,590	18,514,056	11,646,467	170	32,796,448
Equipment Outlay										
73200 - Equipment Outlay Expendi	(159,200)	0	159,200	100	(90,666)	(1,162,150)	(897,564)	264,586	23	(931,463)
73299 - Capitalized Equipment Co	0	0	0	0	90,666	0	897,564	897,564	0	931,463
Total Equipment Outlay	(159,200)	0	159,200	100	0	(1,162,150)	0	1,162,150	100	0



Review of the Unaudited Financial Statements for the Ten Months Ended April 30, 2017 and 2016

Presented by:

Scott Brickner, CPA

Vice President, Finance and Asset Management/Treasurer

Kathy Kiefer

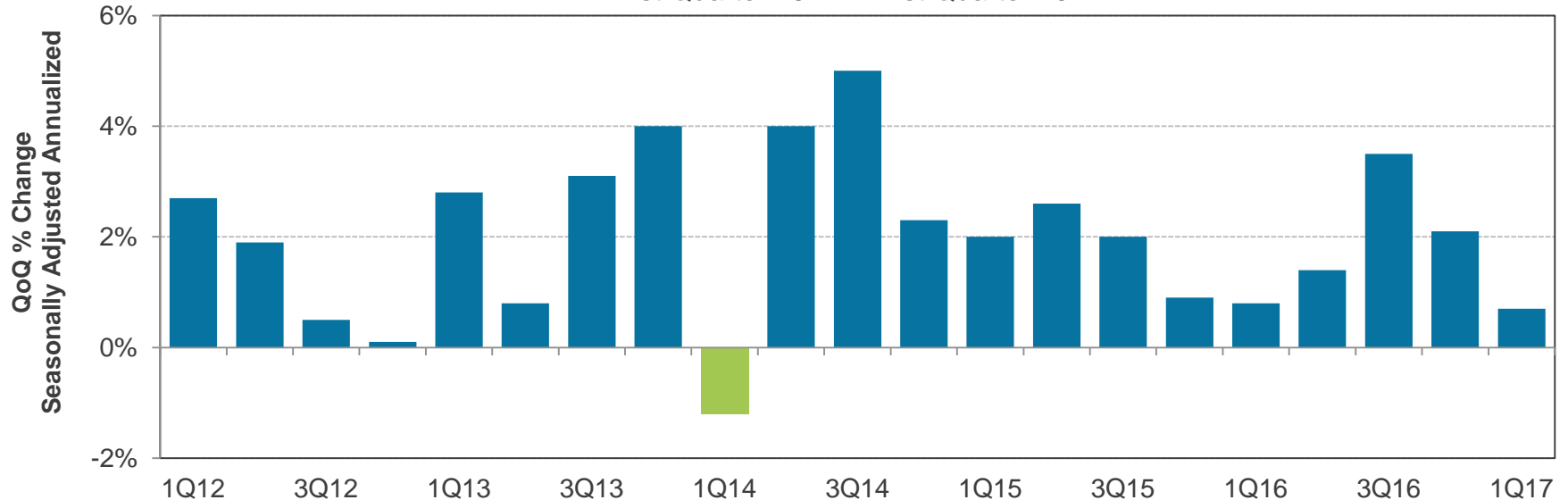
Senior Director, Finance & Asset Management

May 22, 2017

First Quarter GDP

First quarter GDP increased at an annual rate of 0.7% (advance release) in the first quarter, down from the 2.1% pace of the prior quarter prior, and below expectations of 1.0% growth. The weakest showing in consumer spending since fourth quarter 2009 held down GDP. However, the advance release is subject to substantial revision (there is an average change of 0.6% +/- between the advance release and the third release).

U.S. Gross Domestic Product (QoQ)
First Quarter 2012 – First Quarter 2017

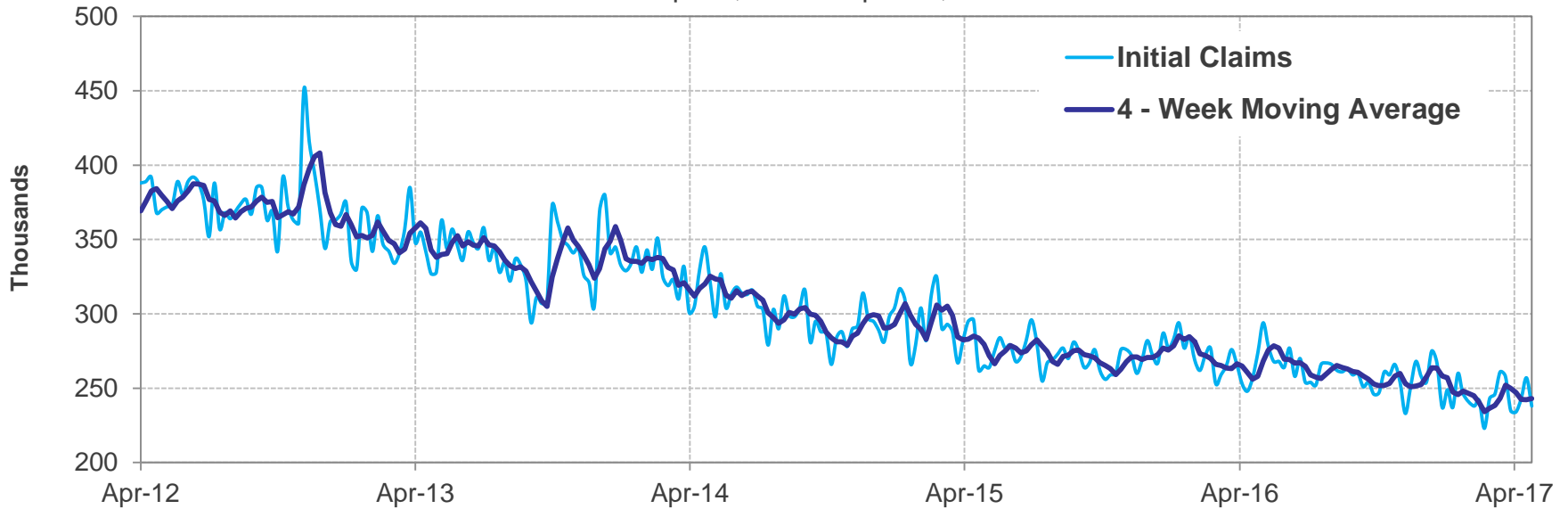


Initial Claims For Unemployment

For the week of April 29nd, initial claims for unemployment (seasonally adjusted) decreased by 19,000 to 238,000. The 4-week moving average, which helps smooth out some of the weekly volatility, increased by 750 to 243,000. Unemployment claims remain near their recent lows suggesting continued strength in the job market.

Initial Jobless Claims and 4-Week Moving Average

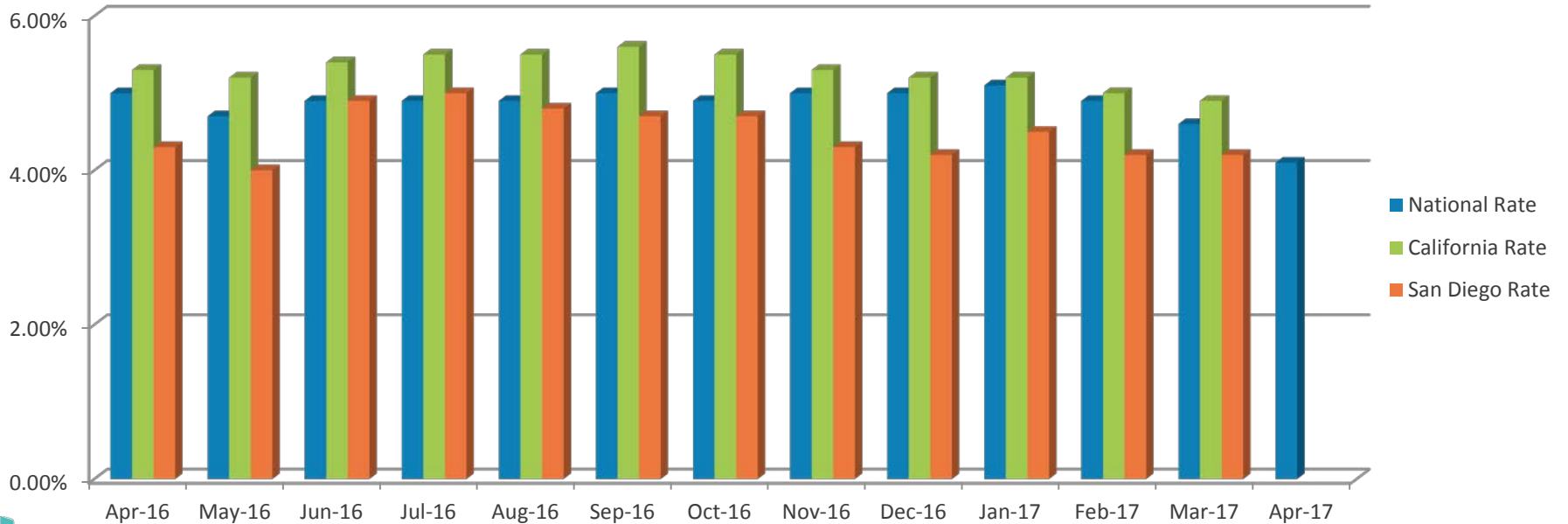
April 6, 2012 – April 29, 2017



Unemployment Rates

The National unemployment rate decreased even more from 4.6 percent in March to 4.1 percent in April. The National U-6 rate decreased dramatically from 8.9 percent in March to 8.1 percent in April. (April data for California and San Diego rates will be released at a later date.)

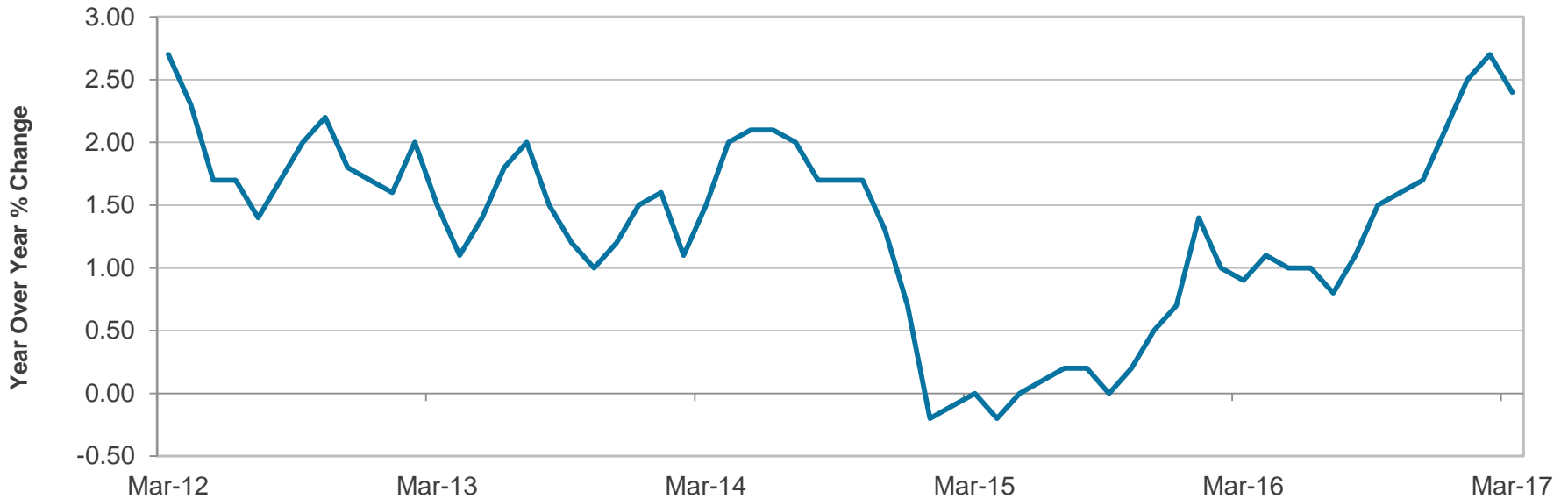
Unemployment Rates



Consumer Price Index

The Consumer Price Index (CPI) for the twelve months ending March rose by 2.40%, compared to a 2.70% increase in February. Core CPI, excluding food and energy, was slightly down 2.00% for the twelve months ending March, compared to a 2.20% increase in February.

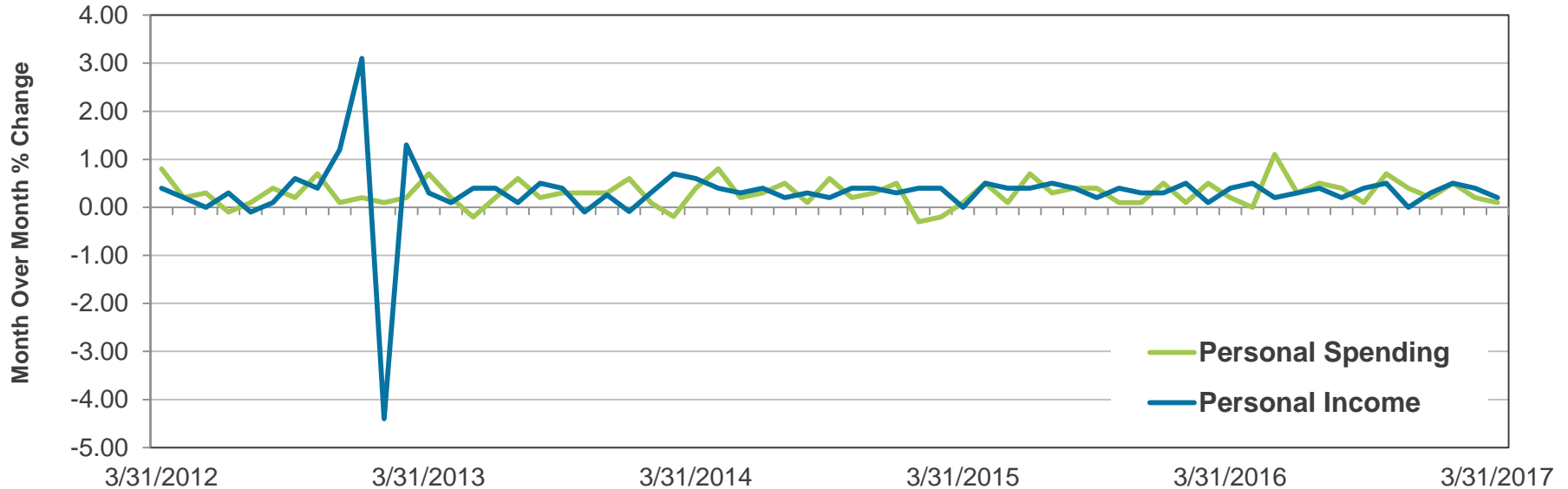
Consumer Price Index (YoY%)
March 2012 – March 2017



Personal Income and Spending

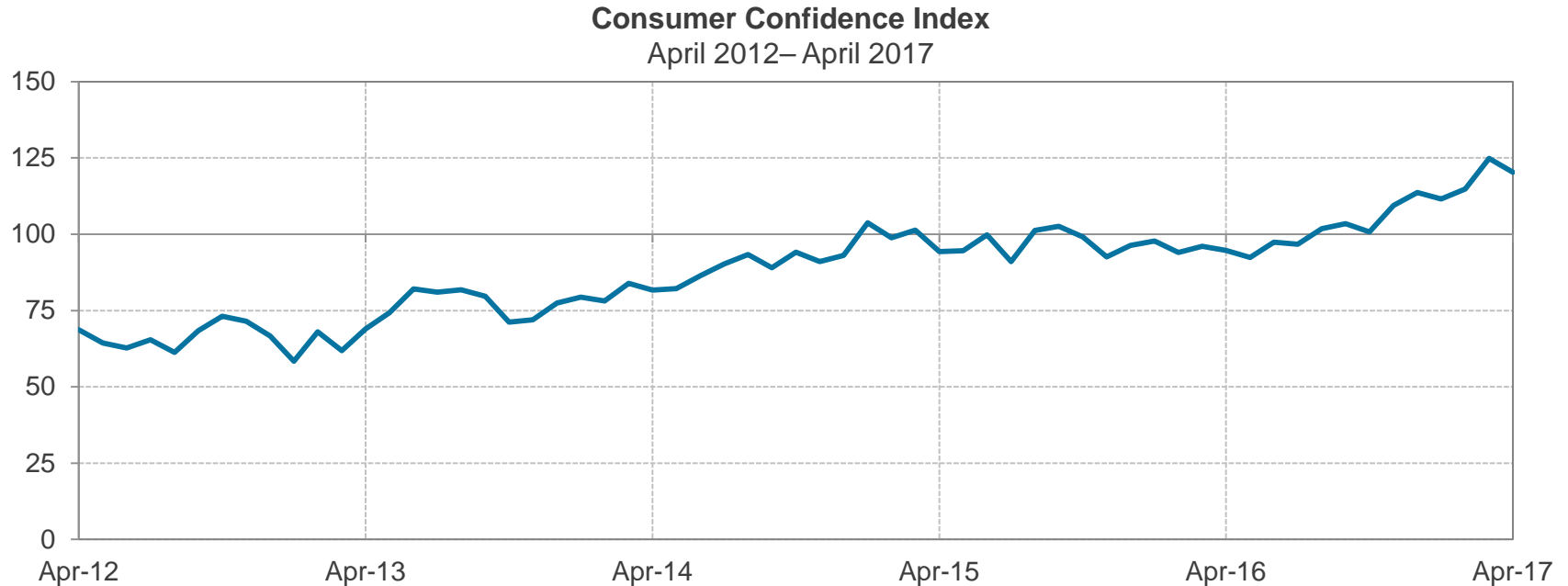
The overall picture for the consumer weakened in March. Personal income experienced a 0.20% increase, which was down from a 0.40% increase in February. Consumer spending increased in March by 0.10%, which was unchanged from February's increase.

Personal Income and Spending (MoM%)
March 2012 – March 2017



Consumer Confidence Index

The Consumer Confidence Index decreased to 120.3 in April, down from 124.9 in March. However consumers remain confident that the economy will continue to expand in the months ahead despite April's decline.



Existing Home Sales

Existing home sales increased by 4.4% in March to a seasonally adjusted rate of 5.71 million units. March data reveals the highest pace in over 10 years despite severe supply shortages that resulted in the typical home coming off the market significantly faster than in February and a year ago, according to the National Association of Realtors.

U.S. Existing Home Sales (MoM)
March 2007– March 2017



New Home Sales

New homes sales increased in March to a seasonally adjusted annualized rate of 621,000 units, which was 5.8% above the revised February rate of 587,000.

U.S. New Home Sales
March 2007 – March 2017



Crude Oil Prices

Oil (WTI spot) closed at \$48.83 on May 1, below its 30 day average. Oil has fallen recently on higher inventories (higher U.S. production and cheating on OPEC production limits that took effect on January 1). This month, crude oil is right at the 12-month average of \$48.83.

West Texas Intermediate Oil Price Per Barrel (WTI Spot)

May 1, 2012 – May 1, 2017

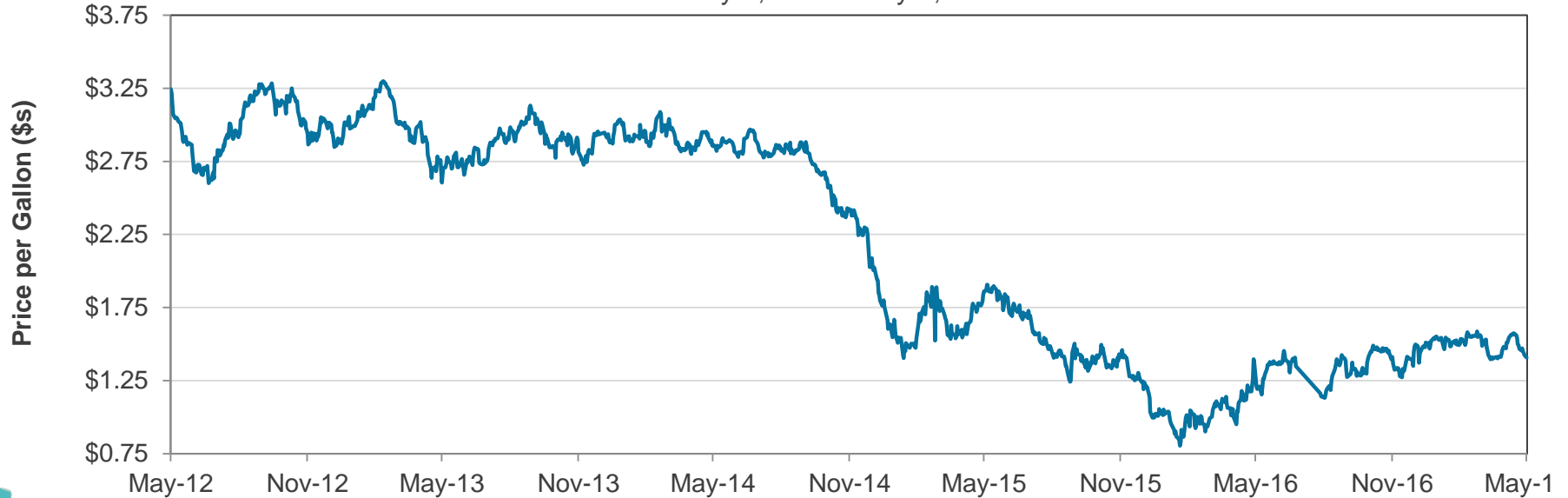


Jet Fuel Prices

Jet fuel has trended lower recently on lower crude oil prices. Jet fuel (U.S. Gulf Coast Spot) closed at \$1.408 on May 1, below its 30-day average of \$1.504. This month, Jet fuel is 0.4% below its 12-month average of \$1.414.

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

May 1, 2012– May 1, 2017



U.S. Equity Markets

Equity markets have been trading in a range recently due to uncertainty regarding when and what effect changes in the new Administration's policies will have on the economy. Year-to-date, the DJIA is up 3.25% and the S&P 500 is up 4.44%.

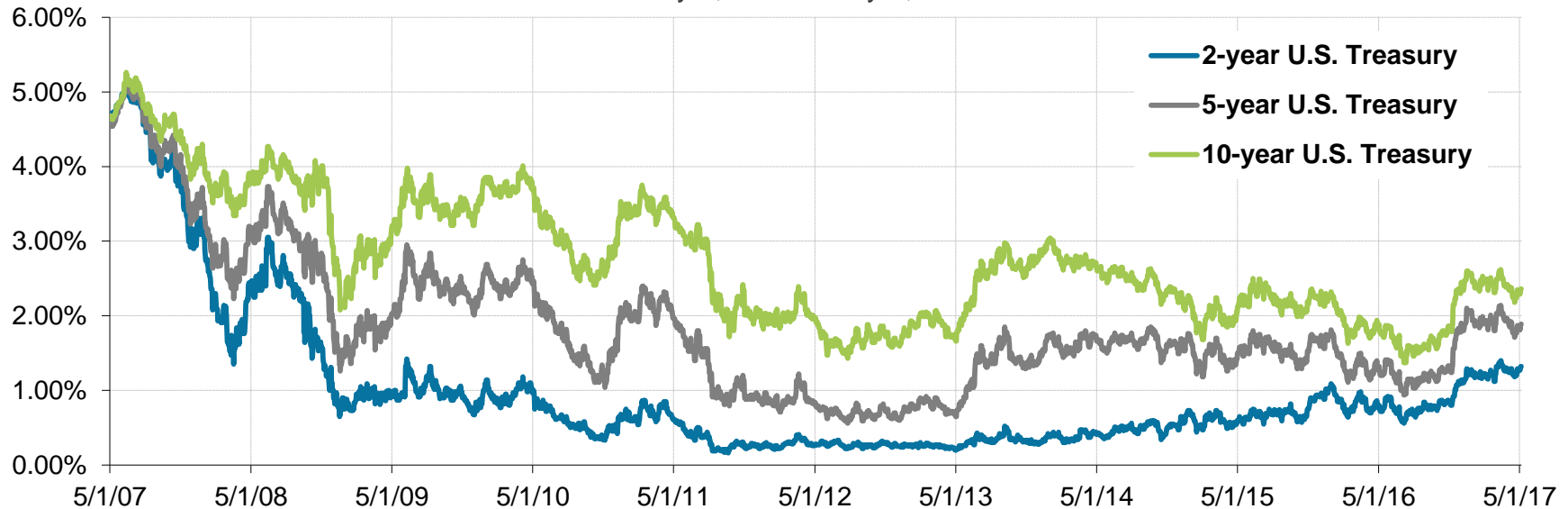
Dow Jones Industrial Average (DJIA) and S&P 500 Indices
May 1, 2012 – May 5, 2017



Treasury Yield History

Longer-term Treasury yields, which rose sharply following the Presidential election and the March rate hike, have fallen in the past month due to declining inflation and growth expectations.

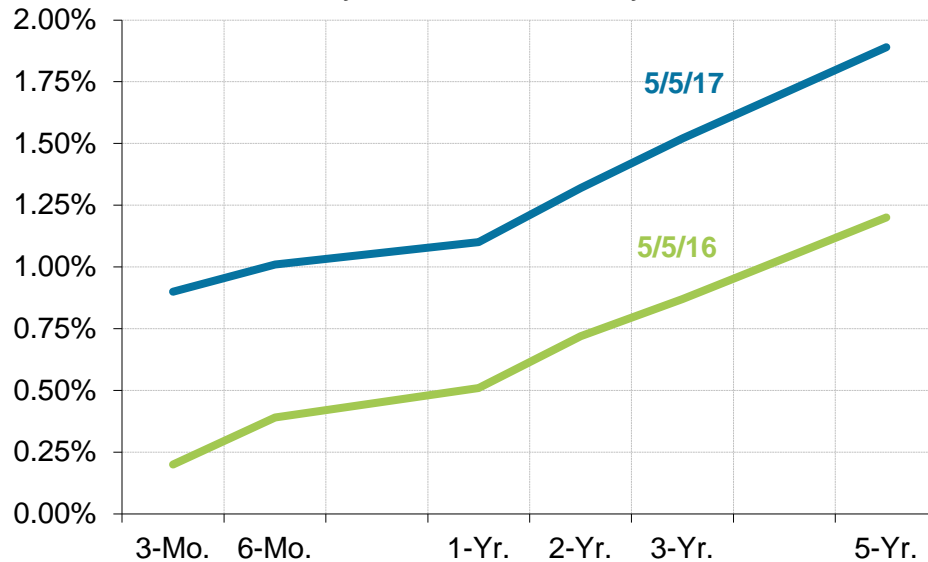
2-, 10- and 30-year U.S. Treasury Yields
May 1, 2007 – May 5, 2017




U.S. Treasury Yield Curve

Treasury rates surged following the U.S. elections, though longer maturities have started to decline alongside future inflation expectations. The shorter end of the curve has moved higher as market participants priced in rate hikes in December 2016 and March 2017. Overall, Treasury yields are well above prior year levels.

U.S. Treasury Yield Curve
May 5, 2016 versus May 5, 2017

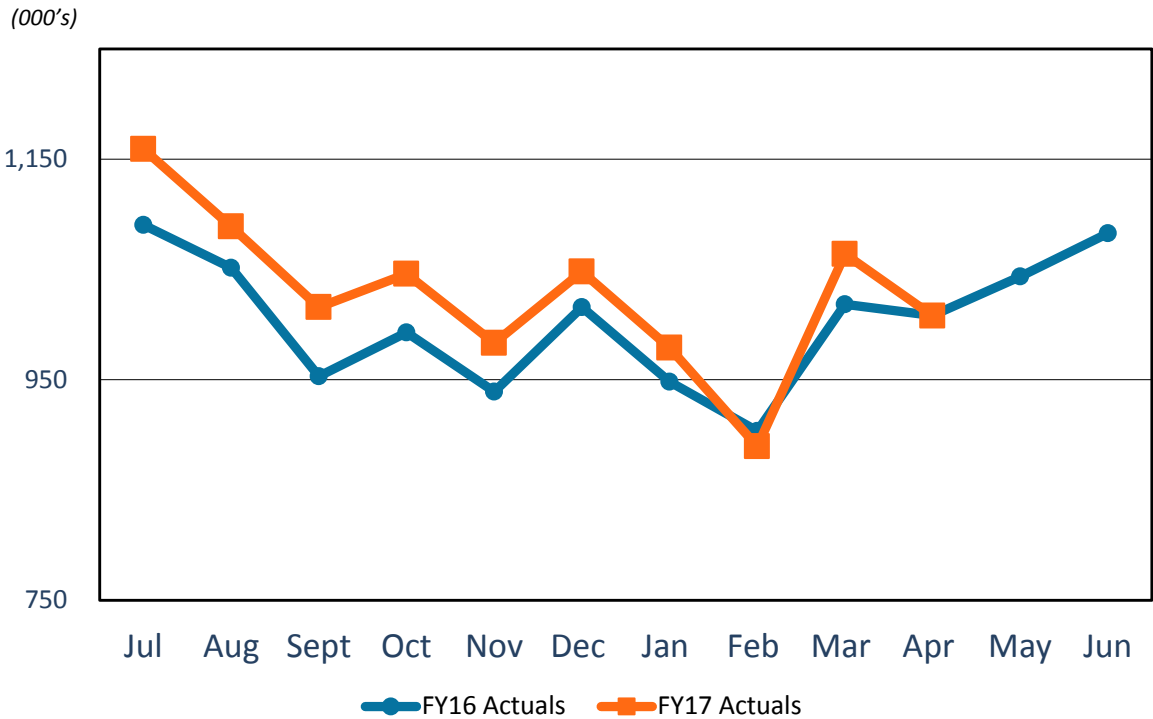


	5/5/16	5/5/17	Change
3-Mo.	0.20%	0.90%	0.70%
6-Mo.	0.39%	1.01%	0.62%
1-Yr.	0.51%	1.10%	0.59%
2-Yr.	0.72%	1.32%	0.60%
3-Yr.	0.87%	1.52%	0.65%
5-Yr.	1.20%	1.89%	0.69%
10-Yr.	1.76%	2.36%	0.60%
20-Yr.	2.17%	2.73%	0.56%
30-Yr.	2.60%	2.99%	0.39%



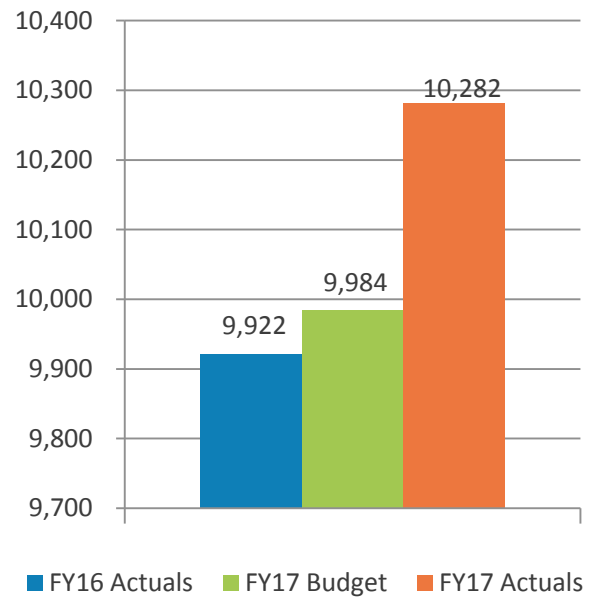
Revenue & Expenses (Unaudited) For the Month Ended April 30, 2017 and 2016

Gross Landing Weight Units (000 lbs)



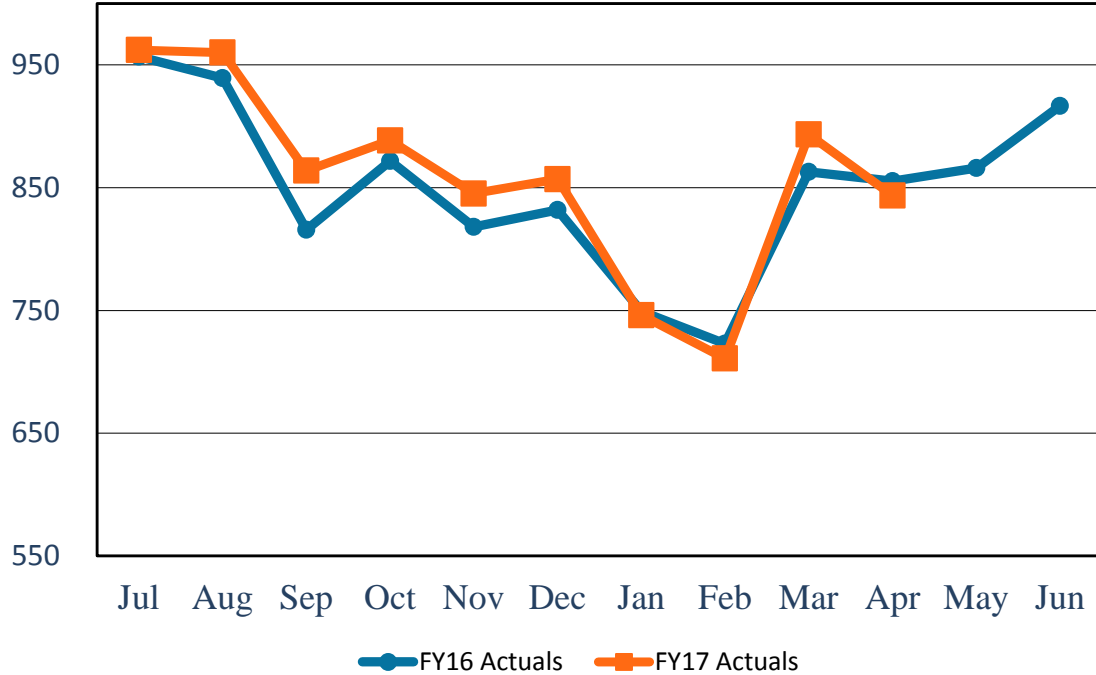
FY17 YTD Act Vs.
FY16 YTD Act
3.6%

FY17 YTD Act Vs.
FY17 YTD Budget
3.0%



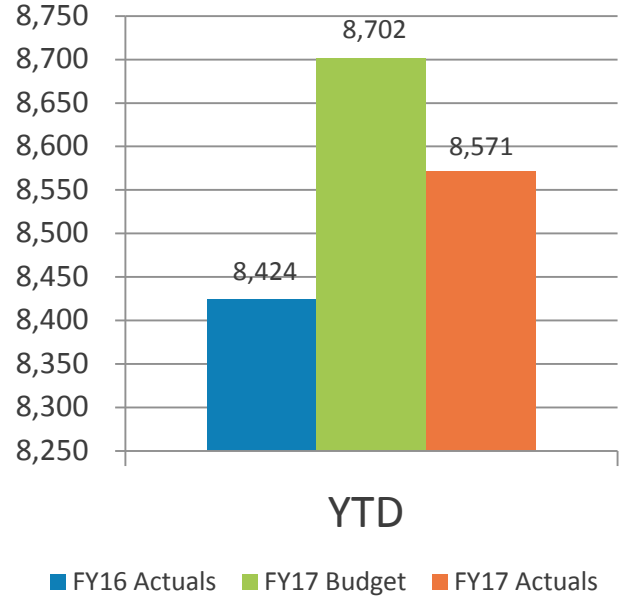
Enplanements

(000's)

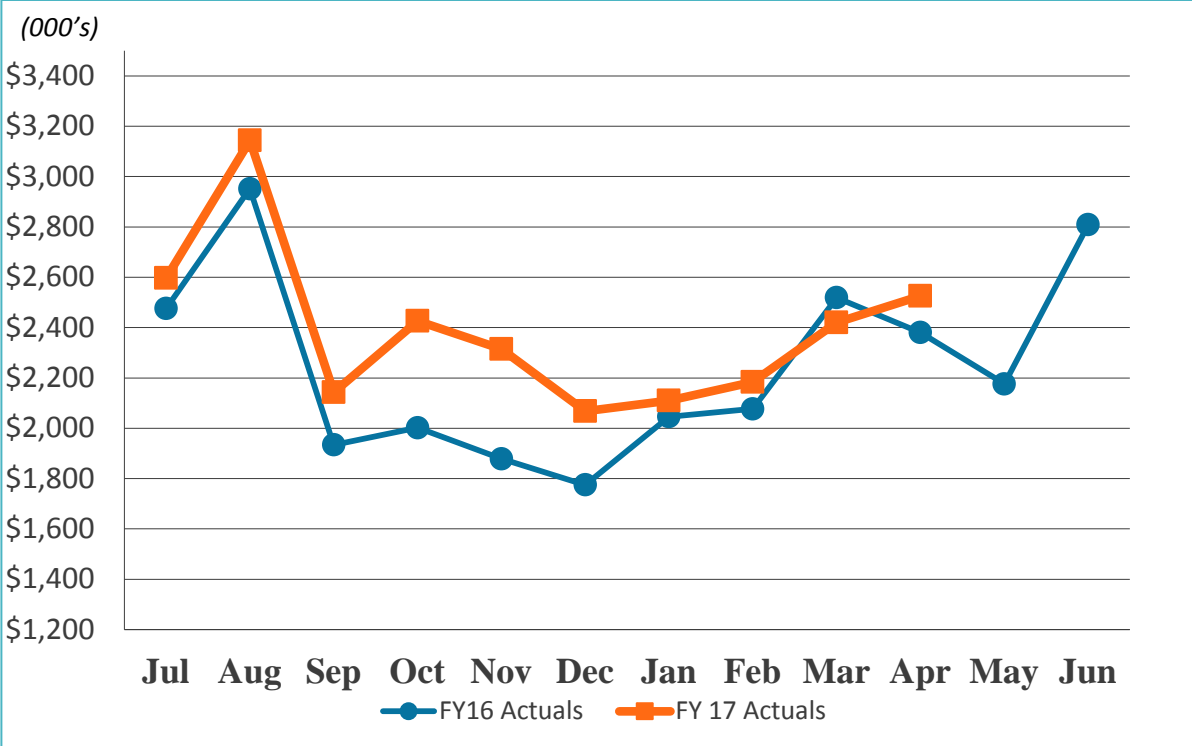


FY17 YTD Act Vs.
FY16 YTD Act
1.7%

FY17 YTD Act Vs.
FY17 YTD Budget
-1.5%

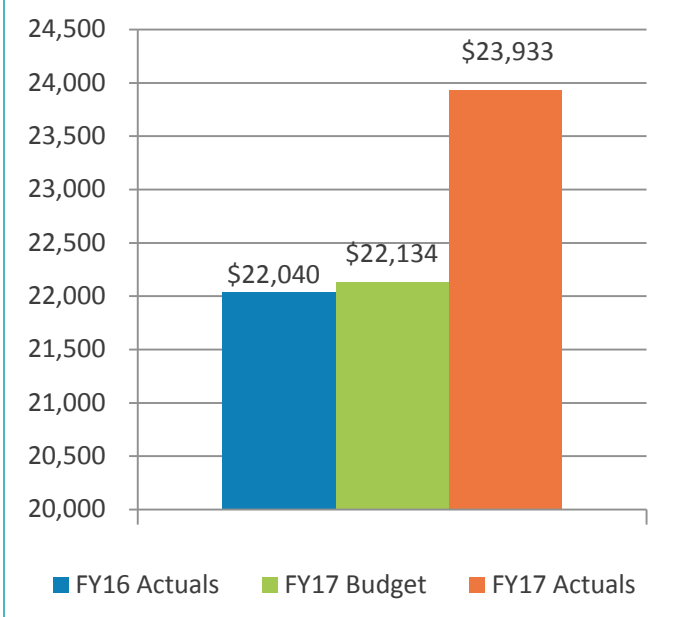


Car Rental License Fees

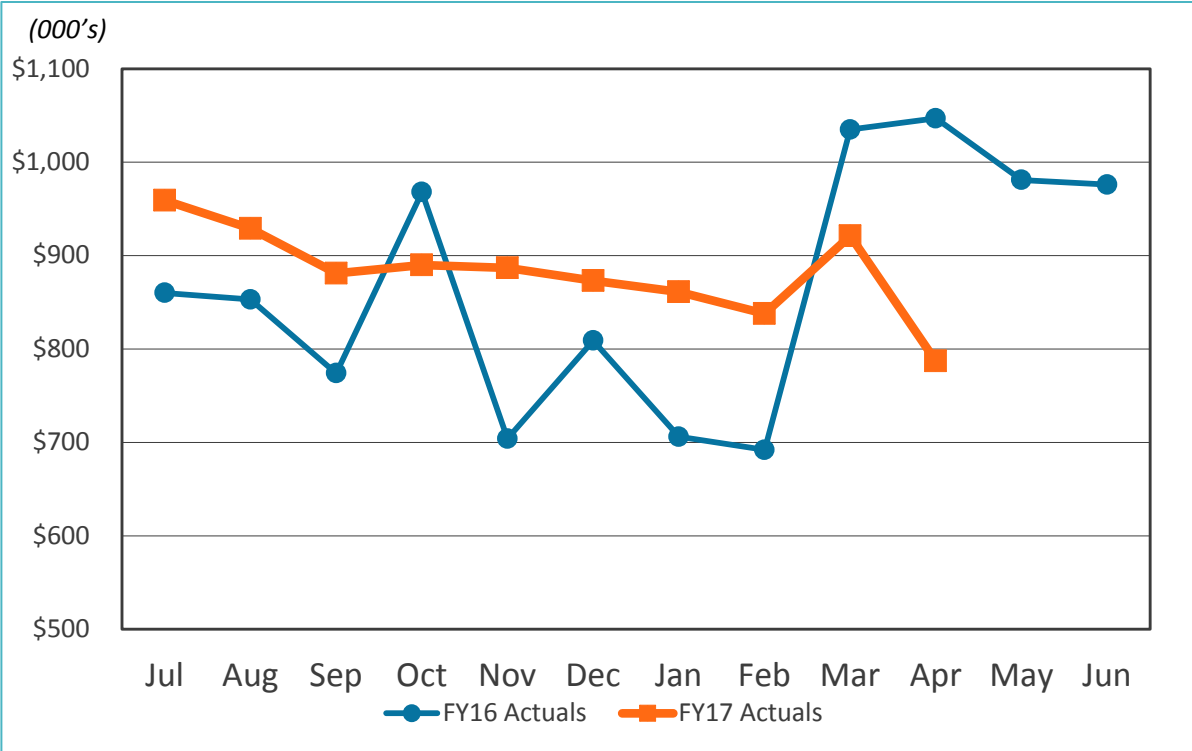


FY17 YTD Act Vs.
FY16 YTD Act
8.5%

FY17 YTD Act Vs.
FY17 YTD Budget
8.1%

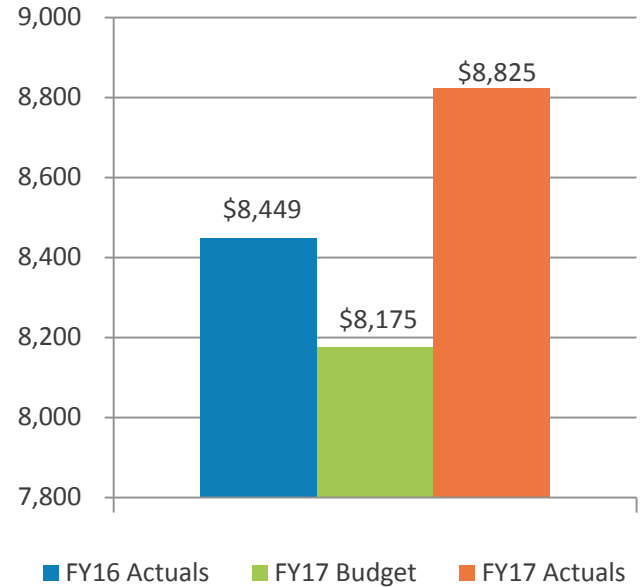


Food and Beverage Concessions Revenue

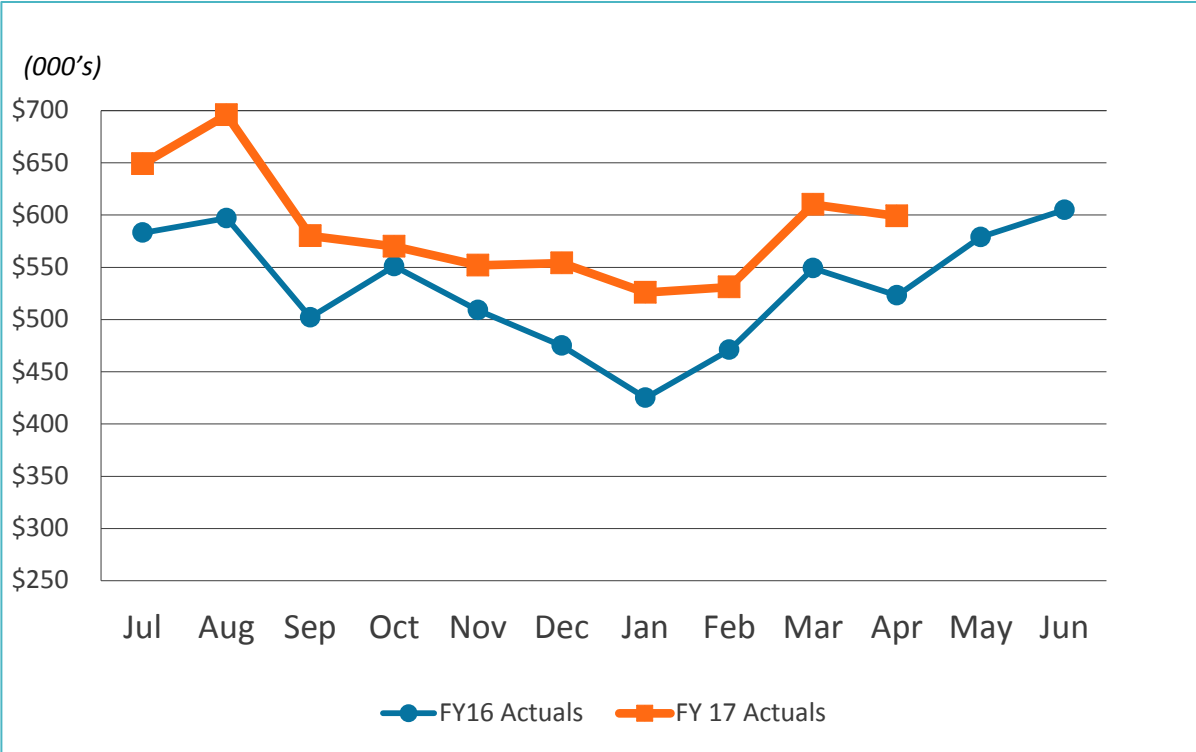


FY17 YTD Act Vs.
FY16 YTD Act
4.4%

FY17 YTD Act Vs.
FY17 YTD Budget
7.9%

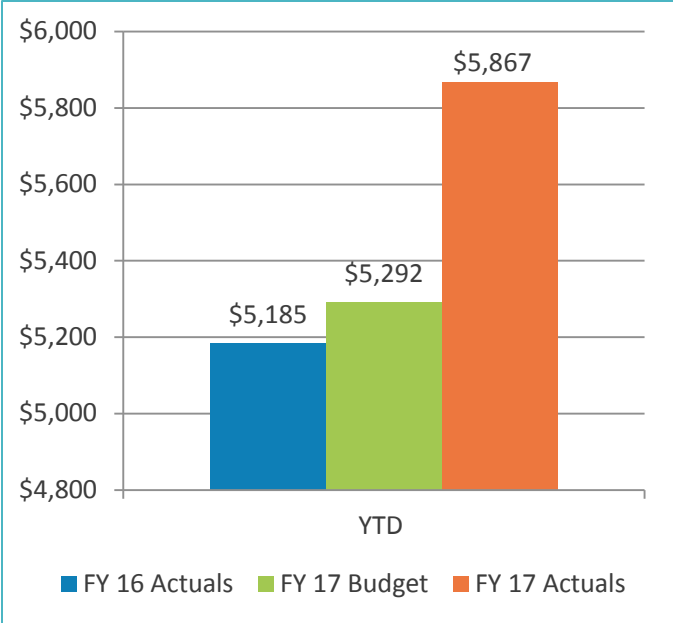


Retail Concessions Revenue

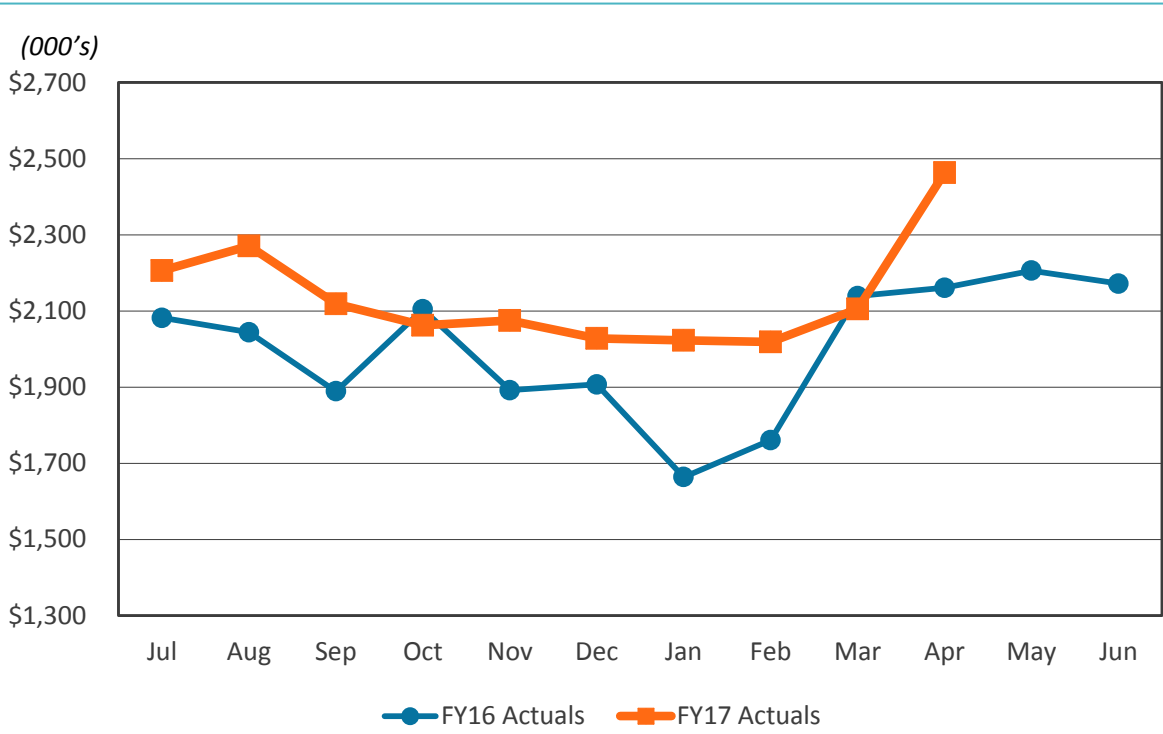


FY17 YTD Act Vs.
FY16 YTD Act
13.1%

FY17 YTD Act Vs.
FY17 YTD Budget
10.8%

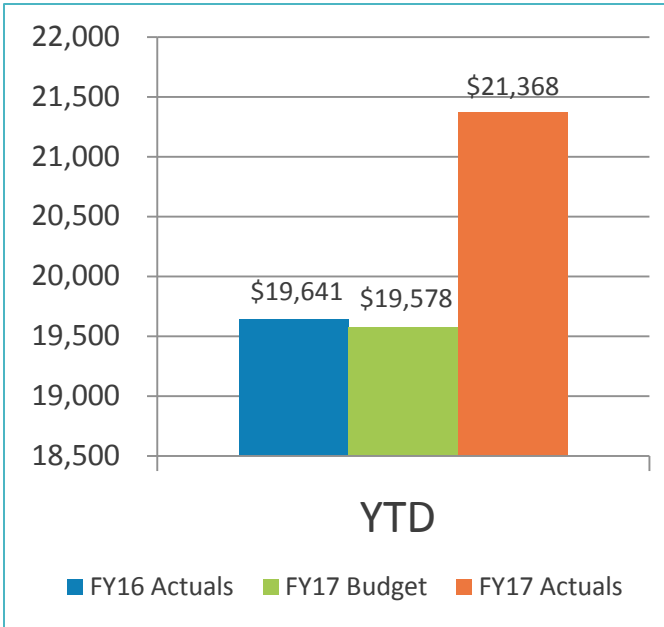


Total Terminal Concessions (Includes Cost Recovery)

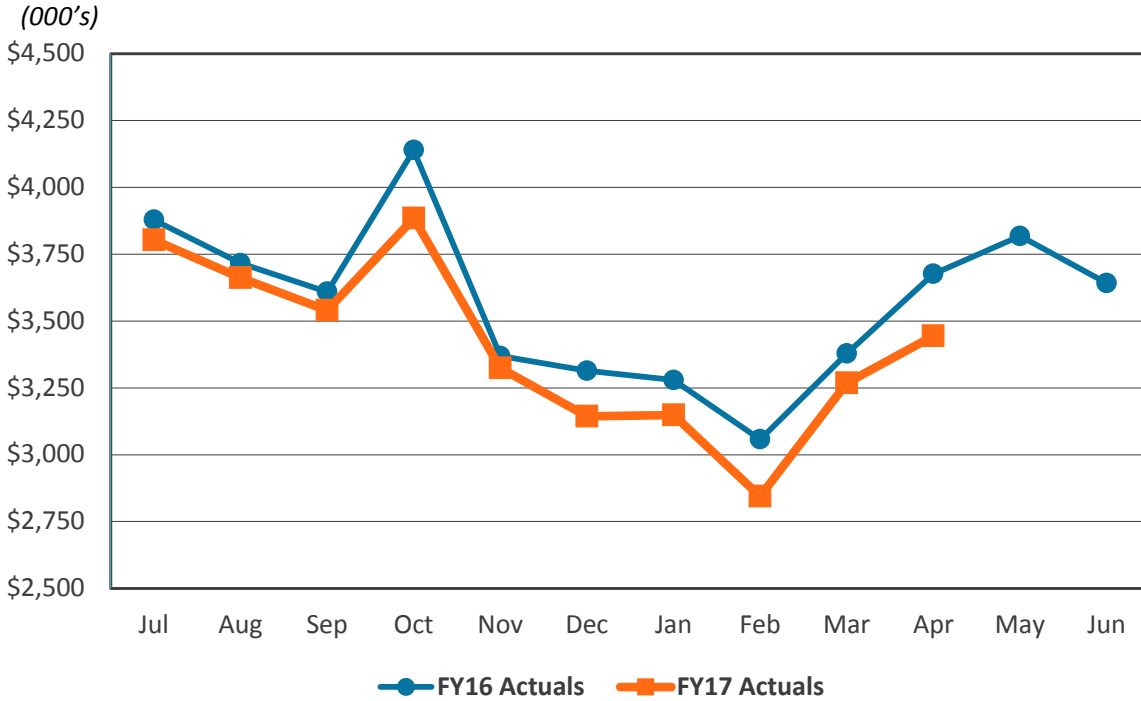


FY17 YTD Act Vs.
FY16 YTD Act
8.8%

FY17 YTD Act Vs.
FY17 YTD Budget
9.1%

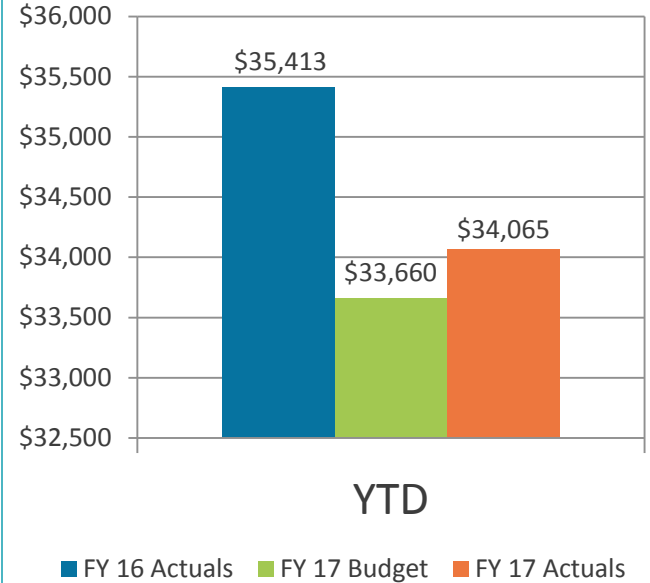


Parking Revenue



FY17 YTD Act Vs.
FY16 YTD Act
-3.9%

FY17 YTD Act Vs.
FY17 YTD Budget
1.2%



Operating Revenues

for the Month Ended April 30, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
				Change	
Aviation revenue:					
Landing fees	\$ 2,217	\$ 2,296	\$ 79	4%	\$ 2,175
Aircraft parking fees	242	242	-	-	222
Building rentals	4,577	4,613	36	1%	4,481
Security surcharge	2,488	2,487	(1)	-	2,305
CUPPS Support Charges	104	104	-	-	101
Other aviation revenue	134	134	-	-	129
Total aviation revenue	\$ 9,762	\$ 9,876	\$ 114	1%	\$ 9,413

Operating Revenues

for the Month Ended April 30, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 103	\$ 133	\$ 30	29%	\$ 110
Concession revenue:					
Terminal concession revenue:					
Food and beverage	829	787	(42)	(5)%	1,047
Retail	535	599	64	12%	523
Space storage	72	73	1	1%	71
Cost recovery	247	212	(35)	(14)%	209
Other (Primarily advertising)	308	792	484	157%	311
Total terminal concession revenue	1,991	2,463	472	24%	2,161
Car rental and license fee revenue:					
Rental car and license fees	2,398	2,526	128	5%	2,380
Rental car center cost recovery	183	188	5	3%	148
License fees-other	364	398	34	9%	372
Total rental car and license fees	2,945	3,112	167	6%	2,900
Total concession revenue	\$ 4,936	\$ 5,575	\$ 639	13%	\$ 5,061

Operating Revenues

for the Month Ended April 30, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
Parking revenue:					
Short-term parking revenue	\$ 1,717	\$ 1,964	\$ 247	14%	\$ 2,132
Long-term parking revenue	1,394	1,480	86	6%	1,544
Total parking revenue	3,111	3,444	333	11%	3,676
Ground transportation permits and citations	491	722	231	47%	409
Ground rentals	1,549	1,536	(13)	(1)%	1,551
Grant reimbursements	18	-	(18)	(100)%	24
Other operating revenue	63	176	113	179%	89
Subtotal	5,232	5,878	646	12%	5,749
Total operating revenues	\$ 20,033	\$ 21,462	\$ 1,429	7%	\$20,333

Operating Expenses

for the Month Ended April 30, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating expenses:					
Salaries and benefits ¹	\$ 3,602	\$ 5,228	\$ (1,626)	(45)%	\$ 3,146
Contractual services	3,865	3,472	393	10%	3,437
Safety and security	2,293	2,248	45	2%	2,412
Space rental	849	850	(1)	-	870
Utilities	987	495	492	50%	806
Maintenance	1,417	1,535	(118)	(8)%	1,607
Equipment and systems	13	107	(94)	(723)%	44
Materials and supplies	30	40	(10)	(33)%	41
Insurance	158	79	79	50%	82
Employee development and support	85	78	7	8%	88
Business development	272	171	101	37%	170
Equipment rental and repairs	298	316	(18)	(6)%	132
Total operating expenses	\$ 13,869	\$ 14,619	\$ (750)	(5)%	\$12,835

¹ Additional GASB 68 pension expense for fiscal year 2017 of \$1,679,106 recorded in April.

Financial Summary

for the Month Ended April 30, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
Total operating revenues	\$ 20,033	\$ 21,462	\$ 1,429	7%	\$20,333
Total operating expenses	13,869	14,619	\$ (750)	(5)%	12,835
Income from operations	6,164	6,843	679	11%	7,498
Depreciation	7,691	7,691	-	-	9,276
Operating income (loss)	\$ (1,527)	\$ (848)	\$ 679	44%	\$ (1,778)

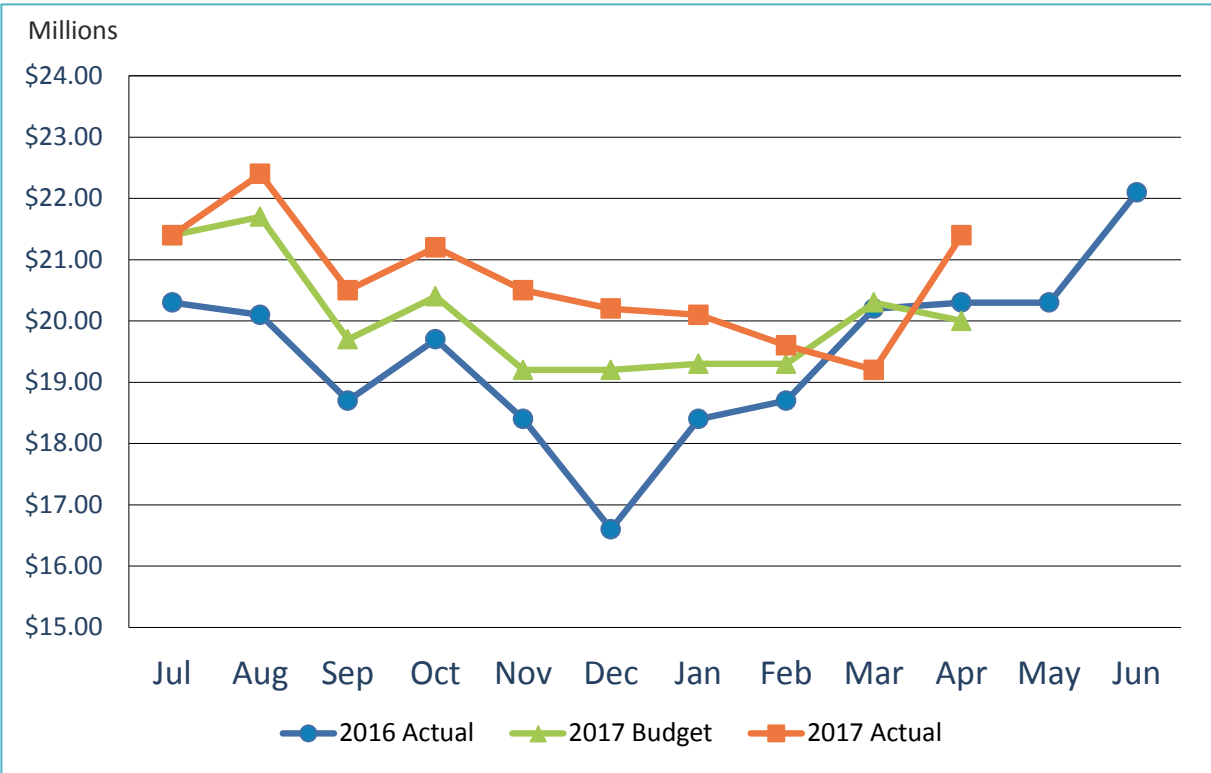
Nonoperating Revenues & Expenses for the Month Ended April 30, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 3,035	\$ 3,118	\$ 83	3%	\$ 2,926
Customer facility charges (Rental Car Center)	3,646	3,672	26	1%	2,799
Quieter Home Program, net	(322)	(200)	122	38%	(758)
Interest income	533	828	295	55%	430
BAB interest rebate	386	386	-	-	386
Interest expense & debt issuance costs	(5,624)	(5,188)	436	8%	(4,224)
Bond amortization	344	344	-	-	351
Other nonoperating revenue (expenses)	(1)	62	63	-	3,659
Nonoperating revenue, net	1,997	3,022	1,025	51%	5,569
Change in net position before grant contributions	470	2,174	1,704		3,791
Capital grant contributions	150	126	(24)	(16)%	137
Change in net position	\$ 620	\$ 2,300	\$ 1,680	271%	\$ 3,928



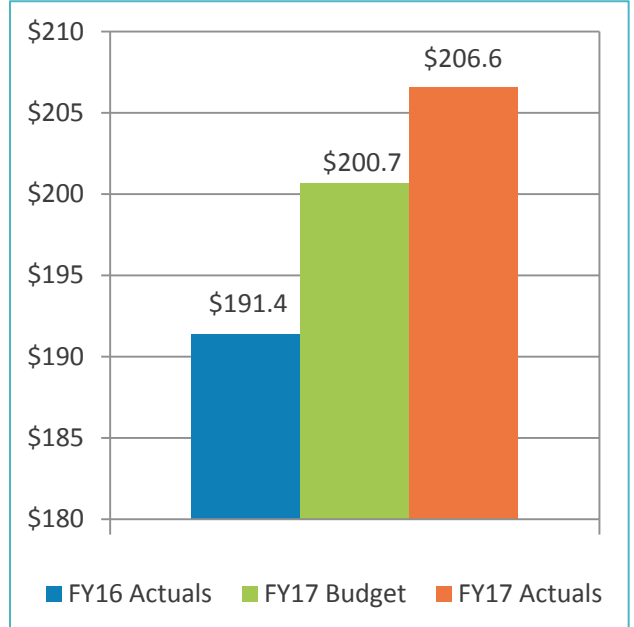
**Revenue & Expense
(Unaudited)
For the Ten Months Ended
April 30, 2017 and 2016**

Operating Revenue (Unaudited)



FY17 YTD Act Vs.
FY16 YTD Act
7.9%

FY17 YTD Act Vs.
FY17 YTD Budget
2.9%



Operating Revenues

for the Ten Months Ended April 30, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
Aviation revenue:					
Landing fees ¹	\$ 21,937	\$ 21,227	\$ (710)	(3)%	\$ 20,798
Aircraft parking fees	2,423	2,423	-	-	2,249
Building rentals	45,765	45,859	94	-	44,297
Security surcharge	24,881	24,853	(28)	-	22,264
CUPPS Support Charges	1,038	1,035	(3)	-	1,005
Other aviation revenue	1,347	1,349	2	-	1,333
Total aviation revenue	\$ 97,391	\$ 96,746	\$ (645)	(1)%	\$ 91,946

¹ Includes \$1.4 M reduction in rates, fees and charges on landing fees due to operating expense savings for first nine months, recorded March 2017.

Operating Revenues

for the Ten Months Ended April 30, 2017 (Unaudited)

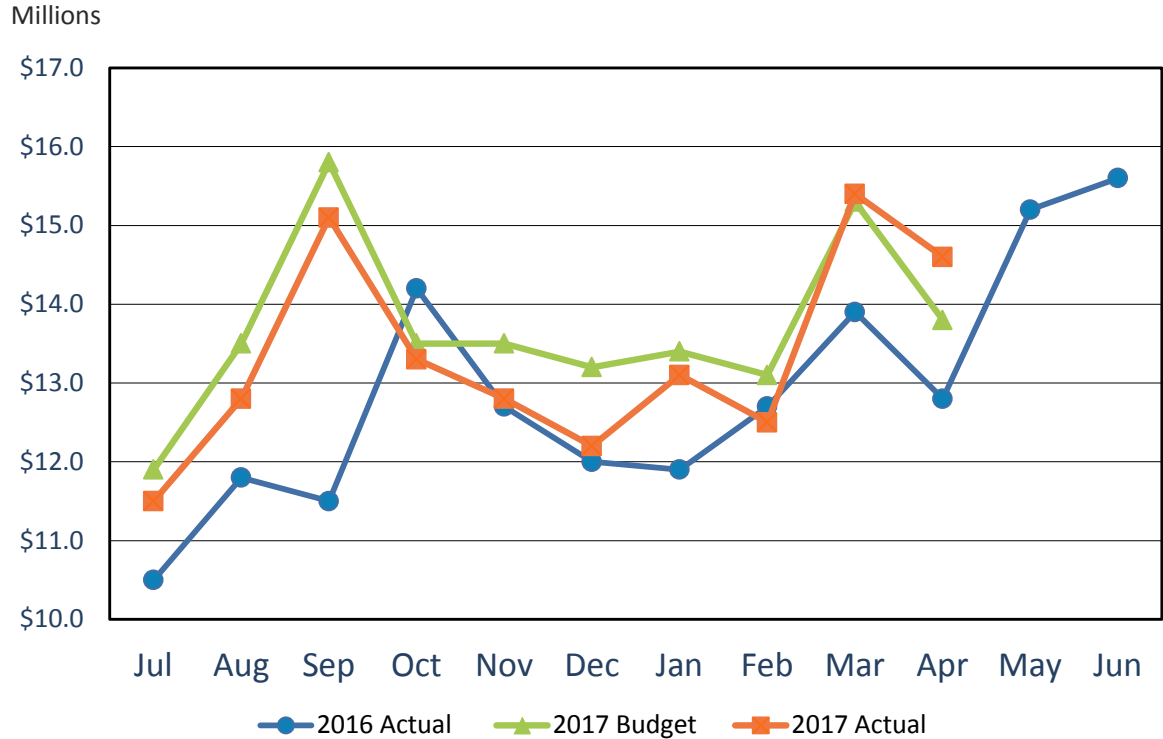
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Terminal rent non-airline	\$ 1,035	\$ 1,288	\$ 253	24%	\$ 811
Concession revenue:					
Terminal concession revenue:					
Food and beverage	8,175	8,825	650	8%	8,449
Retail	5,292	5,867	575	11%	5,185
Space storage	720	726	6	1%	713
Cost recovery	2,371	2,107	(264)	(11)%	2,097
Other (Primarily advertising)	3,020	3,843	823	27%	3,197
Total terminal concession revenue	19,578	21,368	1,790	9%	19,641
Car rental and license fee revenue:					
Rental car license fees	22,134	23,933	1,799	8%	22,040
Rental car center cost recovery	1,829	1,842	13	1%	495
License fees-other	3,609	3,969	360	10%	3,645
Total rental car and license fees	27,572	29,744	2,172	8%	26,180
Total concession revenue	\$ 47,150	\$ 51,112	\$ 3,962	8%	\$ 45,821

Operating Revenues

for the Ten Months Ended April, 2017 (Unaudited)

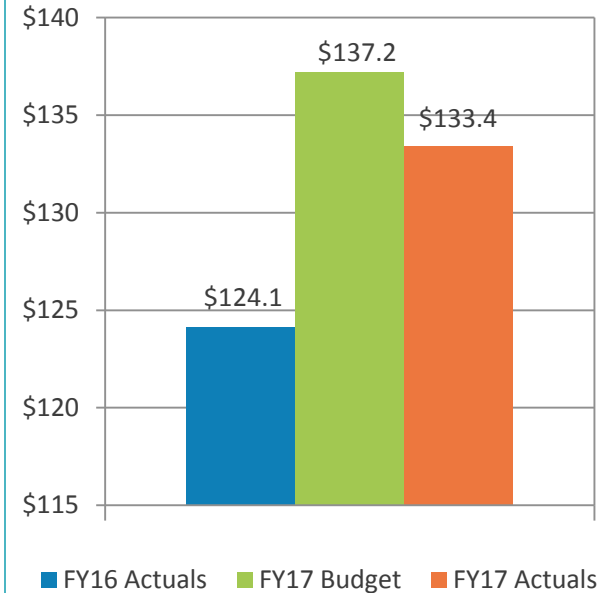
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
Parking revenue:					
Short-term parking revenue	\$ 19,777	\$ 19,359	\$ (418)	(2)%	\$ 21,939
Long-term parking revenue	13,883	14,706	823	6%	13,474
Total parking revenue	33,660	34,065	405	1%	35,413
Ground transportation permits and citations	5,191	6,618	1,427	27%	4,346
Ground rentals	15,486	15,401	(85)	(1)%	12,123
Grant reimbursements	183	147	(36)	(20)%	244
Other operating revenue	627	1,311	684	109%	706
Subtotal	55,147	57,542	2,395	4%	52,832
Total operating revenues	\$ 200,723	\$ 206,688	\$ 5,965	3%	\$191,410

Operating Expenses (Unaudited)



FY17 YTD Act Vs.
FY16 YTD Act
-7.5%

FY17 YTD Act Vs.
FY17 YTD Budget
2.8%



Operating Expenses

for the Ten Months Ended April 30, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
				Change	
Operating expenses:					
Salaries and benefits ²	\$ 37,627	\$ 38,040	\$ (413)	(1)%	\$ 35,244
Contractual services	37,129	36,134	995	3%	30,609
Safety and security	23,892	23,004	888	4%	21,974
Space rental	8,493	8,492	1	-	8,631
Utilities	10,729	8,721	2,008	19%	9,447
Maintenance	11,699	11,870	(171)	(1)%	11,172
Equipment and systems	279	414	(135)	(48)%	419
Materials and supplies	363	480	(117)	(32)%	401
Insurance	858	799	59	7%	792
Employee development and support	1,115	1,058	57	5%	971
Business development	2,056	1,816	240	12%	1,867
Equipment rental and repairs	3,054	2,620	433	14%	2,598
Total operating expenses	\$ 137,293	\$ 133,448	\$ 3,845	3%	\$124,125

² For the fiscal year 2017, total pension expense will be \$7,451,396, compared to \$4,048,248 in fiscal year 2016.

Financial Summary

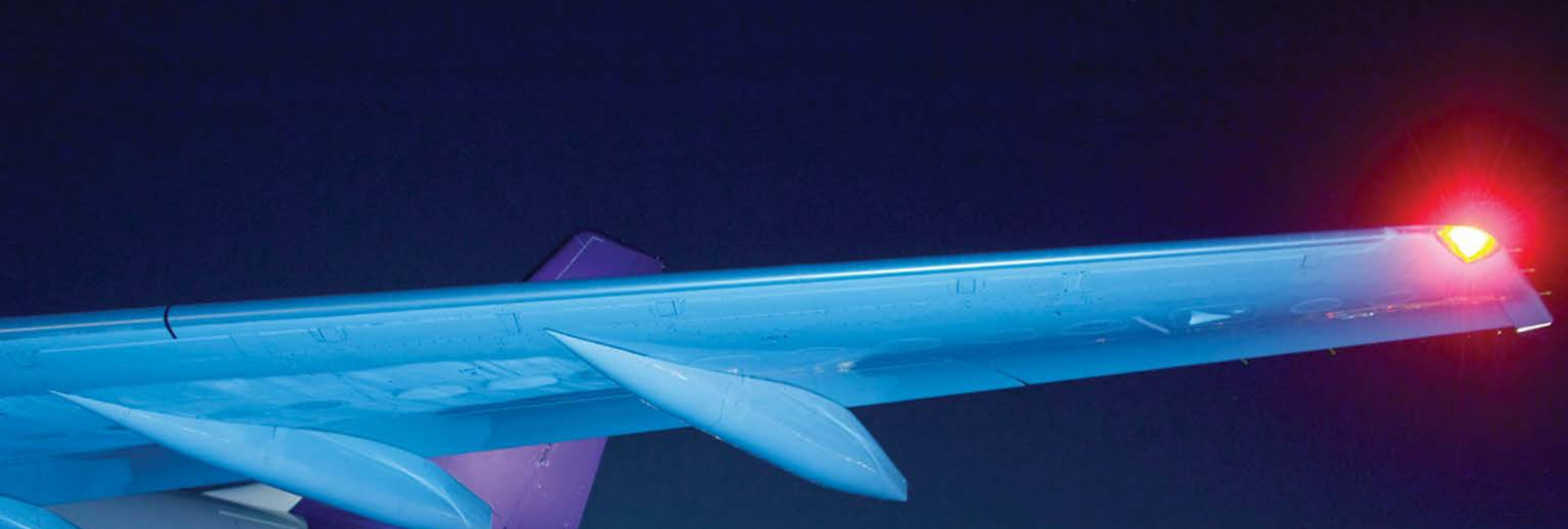
for the Ten Months Ended April 30, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 200,723	\$ 206,688	\$ 5,965	3%	\$191,410
Total operating expenses	137,293	133,448	3,845	3%	124,125
Income from operations	63,430	73,240	9,810	15%	67,285
Depreciation	76,475	76,475	-	-	70,822
Operating income (loss)	\$ (13,045)	\$ (3,235)	\$ 9,810	75%	\$ (3,537)

Nonoperating Revenues & Expenses

for the Ten Months Ended April 30, 2017 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Nonoperating revenues (expenses):					
Passenger facility charges	\$ 33,958	\$ 33,717	\$ (241)	(1)%	\$ 32,845
Customer facility charges (Rental Car Center)	30,442	29,720	(722)	(2)%	27,672
Quieter Home Program, net	(2,517)	(805)	1,712	68%	(3,557)
Interest income	5,472	6,600	1,128	21%	4,888
BAB interest rebate	3,859	3,869	-	-	3,872
Interest expense & debt issuance costs	(55,812)	(51,250)	4,562	8%	(48,368)
Bond amortization	3,467	3,467	-	-	3,542
Other nonoperating revenue (expenses)	(8)	(2,048)	(2,039)	-	5,005
Nonoperating revenue, net	18,861	23,270	4,409	23%	25,899
Change in Net Position before grant contribution	5,816	20,035	14,219	244%	22,362
Capital grant contributions	1,051	1,662	611	58%	10,435
Change in Net Position	\$ 6,867	\$ 21,697	\$ 14,830	216%	\$ 32,797



Statements of Net Position (Unaudited)
April 30, 2017 and 2016

Statements of Net Position (Unaudited)

As of April 30, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and investments	\$ 81,412	\$ 74,079
Tenant lease receivable, net of allowance of 2017: (\$218,877) and 2016: (\$224,404)	8,616	5,538
Grants receivable	3,181	6,276
Notes receivable-current portion	1,705	1,609
Prepaid expenses and other current assets	6,968	7,359
Total current assets	<u>101,882</u>	<u>94,861</u>
 Cash designated for capital projects and other	 <u>\$ 41,913</u>	 <u>\$ 36,925</u>

Statements of Net Position (Unaudited)

As of April 30, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
Restricted assets:		
Cash and investments:		
Bonds reserve	\$ 57,872	\$ 56,868
Passenger facility charges and interest unapplied	66,644	67,702
Customer facility charges and interest applied	34,244	36,557
SBD bond guarantee	4,000	4,000
Bond proceeds held by trustee	149,596	183,201
Variable rate debt interest held by Trustee	2,392	-
Passenger facility charges receivable	5,420	4,185
Customer facility charges receivable	4,130	5,632
OCIP insurance reserve	2,698	3,609
Total restricted assets	\$ 326,996	\$ 361,754

Statements of Net Position (Unaudited)

As of April 30, 2017 and 2016

(In Thousands)

Noncurrent assets:

Capital assets:

Land and land improvements

Runways, roads and parking lots

Buildings and structures

Machinery and equipment

Vehicles

Office furniture and equipment

Works of art

Construction-in-progress

Less: accumulated depreciation

Total capital assets, net

	<u>2017</u>	<u>2016</u>
	\$ 110,139	\$ 109,265
	592,049	589,529
	1,415,136	1,397,878
	48,950	45,367
	15,530	14,588
	33,357	32,395
	10,066	9,535
	210,037	147,580
	<u>2,435,264</u>	<u>2,346,137</u>
	(888,934)	(802,402)
	<u>\$ 1,546,330</u>	<u>\$ 1,543,735</u>

Statements of Net Position (Unaudited)

As of April 30, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
Other assets:		
Notes receivable - long-term portion	\$ 33,628	\$ 35,415
Investments - long-term portion	178,175	131,644
Security deposit	350	323
Total other assets	<u>212,153</u>	<u>167,382</u>
Deferred outflows of resources:		
Deferred pension contributions	5,677	5,697
Other deferred pension outflows	15,048	288
Total assets and deferred outflows of resources	<u>\$ 2,249,999</u>	<u>\$ 2,210,642</u>

Statements of Net Position (Unaudited)

As of April 30, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
Current liabilities:		
Accounts payable and accrued liabilities	\$ 43,974	\$ 48,935
Deposits and other current liabilities	8,893	8,226
Total current liabilities	<u>52,867</u>	<u>57,161</u>
Current liabilities payable from restricted assets:		
Current portion of long-term debt	11,585	11,090
Accrued interest on bonds and variable debt	21,802	21,969
Total liabilities payable from restricted assets	<u>\$ 33,387</u>	<u>\$ 33,059</u>

Statements of Net Position (Unaudited)

As of April 30, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
Long-term liabilities:		
Variable debt	\$ 59,131	\$ 38,705
Other long-term liabilities	8,615	10,230
Long-term debt - bonds net of amortized premium	1,276,704	1,292,457
Net Pension Liability	18,111	1,681
Total long-term liabilities	<u>1,362,561</u>	<u>1,343,073</u>
Total liabilities	<u>1,448,815</u>	<u>1,433,293</u>
Deferred inflows of resources		
Deferred pension inflows	1,815	1,807
Total liabilities and deferred inflows of resources	<u><u>\$ 1,450,630</u></u>	<u><u>\$ 1,435,100</u></u>

Statements of Net Position (Unaudited)

As of April 30, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
Net Position:		
Invested in capital assets, net of related debt	\$ 340,959	\$ 376,867
Other restricted	174,716	178,008
Unrestricted:		
Designated	41,913	36,925
Undesignated	<u>241,781</u>	<u>183,742</u>
 Total net position	 <u>\$ 799,369</u>	 <u>\$ 775,542</u>



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

Governmental Accounting Standards Board, GASB 68 Accounting and Financial Reporting for Pensions

a replacement of GASB
Statement No. 27

Supplemental presentation to the
Review of the Unaudited Financial
Statements for the Ten Months Ended
April 30, 2017 and 2016

May 22, 2017

GASB 68 Highlights

- Highlights of GASB 68 Changes:
 - Separates Funding from Accounting Expense
 - Statement of Net Position, will reflect the funded status of the pension plan
 - On a market value basis
 - Using a required actuarial cost method, the Entry Age Normal Cost Method
 - The discount rate may be different than the funding discount rate
 - Additional financial statement notes and supplementary information are required

Funding vs. Accounting and Financial Reporting

Accounting and financial reporting are different from actuarial funding:

➤ Funding

- Annual Required Contribution (ARC) is eliminated
- New “Actuarially Determined Contribution”
 - Based on the annual actuarial valuation report

➤ Accounting and Financial Reporting

- Report one year in arrears, report for fiscal year 2017, measurement date fiscal year 2016
- Deferred pension contribution is primarily the current fiscal year’s actuarially determined contribution
- Pension Expense replaces Annual Pension Cost
- Net Pension Liability, (NPL), added to statement of net position
- Additional Disclosures required in Supplementary Information

Net Pension Liability (NPL)

Net Pension Liability (NPL) is added to the statement of net position

- Plan assets are based on fair market value, not actuarial value
- Plan liabilities are based on the present value of projected benefit payments
- Formula for NPL is Liabilities minus Assets
- NPL can be volatile from year to year with changing market value of assets

Pension Expense

- Pension Expense is recognized during each fiscal year and reflects recognized changes in the Net Pension Liability (NPL)
- Pension Expense is **not** an annual contribution or funding amount
 - Pension Expense includes a change in the NPL from one year over another
 - Deferred inflows and outflows will also change Pension Expense
- Examples of deferred inflows and outflows are:
 - Amortized changes in liability gains or losses
 - Assumption changes, such as mortality assumptions

GASB 68

Summary of key results to be recorded FY 2017

	<u>Measurement Date</u>		<u>Change</u>
	<u>6/30/2016</u>	<u>6/30/2015</u>	
Deferred Outflows	\$ (15,047,685)	\$ (288,051)	\$ (14,759,634)
Deferred Inflows	1,815,439	1,807,422	8,017
Net Pension Liability	18,111,482	1,680,759	<u>16,430,723</u>
Net Impact on Statement of Net Position			1,679,106
Employer Contribution Expense			<u>5,772,290</u>
Pension Expense			<u>\$ 7,451,396</u>

Statements of Net Position (Unaudited)

As of April 30, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
Other assets:		
Notes receivable - long-term portion	\$ 33,628	\$ 35,415
Investments - long-term portion	178,175	131,644
Security deposit	350	323
Total other assets	<u>212,153</u>	<u>167,382</u>
Deferred outflows of resources:		
Deferred pension contributions	5,677	5,697
Other deferred pension outflows	15,048	288
Total assets and deferred outflows of resources	<u>\$ 2,249,999</u>	<u>\$ 2,210,642</u>

Statements of Net Position (Unaudited)

As of April 30, 2017 and 2016

(In Thousands)

	<u>2017</u>	<u>2016</u>
Long-term liabilities:		
Variable debt	\$ 59,131	\$ 38,705
Other long-term liabilities	8,615	10,230
Long-term debt - bonds net of amortized premium	1,276,704	1,292,457
Net Pension Liability	18,111	1,681
Total long-term liabilities	<u>1,362,561</u>	<u>1,343,073</u>
Total liabilities	<u>1,448,815</u>	<u>1,433,293</u>
Deferred inflows of resources		
Deferred pension inflows	1,815	1,807
Total liabilities and deferred inflows of resources	<u><u>\$ 1,450,630</u></u>	<u><u>\$ 1,435,100</u></u>



Questions?



San Diego County Regional Airport Authority

Review of the Authority's Investment Report As of April 30, 2017

Presented by: Geoff Bryant
Manager, Airport Finance

May 22, 2017

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.



Scott Brickner, C.P.A.
V.P. Finance & Asset Management / Treasurer
San Diego County Regional Airport Authority

Total Portfolio Summary

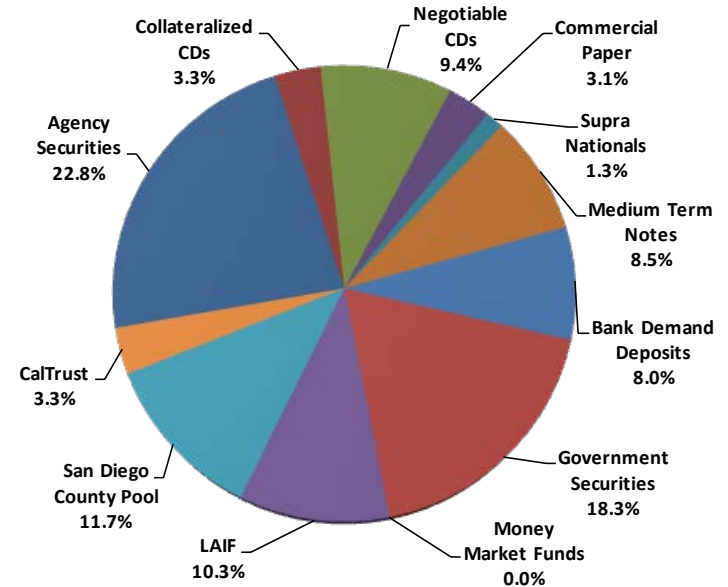
	Current Period	Prior Period	Change From
	April 30, 2017	March 31, 2017	Prior
Book Value (1)	\$467,024,000	\$465,371,000	\$1,653,000
Market Value (1)	\$466,147,000	\$464,462,000	\$1,685,000
Market Value%	99.81%	99.80%	0.01%
Unrealized Gain / (Loss)	(\$877,000)	(\$909,000)	\$32,000
Weighted Average Maturity (Days)	394 days	396 days	(2)
Weighted Average Yield as of Period End	1.12%	1.09%	0.03%
Cash Interest Received- Current Month	\$435,000	\$344,000	\$91,000
Cash Interest Received- Year-to-Date	\$3,718,000	\$3,283,000	\$435,000
Accrued Interest	\$1,057,000	\$1,006,000	\$51,000

Notes:

(1) Increase in portfolio value is primarily due to operating receipts exceeding operating expenditures.

Portfolio Composition by Security Type

	April 30, 2017		March 31, 2017		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 106,459,000	22.8%	\$ 104,421,000	22.5%	100%
Collateralized CDs	15,396,000	3.3%	15,387,000	3.3%	30%
Negotiable CDs	43,618,000	9.4%	43,606,000	9.4%	30%
Commercial Paper	14,465,000	3.1%	14,476,000	3.1%	25%
Supra Nationals	5,992,000	1.3%	2,970,000	0.6%	30%
Medium Term Notes	39,570,000	8.5%	39,559,000	8.5%	15%
Bank Demand Deposits	37,401,000	8.0%	40,686,000	8.8%	100%
Government Securities	85,345,000	18.3%	85,328,000	18.4%	100%
Money Market Funds	14,000	0.0%	352,000	0.1%	20%
LAIF	48,058,000	10.3%	48,020,000	10.3%	\$65 million ⁽¹⁾
San Diego County Pool	54,559,000	11.7%	54,400,000	11.7%	\$65 million ⁽²⁾
CalTrust	15,270,000	3.3%	15,257,000	3.3%	\$65 million ⁽³⁾
Total:	\$ 466,147,000	100.0%	\$ 464,462,000	100.0%	

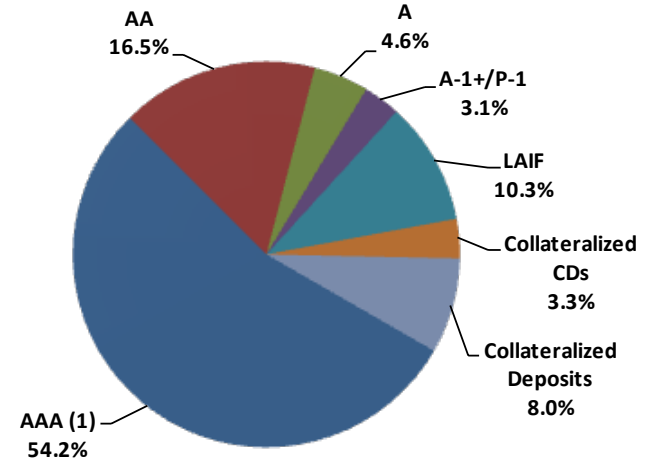


Notes:

- 1.) The \$65 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

	April 30, 2017		March 31, 2017	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA ⁽¹⁾	\$ 252,369,000	54.2%	\$ 247,472,000	53.3%
AA	76,860,000	16.5%	72,825,000	15.7%
A	21,598,000	4.6%	25,596,000	5.5%
A-1+/P-1	14,465,000	3.1%	14,476,000	3.1%
LAIF	48,058,000	10.3%	48,020,000	10.3%
Collateralized CDs	15,396,000	3.3%	15,387,000	3.3%
Collateralized Deposits	37,401,000	8.0%	40,686,000	8.8%
Total:	\$ 466,147,000	100.0%	\$ 464,462,000	100.0%

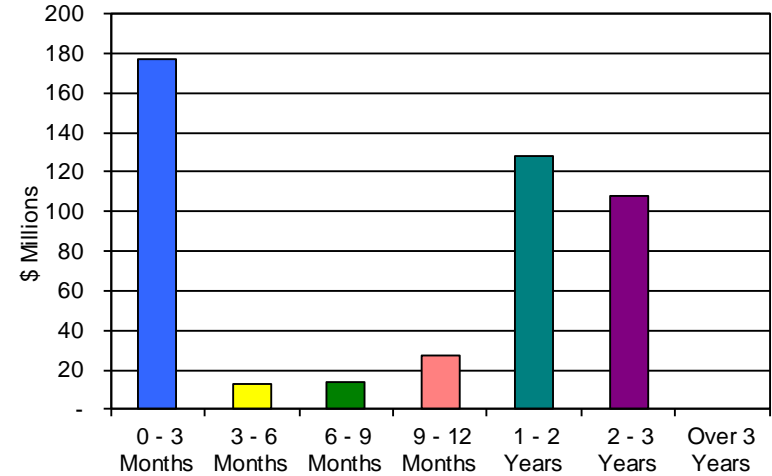


Notes:

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

Portfolio Composition by Maturity ⁽¹⁾

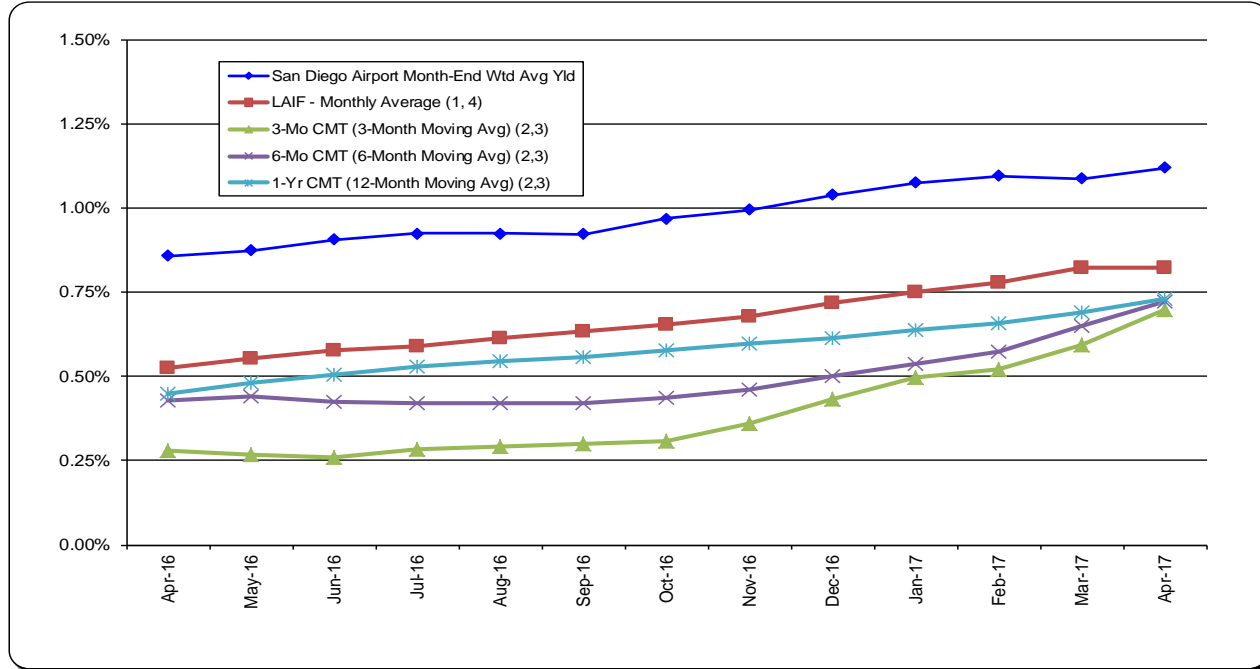
	April 30, 2017		March 31, 2017	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	\$ 176,645,000	37.8%	\$ 172,205,000	37.1%
3 - 6 Months	12,522,000	2.7%	19,338,000	4.2%
6 - 9 Months	13,500,000	2.9%	18,539,000	4.0%
9 - 12 Months	27,433,000	5.9%	22,464,000	4.8%
1 - 2 Years	128,475,000	27.6%	115,588,000	24.9%
2 - 3 Years	107,572,000	23.1%	116,328,000	25.0%
Over 3 Years	-	0.0%	-	0.0%
Total:	\$ 466,147,000	100.0%	\$ 464,462,000	100.0%



Notes:

1.) The 0-3 Quarter category includes investments held in the LAIF, CalTrust, 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.
- 4.) April actual yield for LAIF not available at time report was published.

Detail of Security Holdings As of April 30, 2017

CUSIP	Settlement Date	Security Type	Security Description	Coupon	Maturity Date	Next Call Date	Call Type	Par Value	Purchase Price	Purchase Cost	Book Value	Market Price	Market Value	Days to Maturity	Days to Next Call	Yield to Maturity	Yield to Worst
3135G0E58	10/16/15	AGCY CALL	FNMA	1.125	10/19/18	10/19/18		5,000,000	100.550	5,034,531	5,027,500	99.81	4,990,650	537	537	0.939	0.939
3130A8PK3	08/15/16	AGCY CALL	FHLB	0.625	08/07/18	08/07/18		4,000,000	99.624	3,986,236	3,985,680	99.17	3,966,720	464	464	0.808	0.808
3135G0J61	06/24/16	AGCY CALL	FNMA	0.875	03/28/18	03/28/18		4,450,000	100.099	4,463,707	4,454,406	99.76	4,439,498	332	332	0.818	0.818
3130A8Y72	10/21/16	AGCY CALL	FHLB	0.875	08/05/19	08/05/19		12,000,000	99.568	11,970,618	11,948,160	98.81	11,857,440	827	827	1.032	1.032
3130A9EP2	10/07/16	AGCY CALL	FHLB	1.000	09/26/19	09/26/19		10,000,000	99.727	9,975,756	9,972,700	98.98	9,897,800	879	879	1.094	1.094
3130A8DB6	06/29/16	AGCY CALL	FNMA	1.125	06/21/19	06/21/19		10,400,000	100.857	10,501,984	10,497,978	99.47	10,344,776	782	782	0.833	0.833
3135G0H63	02/03/16	AGCY CALL	FNMA	1.375	01/28/19	01/28/19		6,000,000	100.842	6,051,666	6,050,520	100.09	6,005,160	638	638	1.088	1.088
3135G0J53	05/16/16	AGCY CALL	FNMA	1.000	02/26/19	02/26/19		5,000,000	100.116	5,016,911	5,005,800	99.37	4,968,500	667	667	0.957	0.957
3137EADZ9	04/20/16	AGCY CALL	FHLB	1.125	04/15/19	04/15/19		8,000,000	100.319	8,024,545	8,020,420	99.61	7,968,800	715	715	1.016	1.016
3130AAE46	12/08/16	AGCY CALL	FHLB	1.250	01/16/19	01/16/19		2,950,000	99.996	2,949,882	2,949,882	99.89	2,946,755	626	626	1.252	1.252
3137EADK2	07/08/16	AGCY CALL	FHLMC	1.250	08/01/19	08/01/19		5,000,000	101.285	5,091,507	5,064,250	99.67	4,983,300	823	823	0.824	0.824
3135G0P49	09/06/16	AGCY CALL	FNMA	1.000	08/28/19	08/28/19		13,500,000	99.836	13,479,360	13,477,860	98.99	13,363,785	850	850	1.056	1.056
3135G0T29	02/28/17	AGCY CALL	FNMA	1.500	02/28/20	02/28/20		13,050,000	99.936	13,046,128	13,003,050	99.77	13,020,010	1034	1034	1.529	1.529
3135G0N33	08/02/16	AGCY CALL	FNMA	0.875	08/02/19	08/02/19		7,800,000	99.832	7,786,896	7,786,896	98.79	7,705,386	824	824	0.932	0.932
Agency Total								107,150,000		107,379,727	107,245,102		106,458,580	775		1.047	1.047
CD-3328	07/02/16	CD-SHORT	East West Bk CD	0.700	07/07/17			10,354,166	100.000	10,354,166	10,354,166	100.00	10,354,166	68		0.700	0.700
CD-0325	10/21/16	CD-SHORT	East West Bk CD	0.500	10/24/17			5,041,565	100.000	5,041,565	5,041,565	100.00	5,041,565	177		0.700	0.700
Collateralized CDs Total								15,395,731		15,395,731	15,395,731		15,395,731	104		0.700	0.700

Detail of Security Holdings As of April 30, 2017

CUSIP	Settlement Date	Security Type	Security Description	Coupon	Maturity Date	Next Call Date	Call Type	Par Value	Purchase Price	Purchase Cost	Book Value	Market Price	Market Value	Days to Maturity	Days to Next Call	Yield to Maturity	Yield to Worst
90333VPF1	09/11/14	CD-NEG	US BK NA CINCIN C/D	1.375	09/11/17			4,000,000	100.000	4,000,000	3,993,560	100.10	4,004,000	134		1.430	1.430
90333VRP7	03/09/16	CD-NEG	US Bank CD	1.060	03/09/18			4,000,000	100.000	4,000,000	4,000,000	100.00	4,000,000	313		1.060	1.060
83050FBG5	11/17/15	CD-NEG	SKANDINAV ENSKD CD	1.480	11/16/17			4,500,000	100.000	4,500,000	4,500,000	100.00	4,500,000	200		1.480	1.480
06427KRC3	02/09/17	CD-NEG	BK OF MONTREAL YC/D	1.880	02/07/19			5,000,000	100.000	5,000,000	5,000,000	100.77	5,038,350	648		1.880	1.880
65558LWA6	12/05/16	CD-NEG	NORDEA BK FINL YC/D	1.760	11/30/18			4,000,000	100.000	4,000,000	4,000,000	100.61	4,024,480	579		1.760	1.760
13606A5Z7	12/05/16	CD-NEG	CANADIAN IMP BK YC/D	1.760	11/30/18			5,000,000	99.922	4,996,100	4,996,100	100.61	5,030,600	579		1.800	1.800
40428AR41	11/18/15	CD-NEG	HSBC BK C/D	0.954	11/17/17			4,000,000	100.000	4,000,000	4,000,000	100.00	4,000,000	201		0.954	0.954
89113E5E2	03/16/16	CD-NEG	Toronto Dominion CD	1.720	03/14/18			5,000,000	100.000	5,012,250	5,000,000	100.25	5,012,250	318		1.720	1.720
06417GUE6	04/06/17	CD-NEG	BK NOVA SCOTIA YC/D	1.910	04/05/19			4,000,000	100.000	4,000,000	4,000,000	100.04	4,001,520	705		1.910	1.910
78009NZZ2	03/15/16	CD-NEG	ROYAL BK CDA Y C/D	1.700	03/09/18			4,000,000	100.000	4,006,640	4,000,000	100.17	4,006,640	313		1.700	1.700
Negotiable CDs Total								43,500,000		43,514,990	43,489,660		43,617,840	405		1.584	1.584
06538BXR9	04/28/17	CP - DISC	BANK OF TOKYO MITS DC/P	1.370	10/25/17			3,500,000	99.315	3,476,025	3,476,025	99.34	3,476,935	178		1.379	1.379
22533TSF4	11/21/16	CP - DISC	CREDIT AGRICOLE DC/P	1.110	05/15/17			3,000,000	99.460	2,983,813	2,983,813	99.96	2,998,890	15		2.260	2.260
09659BU73	01/09/17	CP - DISC	BNP PARIBAS FIN DC/P	1.290	07/07/17			5,000,000	99.360	4,967,929	4,967,929	99.80	4,989,750	68		1.300	1.300
89233GS23	11/03/16	CP - DISC	TOYOTA MTR CRED DC/P	0.980	05/02/17			3,000,000	99.505	2,985,150	2,985,150	100.00	2,999,910	2		3.260	3.260
Commercial Paper Total								14,500,000		14,412,917	14,412,917		14,465,485	70		1.924	1.924
459058FZ1	04/28/17	SUPRANAT	INTL BK RECON & DEV	1.875	04/21/20			3,000,000	100.685	3,026,331	3,020,550	100.70	3,021,090	1087		1.638	1.638
458182DX7	04/21/16	SUPRANAT	INTER-AMER DEV BANK	1.000	05/13/19			3,000,000	99.714	2,992,170	2,991,420	99.04	2,971,200	743		1.095	1.095
Supranationals								6,000,000		6,018,501	6,011,970		5,992,290	916		1.368	1.368
037833AJ9	05/12/15	MTN	APPLE INC NOTES	1.000	05/03/18			4,000,000	99.121	3,965,840	3,964,840	99.75	3,990,080	368		1.302	1.302
06406HCW7	12/12/16	MTN	BK NEW YORK NTS	2.300	09/11/19			2,000,000	101.107	2,033,768	2,022,140	100.95	2,019,020	864		1.884	1.884
89236TBP9	10/14/16	MTN	TOYOTA MOTOR CR CORP	2.125	07/18/19			1,000,000	101.670	1,021,658	1,016,700	100.72	1,007,210	809		1.505	1.505
89236TDE2	10/14/16	MTN	TOYOTA MTR CR CORP	1.400	05/20/19			1,500,000	99.906	1,506,990	1,498,590	99.39	1,490,775	750		1.437	1.437
02665WBE0	10/14/16	MTN	AMERICAN HONDA BDS	1.200	07/12/19			2,495,000	99.241	2,483,714	2,476,063	98.75	2,463,688	803		1.483	1.483
36962G6W9	07/17/15	MTN	GECC MTN	1.625	04/02/18			4,950,000	105.364	4,991,479	4,968,018	100.33	4,966,335	337		1.487	1.487
46625HJG6	12/28/15	MTN	JPM CHASE & CO NT	1.800	01/25/18			5,000,000	99.888	5,032,650	4,994,400	100.16	5,007,950	270		1.855	1.855
166764AL4	11/19/14	MTN	CHEVRON CORP	1.345	11/15/17			5,000,000	100.199	5,010,137	5,009,950	100.01	5,000,350	199		1.345	1.345
17275RBB7	02/29/16	MTN	CISCO SYSTEMS	1.600	02/28/19			3,000,000	100.330	3,009,900	3,009,900	100.11	3,003,390	669		1.487	1.487
459200JE2	02/24/16	MTN	IBM CORP NOTES	1.800	05/17/19			3,000,000	100.119	3,004,320	3,003,570	100.47	3,014,220	747		1.761	1.761
94974BFQ8	06/06/16	MTN	WELLS FARGO CO MTN	2.150	01/15/19			4,600,000	101.427	4,665,642	4,665,642	100.52	4,623,920	625		1.589	1.589
0258M0DV8	09/14/15	MTN	AMERICAN EXPRESS MTN	1.800	07/31/18			2,980,000	99.759	2,979,374	2,972,818	100.11	2,983,397	457		1.886	1.886
Medium Term Notes								39,525,000		39,705,472	39,602,631		39,570,335	497		1.578	1.578

Detail of Security Holdings As of April 30, 2017

CUSIP	Settlement Date	Security Type	Security Description	Coupon	Maturity Date	Next Call Date	Call Type	Par Value	Purchase Price	Purchase Cost	Book Value	Market Price	Market Value	Days to Maturity	Days to Next Call	Yield to Maturity	Yield to Worst
912828A75	12/23/15	TREAS NOTE	U.S. Treasury	1.500	12/31/18			15,200,000	100.516	15,397,978	15,295,391	100.43	15,265,968	610		1.325	1.325
912828H52	01/09/17	TREAS NOTE	U.S. Treasury	1.250	01/31/20			7,000,000	99.170	6,978,796	6,940,820	99.56	6,969,130	1006		1.530	1.530
912828A34	11/13/15	TREAS NOTE	U.S. Treasury	1.250	11/30/18			11,000,000	100.234	11,064,942	11,002,578	100.04	11,004,730	579		1.242	1.242
912828SH4	02/03/16	TREAS NOTE	U.S. Treasury	1.375	02/28/19			2,950,000	100.988	2,984,901	2,979,154	100.21	2,956,225	669		1.047	1.047
912828VE7	06/10/15	TREAS NOTE	U.S. Treasury	1.000	05/31/18			15,000,000	99.762	14,964,258	14,964,258	99.83	14,974,200	396		1.082	1.082
912828L40	04/20/16	TREAS NOTE	U.S. Treasury	1.000	09/15/18			4,900,000	100.367	4,922,786	4,917,992	99.71	4,885,643	503		0.845	0.845
912828C65	03/04/16	TREAS NOTE	U.S. Treasury	1.625	03/31/19			5,850,000	101.793	5,995,407	5,954,889	100.68	5,890,014	700		1.031	1.031
912828G61	12/05/16	TREAS NOTE	U.S. Treasury	1.500	11/30/19			13,400,000	100.125	13,419,511	13,416,750	100.32	13,443,416	944		1.457	1.457
912828WD8	05/06/16	TREAS NOTE	U.S. Treasury	1.250	10/31/18			9,950,000	101.066	10,038,371	10,034,779	100.06	9,955,871	549		0.816	0.816
Government Total								85,250,000		85,766,948	85,506,611		85,345,196	648		1.192	1.192
EWBK1		BANK DEP	East West Bank					104,365	100.000	104,365	104,365	100.00	104,365	1		0.350	0.350
EWBK2		BANK DEP	East West Bank					18,491,740	100.000	18,491,740	18,491,740	100.00	18,491,740	1		0.350	0.350
USBKGEN		BANK DEP	US Bank General Acct					13,721,086	100.000	13,721,086	13,721,086	100.00	13,721,086	1		0.000	0.000
TPMM		BANK DEP	Torrey Pines Bank					5,083,511	100.000	5,083,511	5,083,511	100.00	5,083,511	1		0.400	0.400
Bank Demand Deposits								37,400,703		37,400,703	37,400,703		37,400,703	1		0.228	0.228
26200630S		MMF	DREYFUS GOVT INVEST					14,322	100.000	14,322	14,322	100.00	14,322	1		0.000	0.000
Money Market Fund								14,322		14,322	14,322		14,322	1		0.000	0.000
LAIF		LGIP	Local Agency Invstmnt Fd					48,119,788	100.000	48,119,788	48,119,788	99.87	48,057,796	1		0.821	0.821
SDCIP		LGIP	San Diego County Inv Pool					54,554,468	100.000	54,554,468	54,554,468	100.01	54,558,812	1		1.211	1.190
CALTRUST		LGIP	CalTrust					15,270,143	100.000	15,270,143	15,270,143	100.00	15,270,143	1		1.060	1.060
Grand Total								\$ 466,680,155	100.14	\$ 467,553,710	\$ 467,024,046	99.81	\$ 466,147,232	394		1.119	1.117

Portfolio Investment Transactions

From April 1st, 2017 - April 30th, 2017

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
04/06/17	BK NOVA SCOTIA CD	Negotiable CD	06417GUE6	1.910	04/05/19	--	100.000	\$ 4,000,000
04/27/17	FNMA NTS	AGCY	3135G0T29	1.500	02/28/20	--	99.918	1,988,252
04/28/17	INTL BK RECON & DEV	SUPRANAT	459058FZ1	1.875	04/21/20	--	100.685	3,028,331
04/28/17	BANK OF TOKYO MITS CP	CP	06538BXR9	1.370	10/25/17	--	99.315	3,476,025
								\$ 12,492,608
CALLS								
								\$ -
MATURITIES								
10/31/16	BANK OF TOKYO MITS CP	CP	06538BRU9	1.260	04/28/17	--	100.000	\$ 3,500,000
								\$ 3,500,000
DEPOSITS								
								\$ -
WITHDRAWALS / SALES / TRANSFERS								
04/06/17	RABOBANK NED CD	CD-NEG	21684BXH2	1.070	04/21/17	--	100.004	\$ 4,019,769
								\$ 4,019,769

Bond Proceeds Summary

SUMMARY OF 2010, 2013 & 2014 BOND PROCEEDS*

As of: April 30, 2017

(in thousands)

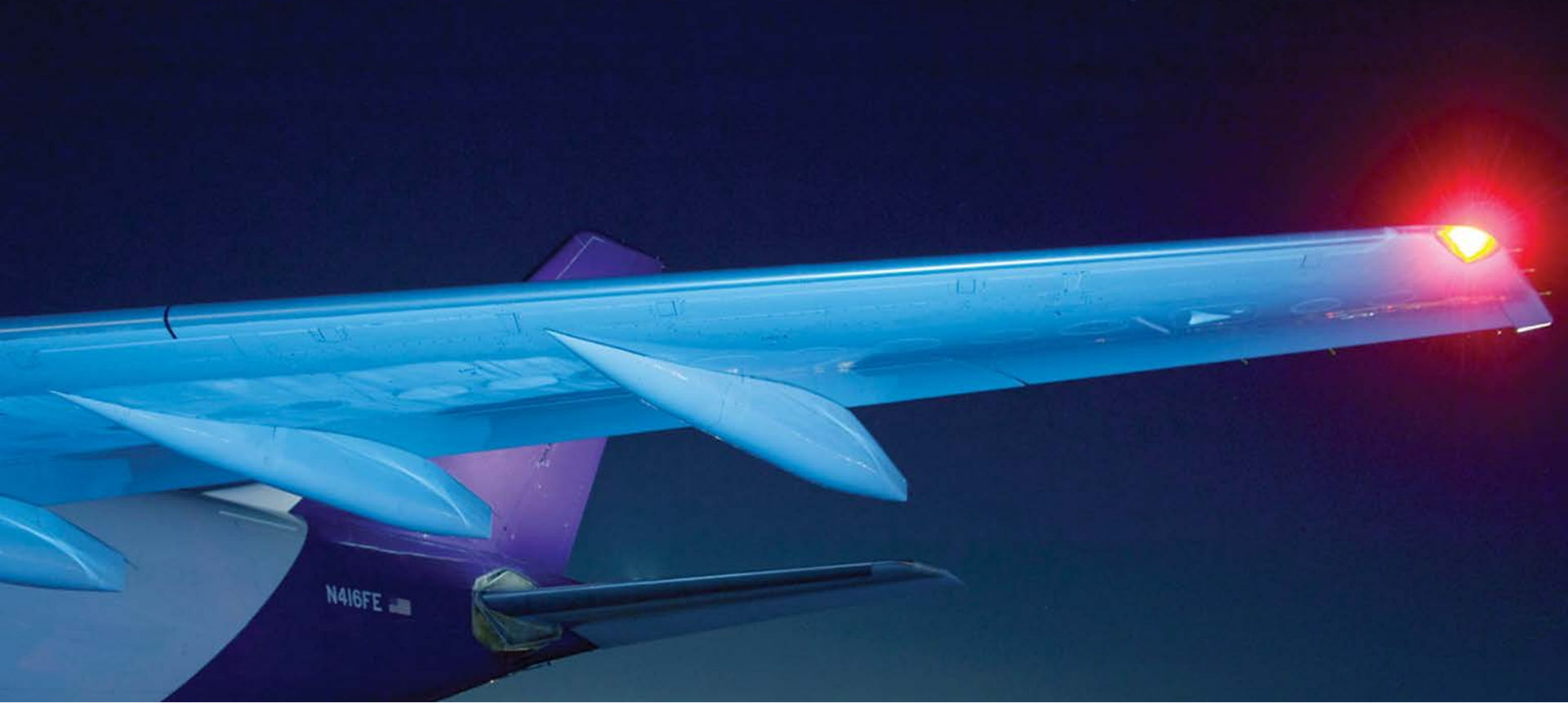
	Series 2010	Series 2013	Series 2014	Total	Yield	Rating
<u>Project Fund</u>						
SDCIP	\$ -	\$ 1,982	\$ 1,032	\$ 3,014	1.21% ¹⁾	AAAf
	\$ -	\$ 1,982	\$ 1,032	\$ 3,014		
<u>Debt Service Reserve & Coverage Funds</u>						
SDCIP	\$ 30,315	\$ 33,223	\$ 28,793	\$ 92,331	1.21% ¹⁾	AAAf
East West Bank CD	21,064	-	-	21,064	0.80%	N/R
	\$ 51,379	\$ 33,223	\$ 28,793	\$ 113,395		
	\$ 51,379	\$ 35,205	\$ 29,825	\$ 116,409	1.14%	
*Bond proceeds are not included in deposit limits as applied to operating funds						

1) SDCIP Yield as of 3/31/17

Bond Proceeds Investment Transactions

From April 1st, 2017 - April 30th, 2017

Settle Date	Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
							\$	-
CALLS								
							\$	-
MATURITIES								
							\$	-
DEPOSITS								
							\$	-
WITHDRAWALS / SALES								
							\$	-



Questions ?

San Diego County Regional Airport Authority

Summary of Outstanding Revolving Obligations April 30, 2017



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

Presented by: Geoff Bryant
Manager Airport Finance

May 22, 2017

Revolving Obligations as at April 30, 2017

FACILITY	SERIES	PRINCIPAL	RATE	MONTHLY INTEREST AND FEES
US BANK	NON-AMT	\$ 26,550,000	1.157%	\$ 22,640
US BANK	AMT	16,884,000	1.157%	15,195
US BANK	TAXABLE	15,697,000	1.583%	19,324
US BANK	OUTSTANDING BALANCE	<u>\$ 59,131,000</u>		<u>\$ 57,159</u>
US BANK	UNUTILIZED BALANCE	65,869,000	0.370%	19,618
US BANK	TOTAL	\$ 125,000,000		\$ 76,776
RBC	UNUTILIZED	\$ 100,000,000	0.225%	\$ 18,750
TOTAL	REVOLVING OBLIGATIONS	<u>\$ 225,000,000</u>		<u>\$ 95,526</u>

Revolving Credit Obligations as at April 31, 2017

Non-AMT balance has funded Parking Plaza construction. It is anticipated that this balance will increase as construction continues but will be refinanced with General Airport Revenue Bonds (GARB) bonds in the Summer of 2017.

AMT balance funded various capital projects and is currently being amortized through 2030.

Taxable balance defeased the Series 2005 Bonds and is being amortized through 2019.

The Board approved RBC Revolving Draw Down Bond closed on April 19, 2017. The total Revolving Credit program is now \$225 million.

Questions



EXECUTIVE COMMITTEE

Meeting Date: **MAY 22, 2017**

Subject:

Annual Review and Approval of Amendments to Authority Policy 4.40 – Debt Issuance and Management

Recommendation:

Forward to the Board for approval.

Background/Justification:

The attached debt policy (Exhibit A) was developed in conjunction with the Authority's financial advisors and bond counsel and serves as the foundation of the Authority's debt issuance and management goals and priorities. The stated objectives are:

- Protect the assets and funds entrusted to the Authority;
- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors; and,
- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law compliance, and reimbursement agreement covenants;

On an annual basis staff reviews the policy with the Authority's financial advisors and bond counsel. After this year's review, there are certain changes to Policy 4.40 are recommended. The recommended changes to the policy (as indicated on Exhibit A) include language that:

- Reflects updates to California Government Code, including requirements that debt issuers: adopt a debt policy, meet certain additional ongoing reporting obligations and ensure debt proceeds are directed to the intended use;
- Adjusts the Debt per O&D enplanement target to a Debt per enplanement target
- Clarifies the Authority's intention to review and update Debt Service Coverage and Debt per Enplanement targets once there is more clarity relating to the Airport Development Plan
- Reflects that the Authority may not always seek ratings from more than two rating agencies;

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- Confirms the Authority currently makes use of Passenger Facility Charges (PFC's) for debt service payments and clarifies that the Authority may utilize additional PFC's over and above an irrevocable pledge to meet debt service commitments;
- Recognizes necessary changes required to disclosure requirements should the SEC expand compliance requirements;
- Emphasizes the significance of the Authority's web site in conjunction with rating agency and investor relations;
- Makes minor revisions to certain titles and descriptions;

The existence of an approved and current debt policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the public that it serves.

Fiscal Impact:

None.

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:

SCOTT BRICKNER,
VICE PRESIDENT FINANCE AND ASSET MANAGEMENT/TREASURER

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE 4 - FINANCE AND ACCOUNTING

PART 4.4 - DEBT

SECTION 4.40 - DEBT ISSUANCE AND MANAGEMENT POLICY

PURPOSE: To establish a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”).

POLICY STATEMENT:

SECTION I. INTRODUCTION & EXECUTIVE SUMMARY

This comprehensive Debt Issuance and Management Policy (the “Policy”) contains the policies that govern existing and anticipated debt obligations. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority’s ability to manage its outstanding debt and projected debt issuance. It is expected that the Policy will be updated from time to time to reflect changes in law and market practices.

Debt plays an important role in meeting the financial needs of the Authority since it provides the funding for the Authority to build projects today which will subsequently be repaid from future revenues. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent financial management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Authority’s access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity. The term “debt” is used in this Policy to describe numerous types of financial obligations of the Authority which may include Bonds, Subordinate Obligations, Special Facility Obligations and other financings of the Authority.

The Authority’s debt issuance and management objectives are to:

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors;

- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law post-issuance compliance, and reimbursement agreement covenants; and
- Protect the assets and funds entrusted to the Authority.

SECTION II. ROLES AND RESPONSIBILITIES

The roles and responsibilities of key parties in administering, monitoring, and ensuring on-going compliance with this Policy include:

- 1) Board: The Authority is governed by an appointed board of nine members who represent all areas of San Diego County and three *ex-officio* members. The Board approves all bond issuances as well as the policies and guidelines pursuant to which debt is incurred and issued.
- 2) President/CEO and Vice President, Finance and Asset Management/Treasurer: The Vice President, Finance and Asset Management/Treasurer, under the direction of the President/CEO, is (i) responsible for developing, evaluating, implementing and monitoring the financing plan and debt strategies for the Authority in compliance with this policy, subject to Board approvals; ~~and (ii) is~~ in charge of federal tax and securities law post-issuance compliance with respect to all debt obligations; (iii) .—responsible for implementing and ensuring compliance with internal control procedures to ensure proceeds of the Authority’s debt obligations are directed to the intended use; and (iv) responsible for timely submitting to the California Debt and Investment Advisory Commission any annual debt report required under California Government Code Section 8855(k).
- 3) Registered Municipal Advisor: The Authority has chosen to deliver a Notice of Representation by Registered Municipal Advisor pursuant to SEC Rule 17 CFR Section 240.15Bal – 1(d)(3)(vi)(B) dated August 27, 2014 to notify investment banking firms that the Authority has retained a financial advisor and, among other things, will rely on advice of the financial advisor for recommendations on the issuance of municipal securities provided by investment banking firms. The Authority may amend or modify this notice from time to time.
- 4) Financial Professionals: All financial professionals performing services for the Authority’s debt programs, such as its financial advisor, bond counsel, disclosure counsel, investment advisor and underwriters, must comply with the policies and procedures set forth herein.

SECTION III. CAPITAL IMPROVEMENTS AND FINANCIAL PLANNING

The Authority maintains a financing plan and model which projects the available sources and uses of funds and verifies the Authority’s financial ability to deliver current and planned programs and services. The impact of the funding sources, particularly debt, on future commitments is a relevant consideration of this Policy. The financing plan is based on a set of assumptions developed through detailed collection and analysis of historical and forecasted data concerning revenues and expenses, economic forecasts and trend projections. The main sources of revenues include airline rates and charges, parking and concession revenues, and lease revenues. Additionally, Passenger

~~Facilities~~ Facility Charges (PFCs), Customer Facility Charges (CFCs), and federal grants-in-aid are included as a funding source for certain eligible projects.

The Authority's annual operating budget will ensure that sufficient resources are provided from current revenues to: 1) finance the current fiscal year's requirements for ongoing operating and maintenance needs; 2) provide reserves for periodic replacement and renewal; 3) fund the annual requirements of the maintenance, operating and other reserves; and 4) meet any debt service coverage requirements.

Both the capital plan and the financing plan shall be updated periodically as part of the budget process. It is the goal of the Authority to adopt its capital plan on a rolling five year forward basis. Both plans will comply with the Policy, paying particular attention to all relevant target debt affordability indicators.

SECTION IV. DEBT TARGETS

The President/CEO and the Vice President, Finance and Asset Management/Treasurer will recommend to the Board the amount, term and type of debt needed to meet the Authority's short-term and long-term financing requirements. In such determinations, issues of debt capacity, amortization period and impact on rates and charges affordability will be considered, guided by the use of target debt capacity affordability indicators for measuring the affordability of additional borrowing.

The following are the target debt affordability indicators for the Authority. The Authority will regularly review and may re-evaluate certain targets from time to time as long-term master plan requirements may be defined.

1) Rate Covenants

The Authority has covenanted in the Master Indenture to comply with the senior lien Rate Covenant, as summarized below:

Bonds – Under the Master Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Net Revenues, which are generally defined as Revenues less Operation and Maintenance Expenses for a given period, in each Fiscal Year will be at least equal to 125% of the aggregate annual debt service for all Bonds.

“Bonds” are generally defined by the Master Indenture to mean any debt obligation of the Authority including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements, other agreements, certificates of participation, and bank repayment obligations. The term “Bonds” does not include Subordinate Obligations (which is defined hereinafter).

The Authority has covenanted in the Master Subordinate Indenture to comply with the subordinate lien Rate Covenant, as summarized below:

Subordinate Obligations – Under the Master Subordinate Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Subordinate Net Revenues (which are generally defined as Revenues less Operation and Maintenance Expenses less senior lien Bond debt service and reserve funding requirement for a given period) in each Fiscal Year will be at least equal to 110% of the Aggregate Annual Debt Service for all Subordinate Obligations for such Fiscal Year (excluding the principal amount of Commercial Paper reissued during the Fiscal Year).

“Subordinate Obligations” shall mean any debt obligation of the Authority issued under the Master Subordinate Indenture and are generally defined to mean a subordinate lien debt obligation including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and bank repayment obligations.

2) Additional Bonds Test and Additional Subordinate Obligations Test

In order to issue additional parity debt under the Master Indenture, the Authority must comply with one of the two prongs of the Additional Bonds Test, as summarized below:

(A) The Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds were at least equal to 125% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Net Revenues are expected to be at least 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for each year of the forecast period.

In order to issue additional parity debt under the Master Subordinate Indenture, the Authority must comply with one of the two prongs of the Additional Subordinate Obligations Test, as summarized below:

(A) The Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations were at least equal to 110% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Subordinate Net Revenues are expected to be at least 110% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations

and the proposed Subordinate Obligations to be issued for each year of the forecast period.

3) Annual Debt Service Coverage Targets

The Authority has established debt service coverage targets for its Bonds and Subordinate Obligations in order to maintain adequate financial margins to accommodate unexpected events given the volatile nature of the aviation industry, preserve financial capacity for future funding needs, and maintain strong credit ratings.

The current minimum Debt Service Coverage targets are:

Bonds: 1.75x (for ~~only~~ senior lien bonds)

Aggregate Debt Service:

- 1.50x, based upon Net Revenues divided by Aggregate Annual Debt Service on Bonds and Subordinate Obligations (for total debt service)
- 1.20x, based upon an alternative “revenue method” calculation utilized by rating agencies where PFCs are added to Net Revenues (rather than deducted from Debt Service) with the sum divided by Aggregate Annual Debt Service for Bonds and Subordinate Obligations

These debt service coverage targets will be reviewed at least annually by the Authority and its financial advisor to determine appropriate adjustments that may be necessary.

[As the Authority advances the definition and scope of the planned Airport Development Program, the Authority anticipates potential revisions to the coverage targets](#)

4) Airline Costs Per Enplaned Passenger Target

The Authority will compare its airline costs per enplaned passenger (“CPE”) with available sources of data, including the rating agencies’ median reports and a selected peer group of airports. Due to the different ways that airports set airline rates and charges, it is recognized that comparisons between airports can be misleading.

The Authority will regularly review and monitor CPE and seek to maintain a competitive rate. [As the Authority advances the definition and scope of the planned Airport Development Program, the Authority anticipates potential revisions to these leverage targets](#)

5) Debt Per ~~O&D~~-Enplaned Passenger Target

The Authority will compare its debt per ~~O&D~~-enplaned passenger with available sources of data, including the rating agencies’ median reports [and a selected peer group of airports](#). Due to the different ways that airports finance their capital facilities, this measure is only one indicator of debt affordability.

The Authority has established a debt (excluding special facility financing) per ~~O&D~~ enplaned passenger goal of no more than \$150 ~~per enplaned passenger~~.

The Authority will regularly review and update this metric from time to time as may be necessary.

6) Liquidity Target

Recognizing the inherently volatile nature of the aviation industry, the Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Authority's budgeting and capital planning process.

The Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, and O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 500 days of budgeted operating and maintenance expenses for the current fiscal year.

7) Credit Ratings Target

The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport. ~~At a minimum, the Authority will seek to maintain ratings from at least two of the leading rating agencies for its Senior Lien Airport Revenue Bonds and at a minimum seek to maintain a rating in the highest category of "A" (e.g. A1, A+) "A1/A+/A+" from all three rating agencies for its Senior Lien Airport Revenue Bonds.~~

SECTION V. TYPES OF FINANCING – DESCRIPTION AND APPROACH

1) Bonds and Subordinate Obligations of the Authority

In general, issuing senior lien debt under the Authority's Master Indenture will achieve the lowest borrowing costs compared to other forms of borrowing. Under the Master Indenture, senior lien debt is defined as "Bonds". Under the Master Subordinate Indenture, subordinate lien debt is defined as "Subordinate Obligations".

Proceeds of the Authority's Bonds and Subordinate Obligations may be used for any legally permitted purposes.

Bonds issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Net Revenues generated by the Airport. Subordinate Obligations issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Subordinate Net Revenues generated by the Airport.

Revenues generally include all revenues, income, receipts, and money derived from the ownership and operation of the Airport and all gifts, grants, reimbursements, or payments received from governmental units or public agencies, which are not restricted by law or the payor to application for a particular purpose other than payment of bonds. Among other things, Revenues specifically exclude:

- (A) Passenger Facility Charges (PFCs)

- (B) Released Revenues, which are an identifiable portion of Revenues that have been excluded from Revenues after meeting certain requirements defined in the Master Indenture
- (C) State and/or federal Grants
- (D) Rental car Customer Facility Charges (CFCs)

2) PFC-Supported Bonds and Subordinate Obligations

The Authority ~~intends to~~ leverages PFCs to support investment in Airport infrastructure and facilities. In order to do this, the Authority may make an irrevocable pledge of PFCs to pay eligible debt service for purposes of compliance with the Additional Bonds Test. The Authority may also deposit additional PFC amounts each year to the debt service fund. The Authority will not include PFCs in estimates of future revenues pledged to support Annual Debt Service unless approval for their imposition has been obtained or is expected to be obtained from the FAA.

3) Special Facility Financings

Special Facilities Obligations may be issued by the Authority to finance capital projects and must be secured by a defined revenue stream derived from or relating to discrete facilities such as cargo terminals or maintenance facilities. Such facilities may be leased to one or more tenants.

The Authority may designate facilities at the Airport as Special Facilities and the revenues therefrom as Special Facilities Revenue if such facilities or revenues meet the following tests from the Master Indenture:

(A) The estimated Special Facilities Revenue pledged to the payment of Special Facilities Obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due; and

(B) With respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as a “Special Facility” or “Special Facilities,” the estimated Net Revenues, calculated without including the new Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses of the Airport System, will be sufficient so that the Authority will be in compliance with the Rate Covenant; and

(C) No Event of Default then exists under the Indenture

If a facility meets these tests, the Special Facilities Revenues will not be Revenues for the period during which any Special Facilities Obligations are outstanding.

Special Facilities Obligations are limited obligations of the Authority to be repaid solely by Special Facilities Revenues derived from or relating to a discrete facility and are not

secured by a lien on Revenues or PFC Revenues. Bonds and Subordinate Obligations are not secured by Special Facilities Revenues.

Special Facilities Obligations may be used in lieu of issuance of Bonds or Subordinate Obligations for financing of discrete airport facilities or airport projects that have an independent revenue stream.

The Authority may permit tenants to undertake Special Facilities Obligations under the following specified terms and conditions:

(A) The financing must comply with the Master Indenture limitations on this type of financing;

(B) A pledge of leasehold mortgage or security interest in the underlying asset may be granted to the trustee or Bondholders in certain circumstances, taking into account any value the Airport receives from the tenant in return;

(C) Terms of bonds will be consistent with the standard terms and the provisions of the Airport's leasing policies;

(D) The Airport will not enhance the creditworthiness of Special Facilities Obligations (for example, through the granting of a re-letting provision), unless the Authority determines it is in the best interests of the Airport, taking into account any value the Airport receives from the tenant in return;

(E) The Special Facilities Obligations are amortized over a period that does not exceed the lesser of: (a) 40 years; or (b) the useful life of the facility (80% of the useful life of the facility for projects that are considered to be "private activities" under federal tax regulations, if tax-exempt financing is used). "Bullet" maturities may be considered if they do not exceed the lesser of: (a) the useful life of the facility; or (b) 25 years, and are amortized on a straight line basis for purposes of calculating amortized cost (see below);

(F) The Authority reserves the right to acquire the facility at its amortized cost and the right to require notices exercising early call redemption provisions for the Special Facilities Obligations;

(G) Any refinancing of assets financed with Special Facilities Obligations will not be permitted without the consent of the Board;

(H) The tenant will reimburse the Authority for all of its costs associated with the Special Facilities Obligations;

(I) The Authority may assess an annual fee for Special Facilities Obligations;

(J) Bond Counsel(s) for the Authority will review all Disclosure documents and prepare the financing documents;

(K) The tenant will satisfy Continuing Disclosure and arbitrage rebate requirements and will provide the Authority with indemnities covering any exposure the Authority may have arising from the financing;

(L) The proposed facility must be compatible with Airport System land and capital use plans; and

(M) The Authority may establish minimum threshold Credit Ratings for airlines and other parties wishing to participate in Special Facilities Obligation financed projects. These threshold Credit Ratings will be reviewed by the Authority from time to time.

4) Bond Anticipation Notes (“BANs”) and Grant Anticipation Notes (“GANs”)

Bond Anticipation Notes (“BANs”) are short-term debt instruments that will be repaid with proceeds of an upcoming bond issue.

Grant Anticipation Notes (“GANs”) are short-term instruments that will be repaid from expected future Federal AIP and TSA grants or other Federal or State grants accepted by the Authority. The FAA and TSA may issue Letters of Intent (“LOI”) to the Authority indicating their intent, although not their commitment, to fund “long term, high priority capacity projects” on a multi-year basis as appropriations become available. Once an LOI is in hand, notes may be issued that are secured by the grants anticipated to be received from the FAA and/or TSA. However, there typically must be an ancillary source of repayment for the notes in the event grant funding is ultimately not received.

The Authority may use BANs proceeds to finance projects that would be otherwise financed by an upcoming bond issue. The Authority may -use GANs proceeds to finance projects permitted by the grants anticipated to be received by the Authority.

Notes may be considered Balloon Indebtedness under the Master Indenture, which specifies that, for purposes of calculating the Aggregate Annual Debt Service of Balloon Indebtedness, such Bonds shall be assumed to be amortized in substantially equal annual amounts for principal and interest over a period of 30 years at an interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, or if that index is no longer published, another similar index selected by the Authority. If the Authority fails to select a replacement index, the rate shall be the rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Indenture. Issuance of BANs and GANs should not occur in amounts or result in amortization that would result in the failure by the Authority of its ability to satisfy its rate covenants and the debt coverage goals contained in this Policy.

5) Capital Appreciation Bonds and Zero Coupon Bonds

The Authority will not issue capital appreciation bonds or zero coupon bonds unless the Authority has determined, quantified and demonstrated that there is a significant benefit over traditional structures.

[In the event that the Authority issues capital appreciations bonds or zero coupon bonds, proceeds of such bonds may be used for any legally permitted purposes.](#)

6) Commercial Paper

Commercial Paper is a short-term obligation with maturities ranging from 1 to 270 days. The payment when due of principal and interest on each series of the Notes also is secured by separate irrevocable, direct-pay letters of credit.

The Authority may refinance, refund or purchase outstanding Commercial Paper by issuing new Commercial Paper, by issuing Bonds, or by using available Authority funds.

For purposes of calculating Aggregate Annual Debt Service for a Commercial Paper Program, the principal and interest shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 35 years commencing in the year in which such Commercial Paper Program is implemented and with substantially level Annual Debt Service payments. The interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Subordinate Obligations of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Subordinate Obligations bear interest which is or is not excluded from gross income for federal income tax purposes.

Any outstanding Commercial Paper anticipated to be paid off and not reissued within the current fiscal year shall be excluded from any calculations of variable rate exposure for internal debt management purposes.

The Authority may issue Commercial Paper as sources of interim financing for capital projects. Before issuing such Commercial Paper notes, the take out of such Commercial Paper must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

7) Floating Rate Notes and Revolving Credit Facilities

Floating Rate Notes (FRNs), [including Revolving Credit Facilities](#), are notes that have a variable coupon, equal to a money market reference rate, such as SIFMA (Securities Industry and Financial Markets Association) or LIBOR (the London Interbank Offered Rate), plus a spread. The spread is a rate that remains constant. At the beginning of each coupon period, the coupon is calculated by taking the fixing of the reference rate for that day and adding the spread. Because the coupon resets based on a short-term index, the issuer is exposed to rising interest rates unless it has swapped the debt to a

fixed rate. However, unlike variable rate demand obligations or Commercial Paper, FRNs are not supported by a bank liquidity facility, and therefore do not pose short-range liquidity/refinancing risk to the issuer.

The Authority may issue FRNs as a source of interim financing for capital projects. Before issuing such FRNs, the take out of such notes must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

8) Equipment Leases

Equipment leases are basically loans pursuant to which the lender buys and owns certain equipment (e.g., jet bridges, baggage systems, flight and baggage information display systems) and then "rents" it to the Authority at a flat monthly rate for a specified number of months. At the end of the lease, the Authority may purchase the equipment for its fair market value (or a fixed or predetermined amount), continue leasing, lease new equipment or return the equipment. The Authority may explore equipment leases as a financing vehicle and alternative to debt if the terms and conditions of the lease (including the interest rate charged) are more favorable.

9) Installment Payment Agreement

The Authority may also finance certain facilities under an agreement with a third-party whereby the third-party funds the investment in the facility and the Authority agrees to pay the third party as rental/payment for the use and occupancy of the facility specific installment payments. The installment payments would be made from the Authority's available funds after payment of all Operation and Maintenance Expenses, all funds necessary to pay debt service on and to fund the reserves for the Authority's Outstanding Senior and Subordinate Debt Obligations and amounts necessary to fund the Authority's Operation and Maintenance Reserve Subaccount and Renewal and Replacement Subaccount in accordance with the Master Trust Indenture.

10) Direct Loans

The Authority may also enter into a direct loan with a financial institution to meet certain of its financing needs. A direct loan is made directly with a financial institution and may be a fixed or variable product. The Authority may use direct loans as interim or permanent financing for capital projects or to refinance outstanding debt.

SECTION VI. FEATURES OF LONG-TERM DEBT

The Vice President, Finance and Asset Management/Treasurer will recommend to the Board the structure and term of long-term debt according to the general policies described below.

1) Selection of Final Maturity and Amortization of Principal

The final maturity of borrowings should not exceed, and preferably be less than, the projected economic life of the improvements that are financed or such shorter period as required by Federal tax law, if tax-exempt debt has been used.

2) Use of Capitalized Interest

The Vice President, Finance and Asset Management/Treasurer will evaluate whether or not to capitalize the early years' interest cost in a bond issue by taking into account the impact this action would have on the size of the bond issue, future Annual Debt Service requirements, accounting treatments and budgetary impacts.

3) Tax Status

The Vice President, Finance and Asset Management/Treasurer will evaluate whether or not to issue taxable bonds in lieu of bonds that are subject to the Alternative Minimum Tax (AMT) for certain maturities for private activity financing needs. In some market conditions, the cost for taxable debt may be less than the cost for AMT bonds for certain maturities.

4) Sizing of Debt Service Reserve Funds

Except in limited circumstances, the Master Indenture and the Master Subordinate Indenture require either the funding of a common Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for all existing and proposed Bonds or Subordinate Obligations under the respective master indenture participating in such master reserve fund, or the funding of a Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for only the proposed issue. With each issuance of Bonds or Subordinate Obligations, the Vice President, Finance and Asset Management/Treasurer will compare the costs of funding required increases to the reserve requirement from bond proceeds with the costs of satisfying the reserve requirement through the use of a reserve fund surety. The potential effect on credit ratings will also be considered when comparing reserve requirement funding alternatives.

5) Selection of Redemption Provisions

Redemption provisions will be established on a case-by-case basis, taking into consideration market conditions and the results of a call option analysis prior to the time of sale.

The issuance of non-callable Bonds or Subordinate Obligations should be considered only in special circumstances based upon the specific transaction. Because the issuance of non-callable debt may restrict future financial flexibility, cost will not be the sole determinant in the decision to issue non-callable bonds. The preference of the Authority is to issue debt with standard redemption provisions.

6) Use of Discount Bonds

Prior to issuing Bonds or Subordinate Obligations at a dollar price less than 97.0% of par, the Vice President, Finance and Asset Management/Treasurer will request from the financial advisor an analysis of the reduced option value resulting from the assignment of a lower interest coupon. The Authority will consider issuing the discount debt, where permissible under tax law, if the present value debt service savings provided by the lower interest coupon is greater than the reduction in call option value. Other benefits such as the participation of new investors will be an additional consideration.

7) Use of Premium Bonds

Prior to issuing Bonds at a dollar price greater than par, the Vice President, Finance and Asset Management/Treasurer will request from the Authority's financial advisor a brief cost/benefit analysis of the interest saved using premium debt versus other possible pricing structures.

8) Minimum Criteria for Debt Financing Equipment Items

The Authority will not issue long-term debt to finance individual items of equipment with a useful life less than five (5) years, except under a master lease program.

SECTION VII. REFUNDING OPPORTUNITIES

The Vice President, Finance and Asset Management/Treasurer and the Authority's financial advisor will monitor refunding opportunities for all outstanding debt obligations on a periodic basis applying established criteria in determining when to issue refunding bonds for debt service savings.

(It is acknowledged that refunding issues may be executed for reasons beyond economic purposes, such as to restructure debt service, to change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove undesirable covenants.) The refunding criteria will include a comparison of expected present value savings with the option value of the existing callable bonds. Generally, the Authority will pursue refunding opportunities if the expected net present value savings provide sufficient compensation for the exercise of the optional redemption provision. Recommendations as to the sufficiency of the net present value savings will be provided by the Authority's financial advisor.

An Advance Refunding involves refunding tax-exempt bonds more than 90 days in advance of the bond's first optional redemption date. Currently, only Governmental Purpose tax-exempt bonds (as that term is defined in the Internal Revenue Code) may be advance refunded. An Advance Refunding is an important debt management tool for the Authority. Advance Refundings are commonly used to achieve interest cost savings, to remove or change burdensome bond covenants or to restructure future debt service payments. For bonds issued after December 31, 1985, only one Advance Refunding of Governmental Purpose tax-exempt bonds may occur under Federal tax law and thus the Authority must carefully evaluate the appropriateness of Advance Refunding when an opportunity arises. A current refunding involves issuing refunding bonds no earlier than ninety (90) days prior to the bond's optional redemption date. Federal tax law does not limit the number of current refundings of any bond.

The Authority will anticipate the potential for Advance Refundings when issuing new debt. Careful attention will be given to pricing considerations that will affect future Advance Refunding flexibility such as optional redemption provisions and interest characteristics.

The following considerations apply when the Authority considers refunding opportunities:

1) Monitor Potential Savings:

The Vice President, Finance and Asset Management/Treasurer, with the assistance of the Authority’s financial advisor, will monitor on an ongoing basis potential savings available by refinancing outstanding debt of the Authority. Savings will be analyzed on a present value basis by using a percentage of the refunded par amount. All costs and benefits of the refinancing will be taken into account.

2) Target Savings Amounts:

A present value analysis must be prepared to identify the economic effect of any proposed refunding. To proceed with a refinancing for economic savings, the Authority will evaluate the net present value savings as a percentage of the refunded par amount relative to the time to the first call date of the bonds and the maturity date of the bonds, using the following guidelines:

		Years to the first Call Date		
		After the First Call Date to Up to 1 Year Before	1 to 3 Years Before the First Call Date	More than 3 Years Before the First Call Date
<i>Years from the date of first call to Maturity Date of the Bonds</i>	0-5 Years	0.5%	1.0%	2.0%
	6-10 Years	1.0%	2.5%	4.0%
	11-20 Years	3.0%	4.0%	5.0%

3) Other Considerations:

Some refundings may be executed for other than economic purposes, such as to restructure debt, to change the type of debt instrument, or to retire a bond issue and indenture for more desirable covenants. In addition, if the benefits outweigh the costs and the refunding opportunity would otherwise be lost, the Authority may proceed with a refunding that has economic benefit but does not meet the criteria stated above in the “Target Savings Amount” paragraph above.

4) Non-Traditional Refundings:

Refundings executed with non-traditional structures such as swaps, require a full analysis of the benefits and risks, and may require higher economic benefits.

SECTION VIII. ISSUANCE OF VARIABLE RATE DEBT

Variable Rate Debt typically is issued for a term of up to 30 years, although the interest rate on this debt instrument is reset daily, weekly, monthly or less commonly, periodically.

The Authority recognizes that variable rate securities are a useful debt management tool that traditionally has had lower interest rate costs than fixed rate debt. The Authority's current goal is to maintain a debt program which may include both fixed and variable rate debt, as well as Commercial Paper.

1) Purposes of Variable Rate Debt

The Vice President, Finance and Asset Management/Treasurer may recommend that variable rate securities be issued for the following purposes:

(A) Interim Financing Tool

The Authority may consider issuing Variable Rate [Debt](#) in connection with its major debt-financed capital projects, especially when interest rates associated with a fixed rate, long term borrowing far exceed the interest rates that can be earned on the construction and capitalized interest funds (resulting in a significant amount of negative arbitrage). Because Variable Rate Debt can be retired or redeemed without penalty, these instruments may better suit circumstances where a refunding or restructuring of a potential debt issue is likely for any reason, (for example, if a change in use of the facility to be funded may reasonably be anticipated, or if grant or another source of funds may be obtained to substitute for bond funding).

Certain variable rate products—most notably, Commercial Paper—can be issued incrementally as funds are needed to finance current construction, and can reduce the long-term cost of construction financing.

(B) Statement of Net Position Management Tool

The maintenance of Variable Rate Indebtedness and Commercial Paper liabilities at a level that takes into consideration the amount of short-term assets maintained by the Authority prudently reduces the Authority's risk of exposure to changes in interest rates. Since the Authority invests its free cash balances in short term instruments, it is exposed to interest rate fluctuations at the short end of the yield curve. Conversely, a large portion of its liabilities are in the form of long term, fixed-rated debt. When interest rates fall, the Authority's assets earn less, while its liabilities are fixed. Offsetting this exposure by better matching the variability of earnings on its assets with variable, rather than fixed, rate liabilities serve as a hedge against interest rate risk and reduces the overall cost of funds.

(C) Diversify Investor Base to Lower Costs

Typically, variable rate debt is sold to a different segment of investors than long-term fixed rate bonds. By tapping short-term investors, an issuer broadens and diversifies its investor base. By becoming a familiar and respected credit among short-term investors, the Authority will be in a better

position to gain access to these buyers at those times when it is less advantageous to borrow in the fixed-rate market.

(D) Management of Negative Arbitrage

Issuing debt in a variable rate mode reduces or at times may even eliminate negative arbitrage in Construction, Capitalized Interest and Debt Service Reserve Funds. (See “A” above)

2) Criteria for Use of Variable Rate Debt

The Authority’s net variable rate debt composition (defined as variable rate debt less unrestricted cash reserves) excluding interim financings (defined as financings the Authority intends to take out with permanent long term financings) will not exceed the greater of 15% of total debt or \$100 million.

Statement of Net Position Risk Mitigation - In determining the appropriate amount of variable rate debt to be issued for risk mitigation purposes, the following factors should be taken into account, and analyzed on the basis of the funds that will be repaying the debt:

- (i) The historic average of cash balances analyzed over the course of several prior fiscal years.
- (ii) Projected cash balances based on known demands on the given fund.
- (iii) Any basis risk, such as differences in the performance or average life of the Authority’s investment vehicle (e.g., swaps, as discussed in Section IX) and the variable rate debt instrument.

3) Diversification of Remarketing Agents and Counterparties

In selecting remarketing agents for variable rate debt, the Authority will seek to choose a diversity of remarketing agents to better foster competition. For similar reasons, the Authority will seek to diversify its counterparties when selecting institutions to provide liquidity or credit enhancement for Airport variable rate debt.

4) Budgeting

The Vice President, Finance and Asset Management/Treasurer will determine the appropriate method for budgeting the interest cost of variable rate debt by considering historic interest rates, projected interest rates and the effect of risk mitigation products such as interest rate swaps or caps.

5) Monitoring and Reporting

The Vice President, Finance and Asset Management/Treasurer will monitor the performance of actual interest rates on variable rate debt and periodically report the results. Reports will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and with rules promulgated by the General Accounting Standards Board (GASB). With the assistance of its financial advisor, the Vice President, Finance and Asset Management/Treasurer will regularly review the performance of the individual remarketing agents in relation to other remarketing agents, similar programs and market indices.

SECTION IX. DERIVATIVES

The Authority has adopted and will maintain a separate policy for derivatives (Policy 4.21 “Policy Regarding the Use and Management of Derivative Products”).

SECTION X – METHOD FOR SALE OF DEBT

There are two methods of issuing debt obligations: a Competitive Sale and a Negotiated Sale. In a Competitive Sale, Underwriters submit sealed bids, and the Underwriter or Underwriting Syndicate with the lowest True Interest Cost (TIC) is awarded the sale. In a Negotiated Sale, the Underwriter or Underwriting Syndicate is selected through a Request for Proposal (RFP) process. The interest rate and Underwriter’s fee are negotiated prior to the sale, based on market conditions.

It is usually not feasible to issue bonds through a Competitive Sale for certain types of financings, such as Variable Rate Debt, Commercial Paper and specialized financings like Special Facility Revenue Bonds. Further, there are factors (e.g., flexibility as to timing and the mix of the underwriting syndicate) that support the use of a Negotiated Sale. Still, a competitive process should be used to choose the appropriate Underwriter and financing team to ensure the most qualified firms are used for a specific financing. The current policy of the Authority establishes a preference for Negotiated Sales of its Bonds.

Role of Underwriters in Negotiated Sale

The Authority expects its underwriters to: 1) participate in a valuable and significant way with respect to the structuring and pricing of each debt issue and sales performance; 2) cooperate fully with other financing team members in a way that provides the maximum benefit to the Authority; and 3) attend meetings, when requested, related to the issuance of debt.

The book running senior manager, in conjunction with the financial advisor, is responsible for developing a time and responsibility schedule that will allow for the timely and successful completion of the financing. The book running senior manager is responsible for communicating the Authority’s plan of finance and timing to the other managing Underwriters in the syndicate.

Underwriter Selection in Negotiated Sale

The Authority may select Underwriters for an individual financing or to serve as part of a pre-qualified pool of Underwriters available for appointment for anticipated financings. In either case, the Authority would conduct a competitive selection process, which should include:

- Developing an RFP that meets the financial and policy goals of the Authority.
- Meeting the Authority procurement requirements.
- Circulating the RFP to a wide range of Underwriters (e.g. national and regional firms, DBE and majority firms, and firms that specialize in certain types of debt).
- Diligently evaluating the Underwriters' proposals received in response to the RFP.
- Conducting follow-up interviews with any or all of the proposing firms (optional).
- Selecting candidates to be recommended for appointment to an individual financing or to an Underwriter pool.

Should the Board appoint underwriters to a pre-qualified pool after an RFP process, the Vice President, Finance and Asset Management/Treasurer may recommend such firms for appointment to specific financings, without a subsequent RFP process.

SECTION XI. INVESTMENT OF BOND PROCEEDS

The Authority shall invest proceeds generated through the issuance of debt in compliance with the terms of eligible investments under the relevant bond indenture and related bond documents; its Investment Policy; and applicable state laws.

SECTION XII. COMPLIANCE WITH FEDERAL TAX LAW AND MARKET DISCLOSURE OBLIGATIONS

1) Compliance with Federal Tax Law

The Vice President, Finance and Asset Management/Treasurer shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Federal tax code and ensure compliance with other Federal tax regulations and post-issue compliance as required by Bond Counsel at the time of issuance of the debt. This effort shall include tracking expenditures of bond proceeds to ensure such expenditures comply with federal tax law requirements, tracking investment earnings on proceeds, retention of a rebate consultant to prepare and calculate rebate payments in compliance with tax law and remitting any earnings subject to rebate to the Federal government in a timely manner in order to preserve the tax-exempt status of the Authority's outstanding debt issues that have been issued on a tax-exempt basis.

The Authority will comply with all covenants contained in tax certificates.

Trustee banks have been appointed for the Authority's outstanding debt. The trustees shall perform all functions and duties required under the terms and conditions set forth in the respective bond indentures and trust agreements, including maintaining records of fund balances and investments.

2) Initial Disclosure

The Authority acknowledges its responsibilities under the securities laws to avoid material misstatements and omissions in offering documents used in the marketing of Authority debt. The Vice President, Finance and Asset Management/Treasurer shall manage and coordinate the disclosure documentation preparation process and shall establish a system of procedures to ensure the preparation of appropriate disclosure documentation when required, with assistance from the Authority's General Counsel and the Authority's Bond and/or Disclosure Counsel. When necessary, the Vice President, Finance and Asset Management/Treasurer shall provide training covering new developments and disclosure responsibilities to staff members.

3) Continuing Disclosure

To assist Underwriters to comply with Securities and Exchange Commission ("SEC") Rule 15c2-12, ~~except where exceptions apply~~, the Authority has entered into and expects in the future to enter into additional Continuing Disclosure Undertakings. The Authority is required to provide 1) Annual Reports, containing the Authority's audited financial statements as well as updates of operating and financial data included in the Authority's offering documents, and 2) notices of certain enumerated events.

i) Notice of the occurrence of any of the following events shall be given, or caused to be given by the Authority, with respect to any bonds, not later than ten business days after the occurrence of the event:

- (A) Principal and interest payment delinquencies;
- (B) Unscheduled draws on the Debt Service Reserve Funds reflecting financial difficulties;
- (C) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (D) Substitution of credit or liquidity providers, or their failure to perform;
- (E) Adverse tax opinions with respect to the tax status of any bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to any bonds;
- (F) Tender offers;
- (G) Defeasances;
- (H) Rating changes; or
- (I) Bankruptcy, insolvency, receivership or similar event of the obligated person:

Note: for the purposes of the event identified in subparagraph (I), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(J) [Any applicable revision to rule 15c2-12 adopted by the SEC](#)

(ii) Notice of the occurrence of any of the following events with respect to any bonds, if material, shall be given, or caused to be given by the Authority, not later than ten business days after the occurrence of the event:

(A) Unless described in paragraph 3(i)(E), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of any bonds or other material events affecting the tax status of any bonds;

(B) Modifications to rights of the owners of any bonds;

(C) Optional, unscheduled or contingent bond calls;

(D) Release, substitution or sale of property securing repayment of any bonds;

(E) Non-payment related defaults;

(F) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

(G) Appointment of a successor or additional trustee or the change of name of a trustee;

(H) [Any applicable revision to rule 15c2-12 adopted by the SEC](#)

SECTION XIII. RATINGS AGENCIES AND INVESTOR RELATIONS

The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority's Credit Rating agency relationship. The Authority recognizes the importance of immediate and timely Disclosure of relevant financial and program information concerning its debt programs to the rating agencies and pursuant to its continuing disclosure undertakings. This effort shall include periodic meetings with the rating agencies and

shall provide the rating agencies with the Authority's annual budget projections, financial statements and other relevant information.

The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority's investor relations program -including the maintenance and periodic updating of the financial information provided on the Authority's web site.— The Authority shall attempt to promptly respond to any reasonable inquiry from an institutional or retail investor concerning information generally available to the investing public.

SECTION XIV. AMENDMENTS TO DEBT ISSUANCE AND MANAGEMENT POLICY

The Policy codifies and explains the guidelines and the policies that govern existing and anticipated debt obligations of the Authority. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority's ability to manage its projected debt issuance. The Policy will require changes and modifications over time. The Vice President, Finance and Asset Management/Treasurer shall be responsible for ensuring the policy is current and will review the Policy annually, at a minimum. In the event that changes to the Policy are necessary, the Vice President, Finance and Asset Management/Treasurer shall propose such changes to the CEO. Upon CEO approval, the proposed amended Policy will be submitted to the Board requesting approval.

GLOSSARY (PROVIDED FOR INFORMATIONAL PURPOSES ONLY)

Additional Bonds Test: The earnings test which must be satisfied under the provisions of a revenue bond contract before bonds of an additional issue having the same lien on a pledged revenue source can be issued. Typically, the test required that historical or future estimated pledged revenues exceed total debt service (existing and proposed) by a certain ratio. The test provides protection to investors that the bond issuer will not issue additional parity bonds without providing ample security to the investors in the previous financing(s).

Advance Refunding: A refunding that occurs more than 90 days in advance of the first optional redemption date. Under current IRS regulations, Governmental Purpose tax-exempt bonds issued after December 31, 1985 are permitted only one advance refunding. Additionally, certain private activity bonds may not be advanced refunded.

Airline Costs per Enplaned Passenger (“CPE”): A comparative statistic used to demonstrate the affordability of airline operations at an airport. CPE is often used in the process of determining the credit quality of an issue. It is typically calculated as total passenger airline revenue divided by the number of enplaned passengers in any fiscal year.

Airport Revenue Bonds: Airport Revenue Bonds (also known as General Airport Revenue Bonds, or “GARBs”) are bonds issued pursuant to the terms of a trust indenture or ordinance which are secured either by a pledge of gross or net airport revenues.

Alternative Minimum Tax: Other than for certain private activity bonds issued during the AMT “waiver” period authorized by the American Recovery and Reinvestment Act of 2009 (“ARRA”), interest on tax-exempt private activity bonds issued after August 7, 1986 (other than bonds for 501(c)(3) organizations and refundings of pre-August 8, 1986 bonds) is generally subject to the Alternative Minimum Tax (“AMT”) as a specific item of tax preference. ARRA exempted new money and certain refundings of private activity bonds issued in 2009 and 2010 from the AMT penalty.

Amortization: The process of paying the principal amount of an issue of securities by periodic payments either directly to holders of the securities or to a sinking fund for the benefit of security holders.

Arbitrage: With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with tax-exempt bonds.

Arbitrage Rebate: A payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made.

Balloon Maturity: A bond structure wherein the principal amount becomes due and payable on one date, generally at the end of the bond term.

Basis Point: Yields on bonds are usually quoted in increments of basis points. One basis point is equal to 1/100 of one (1%) percent. For example, the difference between 6.00% and 6.50% is 50 basis points.

Bond Counsel: A law firm retained by the bond issuer to give a legal opinion that the bond issuer is authorized to issue proposed securities, the bond issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation. Usually, bond counsel will prepare authorizing resolutions and ordinances, trust indentures and other bond documents with the exception of the Official Statement.

Bondholder: The owner of a municipal bond. ~~The owner of a bearer bond is the person having possession of it, while the owner of a registered bond is the person~~ whose name is noted on the bond register.

Bond Insurance: Insurance which provides an additional guarantee guarantee ~~ofs~~-the timely payment of principal and interest of either an entire bond issue or specified maturities. In exchange for payment of the bond insurance premium, a higher credit rating (the rating of the insurer) (~~historically, AAA~~) is assigned to the insured bonds and a lower cost of funds is may be attained. ~~With a competitive sale, generally the bidding dealer bears the cost of insurance to the benefit of the firm's bid. The bond issuer pays the cost of bond insurance from bond proceeds with a negotiated sale.~~

Bond Purchase Agreement: The contract between the Syndicate and the bond issuer setting forth the final terms, prices and conditions upon which the Syndicate will purchase a new issue.

Book Running Senior Manager: The managing underwriter that controls the book of orders for the transaction and is primarily responsible for the successful execution of the transaction.

Broker-Dealer: A securities firm engaged in both buying and selling securities on behalf of customers and also buying and selling securities on behalf of its own account.

Build America Bonds ("BABs"): Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The most widely used version was authorized under the American Recovery and Reinvestment Act ("ARRA") that allowed BABs to be issued in 2009 and 2010 with a 35% of interest subsidy (subsequently reduced under the federal sequestration program) to the issuer received as direct payments from the federal government. The proceeds of BABs authorized under ARRA could only be used to fund non-private activity, governmental purposes.

Bullet Maturity: See Balloon Maturity.

Callable Bond: A bond where the bond issuer is permitted to redeem it before the stated maturity date at a specified price by giving notice of redemption in the manner specified in the bond document.

Capital Appreciation Bond: A municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return. It differs from a Zero Coupon Bond in that only the initial principal amount is counted against an issuer’s statutory debt limit, rather than the total par value at maturity.

Capitalized Interest: A portion of the proceeds of an issue which is set-aside to pay interest on the bonds for a specified period of time. Interest is commonly capitalized during the construction period of a revenue-producing project.

Commercial Paper: Short-term (1 to 270 days) promissory notes usually issued to provide for interim financing of projects through the construction period and backed by a letter or line of credit from a commercial bank. Following the completion of the projects, principal and interest due on commercial paper is often redeemed through the issuance of long-term refunding bonds.

Competitive Sale: The sale of a new issue of bonds by an issuer through a bidding process where underwriters are awarded the bonds on the basis of offering the lowest cost of funds for the issuer usually as measured on a true interest cost (TIC) basis. The bid parameters for the public sale are established in the notice of sale or notice inviting bids.

Credit Enhancement: The use of the credit of an entity other than the issuer to provide additional security in a bond or note financing. This term typically is used in the context of bond insurance, letters of credit and other similar facilities.

Credit Ratings: Evaluations of the credit quality of bonds made by independent ratings services such as Moody’s Investors Service, Standard & Poor’s Ratings Group ~~and~~ Fitch ~~and~~ Kroll. Credit ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities. Credit ratings are assigned before issuance of the bonds and are periodically reviewed or may be amended to reflect changes in the issuer’s credit position. Bonds with investment grade ratings are assigned credit ratings between Baa3/BBB- and Aaa/AAA.

Current Refunding: A current refunding involves refunding bonds within 90 days of the bonds’s first optional redemption. Federal tax law does not limit the number of current refundings of any tax-exempt bond.

Customer Facility Charge (CFC): A fee imposed by a car rental company upon a car rental customer arriving at the airport and renting a vehicle from an on-airport or off-airport car rental company serving the airport. The CFC is collected by the car rental company generally for use by the airport in funding rental car facility-related projects or debt associated with such projects.

Debt Ratios: Comparative statistics showing the relationship between a bond issuer’s outstanding debt and factors affecting repayment. Such ratios are often used in the process of determining the credit quality of an issue. Examples of debt ratios applied to airport bonds include: debt/revenues/costs per enplaned passenger, debt service coverage ratio, utilization per gate, operating ratio and net takedown.

Debt Service: The amount due for repayment of interest and principal on outstanding debt, including required contributions to a sinking fund for term bonds. Debt service may be computed on a bond year, fiscal year or calendar year basis.

Debt Service Coverage: The ratio of Net Revenues annually available to pay debt service on bonds to the annual debt service requirement. This ratio is one indicator of the credit quality of a bond issue. For example, a coverage ratio of “1.50x” means that for every \$1.00 of annual debt service, the bond issuer has \$1.50 of annual net revenues.

Debt Service Reserve Fund: The fund in which moneys are placed which may be used to pay debt service if Net Revenues are insufficient to satisfy the debt service requirements. The size of this fund is generally established by the reserve requirement, which is generally equal to the lesser of: (i) 10% of new issue par, (ii) maximum annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund), and (iii) 125% of average annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund).

Debt Service Reserve Fund Surety Policy: A debt service reserve fund insurance policy provided by a highly-rated municipal bond insurer or a letter of credit provided by a highly-rated commercial bank which guarantees the funding of the reserve requirement.

Defeasance: Bonds for which the payment of debt service has been assured through the structuring of a portfolio of government securities, the principal and interest on which will be sufficient to pay debt service on the outstanding bonds. The rights and interest of the bondholders and of their lien on pledged revenues is terminated in accordance with the bond documents through a defeasance. Defeasance usually occurs through the issuance of refunding bonds.

Disclosure: From the perspective of the bond issuer, it is taken to mean the dissemination of accurate and complete information material to an existing or proposed bond issuance which an investor is likely to consider important in making an investment decision. The material facts pertinent to a new bond offering are disclosed in the Official Statement.

Disclosure Counsel: A law firm retained by the bond issuer to prepare the Official Statement and provide a 10b-5 opinion.

Discount Bond: A bond sold for less than its face value as a result of the yield exceeding the coupon rate.

Financial Advisor: A consultant who advises the bond issuer on matters such as bond structure, timing, marketing, pricing, documentation and credit ratings. The consultant may also provide non-bond related advice relating to capital planning and investment management.

Fixed Rate Debt: Securities with an interest rate that is established for the life of the securities.

Forward Refunding: A Forward Refunding is an agreement, usually between an issuer and the underwriter, whereby the issuer agrees to issue bonds on a specified future date and an underwriter agrees to purchase such bonds on such date. The proceeds of such bonds, when issued, are generally used to refund the issuer's outstanding bonds.

Group Net Order: An order for bonds submitted by a Syndicate member in which the takedown is distributed to Syndicate members according to their respective liability shares in the issue.

Institutional order—an order for bonds placed by a bank, pension fund, mutual fund, trust or insurance company, investment bank, hedge fund or similar financial institution

Interest Rate Risk: The risk associated with changes in general interest rate levels or Yield Curves (see Yield Curves below).

Letter of Credit: A commitment usually made by a commercial bank to honor demands for timely payment of debt service upon compliance with pre-established conditions and/or the occurrence of certain events specified in the agreement between the bank and the issuer of the debt. Letters of credit are often issued as additional sources of security for issues of notes, commercial paper or bonds, with the bank issuing the letter of credit committing to pay debt service on the bonds. Debt issued with a letter of credit may be assigned the credit rating (short- and/or long-term) of the letter of credit provider. Letters of credit may also provide liquidity support for such debt issues.

Master Indenture: The Trust Indenture that governs all the senior lien bond obligations of the issuer.

Master Subordinate Indenture: The Trust Indenture that governs all the subordinate lien bond obligations of the issuer.

Member Order – An order submitted by a syndicate member at the takedown price.

Negotiated Sale: The sale of a new issue of bonds by an issuer through an agreement with an underwriter or underwriting Syndicate selected by the issuer. Bonds are generally sold on a negotiated basis when market conditions, issue structure or issue credit quality indicate that a competitive sale would result in higher borrowing costs for the issuer.

Net Designated Order – An order submitted by a syndicate member on behalf of a buyer on which all or a portion of the takedown is to be credited to certain members of the syndicate. The buyer directs the percentage of the total designation each member will receive in accordance with the terms of the underwriting syndicate.

Official Statement: A document published by the bond issuer, and often prepared by Disclosure Counsel, which discloses material information on a new bond issue including the purpose of the issue, source of repayment, bond covenants as well as financial, economic, demographic and legal characteristics of the bond issuer. The Official Statement is used by investors to determine the credit quality of the bond issue. An Official Statement is deemed preliminary prior to the determination of the interest rates on the bond issue.

Parity Bonds: Two or more subsequent issues of bonds which have the same priority of claim or lien against pledged revenues.

Passenger Facility Charge (PFC): A fee, in amounts up to \$4.50, assessed to enplaned passengers at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. Federal law limits use of PFC funds strictly to the above categories.

Premium Bond: A bond sold for greater than its face value as a result of the coupon rate exceeding the yield.

Redemption Provisions: Terms set out in the bond documents which give the bond issuer the right or requirement to redeem or “call” all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specified price.

Remarketing Agent: A broker-dealer responsible for reselling to new investors securities (such as variable rate demand obligations and other tender option bonds) that have been tendered for purchase by their owner. The remarketing agent also typically is responsible for resetting the interest rate for a variable rate issue and also may act as tender agent.

Retail Order: An order for bonds placed by an individual or, as determined by the bond issuer, a retail order may also include an order placed by a bank trust department or an investment advisor for an individual.

Secondary Market Disclosure: Disclosure of information relating to outstanding municipal securities made following the end of the underwriting period by or on behalf of the issuer of the securities.

Securities and Exchange Commission (SEC): The Federal agency responsible for supervising and regulating the securities industry. In general, municipal securities are exempt from the SEC’s registration and reporting requirements. Brokers and dealers in municipal securities, however, are subject to SEC regulation and oversight. The SEC also has responsibility for the approval of Municipal Securities Rulemaking Board (MSRB) rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

SEC Rule 15(c)2-12: A regulation of the SEC which requires underwriters participating in primary offerings of municipal securities of \$1,000,000 or more (i) to obtain, review, and distribute to investors copies of the issuer’s disclosure documents; (ii) to obtain and review a copy of an Official Statement deemed final by an issuer of the securities, except for the omission of specified information; (iii) to make available upon request, in non-competitively bid offerings, the most recent preliminary official statement, if any; (iv) to contract with an issuer of the securities, or its agent, to receive, within specified time periods, sufficient copies of the issuer’s final official statement, both to comply with this rule and any rules of the Municipal Securities Rulemaking Board; and (v) to provide, for a specified period of time, copies of final Official Statements to any potential customer upon request. The rule contains exemptions for underwriters participating in certain offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors, have short-term maturities, or have short-term tender or put features. The release also modifies, in limited respects, a previously published interpretation of the legal obligations of municipal securities underwriters.

Senior Lien Bonds: Bonds which have a prior claim against pledged revenues.

Serial Bonds: Bonds of an issue in which principal is amortized in successive years without interruption.

Subordinate Lien Bonds: Bonds which have a subordinate, or junior, claim against pledged revenues.

Special Facility Obligations: The issuance of bonds by a governmental entity to finance a project with repayment secured by a defined revenue stream derived from or relating to the use of the completed project.

Syndicate: A group of underwriters formed to purchase and re-offer a bond issuer's bonds for sale to the public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase a bond issue and for broader distribution of the issue to the general public. Each syndicate member has a share in the liability of the issue.

Takedown: The total discount at which members of syndicates buy bonds from an issuer.

Tax Events Risk: Risk to the issuer of variable rate bonds created by either a change in the taxable equivalent yield of comparable investments or loss of tax-exempt status. For an issuer of variable rate bonds, a reduction in federal income tax rates would increase interest costs. Re-classification of outstanding variable rate bonds as taxable would also increase interest costs.

Term Bonds: Bonds comprising a large part of the issue which come due in a single maturity. The bond issuer usually makes periodic payments into a sinking fund for mandatory redemption of term bonds before maturity or for payment at maturity.

True Interest Cost: The rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received on the closing date of the bond issue.

Trust Indenture: A contract between a bond issuer and a trustee, for the benefit of bondholders. The trustee administers the funds specified in the indenture and implements the remedies provided in case of default.

Underwriter: A dealer which purchases a new issue of bonds for resale either by negotiation with the issuer or by award on the basis of a competitive bid.

Underwriter's Counsel: A law firm retained by the Underwriter to represent their interests in connection with the negotiated purchase of a new issue of bonds. The firm's duties may include review of all bond documents, preparation of the agreement among Underwriters and negotiation of the bond purchase contract between the Underwriter and the bond issuer.

Underwriter's Gross Spread: In a negotiated sale, the difference between the price the Underwriter pays the bond issuer and the original reoffering price to the public; includes the management fee, expenses, and sales commissions (takedown and concession).

Variable Rate Debt: Securities with an interest rate that changes at intervals according to an index or formula, or is periodically (daily, weekly or monthly) reset at the market clearing rate. Variable rate debt is also known as "floating rate debt".

Yield Curve: Refers to the graphical or tabular representation of interest rates across different maturities. The presentation often starts with the shortest-term rates and extends towards longer

maturities. It reflects the market's views about implied inflation/deflation, liquidity, economic and financial activity, and other market forces.

Zero Coupon Bond: An original issue discount bond on which no periodic interest payments are made but which is issued at a deep discount from par, accreting (at the rate represented by the offering yield at issuance) to its full value at maturity.

[Amended by Resolution 2015-0042 dated May 21, 2015.]

[Amended by Resolution 2014-0050 dated June 5, 2014.]

[Amended by Resolution 2013-0048 dated June 6, 2013.]

[Amended by Resolution 2012-0060 dated June 7, 2012.]

[Amended by Resolution 2011-0078 dated July 7, 2011.]

[Adopted by Resolution. 2010-0046 dated May 6, 2010.]



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40

DEBT ISSUANCE AND MANAGEMENT POLICY

Presented by:

John Dillon,

Director, Financial Management

Debt Policy - Overview

- Governs existing and anticipated debt obligations
- Sets forth certain financial management practices in capital budgeting that supports the Authority's ability to manage its projected debt issuance
- Policy is updated from time to time to reflect changes in the law and the market

Debt Policy - Objectives

- Protect the Authority's assets and funds
- Manage and monitor existing debt to:
 - Optimize financial structure
 - Control costs
 - Ensure compliance with bond financing covenants
- Oversee the issuance of new debt in order to maintain access to capital markets
- Obtain and maintain the highest possible credit ratings on debt

Debt Policy - Objectives

- Explore and implement prudent debt structuring
- Provide the required secondary market disclosure to the rating agencies and investors
- Comply with all federal and state laws and regulations as well as bond indenture and federal tax and securities law compliance

Debt Policy Amendments

Section (II)(2) Roles and Responsibilities: President/CEO and Vice President, Finance and Asset Management/Treasurer

Modifications in this section reflect changes in reporting requirements under California code. Starting in January 1 2017, Debt Issuers are required to:

- Adopt a debt policy
- Meet certain additional ongoing reporting obligations
- Ensure proceeds of the Authority's debt obligations are directed to the intended use

Debt Policy Amendments

Section (II)(2) Roles and Responsibilities: President/CEO and Vice President, Finance and Asset Management/Treasurer

“The Vice President, Finance and Asset Management/Treasurer, under the direction of the President/CEO, is (i) responsible for developing, evaluating, implementing and monitoring the financing plan and debt strategies for the Authority in compliance with this policy, subject to Board approvals; ~~and~~ (ii) **is** in charge of federal tax and securities law post-issuance compliance with respect to all debt obligations; (iii) **responsible for implementing and ensuring compliance with internal control procedures to ensure proceeds of the Authority’s debt obligations are directed to the intended use; and (iv) responsible for timely submitting to the California Debt and Investment Advisory Commission any annual debt report required under California Government Code Section 8855(k).”**

Debt Policy Amendments

Section (IV) Debt Targets: Language Clarification

The President/CEO and the Vice President, Finance and Asset Management/Treasurer will recommend to the Board the amount, term and type of debt needed to meet the Authority's short-term and long-term financing requirements. In such determinations, issues of debt capacity, amortization period and **impact on rates and charges affordability** will be considered, guided by the use of target debt **capacity affordability** indicators for measuring the affordability of additional borrowing.”

Debt Policy Amendments

Section (IV)(5) Debt Per O&D Enplaned Passenger Target:
Adapting the Authority Debt per O&D Enplanement Target
providing an improved metric when comparing to peer airports.

“Debt Per ~~O&D~~ Enplaned Passenger Target

The Authority will compare its debt per ~~O&D~~-enplaned passenger with available sources of data, including the rating agencies’ median reports **and a selected peer group of airports**. Due to the different ways that airports finance their capital facilities, this measure is only one indicator of debt affordability.”

“The Authority has established a debt (excluding special facility financing) per ~~O&D~~-enplaned passenger goal of no more than \$150. **per-enplaned passenger.**”

Debt Policy Amendments

Section (IV)(3) and (5) Targets for Debt Service Coverage and Debt per Enplaned passenger.

Clarifies the Authority's intention to review and update Debt Service Coverage and Debt per Enplanement targets once there is more clarity relating to the Airport Development Plan.

Debt Service Coverage Target:

“These debt service coverage targets will be reviewed at least annually by the Authority and its financial advisor to determine appropriate adjustments that may be necessary. **As the Authority advances the definition and scope of the planned Airport Development Program, the Authority anticipates potential revisions to the coverage targets.**”

Debt Policy Amendments

Section (IV) (3) and (5) Targets for Debt Service Coverage and Debt per Enplaned passenger.

and

Debt per enplanement Target

“The Authority will regularly review and update this metric from time to time as may be necessary. **As the Authority advances the definition and scope of the planned Airport Development Program, the Authority anticipates potential revisions to these leverage targets.**”

Debt Policy Amendments

Section (IV)(7) Credit Ratings Target: Modifications to reflect that the Authority may not always seek ratings from more than two rating agencies.

“The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport. ~~At a minimum, t~~The Authority ~~will seeks to~~ maintain ratings ~~from at least two of the leading rating agencies for its Senior Lien Airport Revenue Bonds and at a minimum seeks to maintain a rating in the highest category of “A” (e.g. A1, A+) “A1/A+/A+” from all three rating agencies for its Senior Lien Airport Revenue Bonds.”~~

Debt Policy Amendments

California code now requires that an issuers debt policy includes the purpose for which permitted types of debt may be used.

Policy amended in the following 3 sections:

1. Section (V) (1) Bonds and Subordinate Obligations

“Under the Master Subordinate Indenture, subordinate lien debt is defined as “Subordinate Obligations”. **Proceeds of the Authority’s Bonds and Subordinate Obligations may be used for any legally permitted purposes.**”

Debt Policy Amendments

and

2. Section (IV) (4) Bond Anticipation Notes (“BANs”) and Grant Anticipation Notes:

“...Once an LOI [Letter of Intent] is in hand, notes may be issued that are secured by the grants anticipated to be received from the FAA and/or TSA. However, there typically must be an ancillary source of repayment for the notes in the event grant funding is ultimately not received. **The Authority may use BANs proceeds to finance projects that would be otherwise financed by an upcoming bond issue. The Authority may use GANs proceeds to finance projects permitted by the grants anticipated to be received by the Authority.**”

Debt Policy Amendments

and

3. Section (V)(5) Capital Appreciation Bonds and Zero Coupon Bonds:

“...The Authority will not issue capital appreciation bonds or zero coupon bonds unless the Authority has determined, quantified and demonstrated that there is a significant benefit over traditional structures. **In the event that the Authority issues capital appreciations bonds or zero coupon bonds, proceeds of such bonds may be used for any legally permitted purposes.**”

Debt Policy Amendments

Section (V)(2) PFC-Supported Bonds and Subordinate Obligations: Confirmation that the Authority currently makes use of PFC's for debt service payments and clarification that the Authority may utilize additional PFC's over and above an irrevocable pledge to meet debt service commitments.

“The Authority ~~intends to~~ leverages PFCs to support investment in Airport infrastructure and facilities. In order to do this, the Authority may make an irrevocable pledge of PFCs to pay eligible debt service **for purposes of compliance with the Additional Bonds Test. The Authority may also deposit additional PFC amounts each year to the debt service fund.** The Authority will not include PFCs in estimates of future revenues pledged to support Annual Debt Service unless approval for their imposition has been obtained or is expected to be obtained from the FAA.”

Debt Policy Amendments

Section (V)(7) Floating Rate Notes: Modification to reflect the specific nature of the Authority's variable debt instruments.

“Floating Rate Notes (FRNs), **including Revolving Credit Facilities**, are notes that have a variable coupon, equal to a money market reference rate, such as SIFMA (Securities Industry and Financial Markets Association) or LIBOR (the London Interbank Offered Rate), plus a spread. The spread is a rate that remains constant.”

Debt Policy Amendments

Section (XII)(3) Compliance with federal tax law and market disclosure obligations: minor corrections and recognition of necessary changes required should the SEC expand compliance requirements.

“To assist Underwriters to comply with Securities and Exchange Commission (“SEC”) Rule 15c2-12, ~~except where exceptions apply,~~ the Authority has entered into and expects in the future to enter into additional eContinuing Disclosure ~~u~~Undertakings.

And language added the enumerated list of events subject notice requirements:

“Any applicable revision to rule 15c2-12 adopted by the SEC”

Debt Policy Amendments

Section (XIII) Ratings Agencies and Investor Relations:

Emphasize the significance of the Authority's web site in conjunction with rating agency and investor relations.

“The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority’s investor relations program- **including the maintenance and periodic updating of the financial information provided on the Authority’s web site.** The Authority shall attempt to promptly respond to any reasonable inquiry from an institutional or retail investor concerning information generally available to the investing public.”

Debt Policy Amendments

The Authority updated and added a number of items in the glossary. These included the definitions of:

“Bondholder”, “Bond Insurance”, “Build America Bonds (“BABs”)”, “Institutional Order”, “Member Order” and “Net Designated Order”.

Action Requested

- Forward Resolution approving amendments to Authority Policy 4.40 – Debt Issuance and Management to the Board for approval

Questions?



EXECUTIVE COMMITTEE

Meeting Date: **MAY 22, 2017**

Subject:

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

Recommendation:

Forward to the Board for approval.

Background/Justification:

The attached Investment Policy (Exhibit A) serves as the foundation of the Authority's investment goals and priorities. The Authority's internal policy guidelines compel the Authority's Treasurer to invest Authority funds in a manner that will provide the highest security of funds while meeting the daily cash flow demands. The foremost stated objective is safety, with the requirement that all transactions are structured to avoid capital losses from issuer or broker/dealer default, or erosion of market value.

State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, the Investment Policy requires the Authority shall seek to achieve a return on funds throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

The Authority's Investment Policy was developed in conjunction with our financial and investment advisors and it adheres to or exceeds the policies and requirements of investment types as authorized by the California Government Code §§ 16429.1 and 53600 et seq (Code).

As a result of the annual review, by staff, and the Authority's financial and investment advisors, certain changes to Policy 4.20 are recommended. The recommended changes to the policy include language that reflect updates to California Government Code. State Code was modified to clarify that the rating requirements specify the minimum credit rating category required at purchase without regard to "+" or "-" or "1, 2, 3" modifiers. This revision did not change the minimum ratings required by the Code for the different Investment types. It simply codified the credit rating interpretation already used by most public agencies. This revision applies to all six of the Policy's sections that specify a credit rating requirement for purchase.

While an annual review and adoption is not required by statute, both the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association have established policy standards recommending a review be conducted annually.

Since this Investment Policy serves as the guidelines for prudent management of the Authority's investments, the attached resolution and accompanying policy are submitted to ensure a regular review and approval by the Authority Board.

In addition, the Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation is on a fiscal year basis and subject to renewal by the Board, at its option. Based on the investment record, the attached resolution requests reappointment of the Vice President of Finance and Asset Management/Treasurer to continue this role for another year.

The existence of an approved investment policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the public that it serves. This annual review is done to ensure the Authority Board's continued oversight and approval of the policies, rules, and performance regarding the investment of Authority funds.

Fiscal Impact:

None.

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:

SCOTT BRICKNER,
VICE PRESIDENT FINANCE AND ASSET MANAGEMENT/TREASURER

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE 4 - FINANCE AND ACCOUNTING
PART 4.2 - INVESTMENTS
SECTION 4.20 - POLICY GUIDELINES FOR PRUDENT INVESTMENTS

PURPOSE: To establish a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”), including risk management.

POLICY STATEMENT:

It is the policy of the Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Authority. The investment policies and practices of the Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds.

This policy also addresses risk management because risk management is an integral part of managing a fixed income portfolio. To focus only on maximizing return is imprudent; therefore, policy issues will be directed to limiting the investment portfolio’s exposure to each issue and issuer of debt and criteria for establishing minimum credit requirements that firms must have in order to effect security transactions with the Authority.

(1) Scope. This investment policy applies to all the Authority’s investment activities, except for the Employees Retirement and Deferred Compensation funds, which are administered separately. In addition, in the event of a conflict between this policy and permitted investments of bond proceeds as defined by a master indenture or supplemental indenture (“**Indenture**”) associated with any Authority debt issuance, the more restrictive parameters of either Cal. Gov. Code or the Indenture will take precedence. The financial assets of all other Authority funds shall also be administered in accordance with the provisions of this policy.

(2) Objectives.

(a) Safety of Principal. Safety of principal is the Authority’s foremost objective. To accomplish this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default or erosion of market value. The Authority shall seek to preserve principal by mitigating credit risk and market risk.

(i) Credit risk is the risk of loss due to failure of the issuer to repay an obligation and shall be mitigated by investing in only the highest quality credits and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the Authority's cash flows.

(ii) Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by:

(A) structuring the portfolio so that securities mature at the same time major cash outflows occur, thereby eliminating the need to sell securities prior to their maturity; and

(B) limiting the average maturity of the Authority's portfolio to three years, Furthermore, no investments will be made in any security with a maturity greater than five years unless the Board has granted its express authority to make such investment specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

It is explicitly recognized, however, that in a diversified portfolio occasional losses may be inevitable and must be considered within the context of overall investment return.

(b) Liquidity. The Authority's investment portfolio will be structured to provide sufficient liquidity to meet the operating requirements of the Authority.

(c) Return on Investment. State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, investment officials shall seek to achieve a return on the funds under their control throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

(3) Authority to Invest Funds.

(a) Policy principles for investment of Authority funds. Monies entrusted to the Authority will be invested and actively managed pursuant to applicable California statutory limitations and the guidance and limitations set forth in the Authority's written policies. Authority for the management and investment of Authority funds rests with the Authority Board of Directors ("**Board**"). The Board promulgates the policy for investment and management of Authority funds and conducts periodic reviews to ensure compliance with policy and statutory requirements. All persons authorized to make investment decisions for the Authority are trustees of the Authority and owe the Authority a fiduciary duty. All trustees are bound by the prudent investor rule, which requires trustees in making decisions with regards to the Authority's funds to act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Trustees of Authority funds are relieved of personal responsibility for an individual security's risk or market price changes where the trustees at all times were acting in accordance with written procedures and this investment policy, exercising due diligence, taking timely and appropriate action to control adverse developments, and provided timely appropriate reports to the Board regarding the adverse developments with an investment.

(b) Delegation of investment authority to Treasurer. The Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation shall be on a fiscal year basis and subject to renewal by the Board, at its option, after appropriate review of the investment record. The Board reserves the right to revoke the delegation of investment authority at its discretion. The Treasurer shall report to the board the status of Authority's investment portfolio in accordance with Sections (10)(a) and (b) of this policy. Whenever a security is sold at a loss, the Treasurer will record the loss as such in the Authority's accounting system. The Treasurer shall designate in writing an officer or employee of the Authority who shall have authority to execute or authorize execution of an investment trade on behalf of the Authority when the Treasurer is not reasonably available and circumstances require timely action.

(c) Treasurer's responsibility for investments. Investment and management of the Authority's funds shall be solely the responsibility of the Authority's Treasurer, who shall take necessary measures to be fully informed on current market conditions and market trends in general and the condition of the Authority's investment portfolio in particular. The Treasurer shall establish and periodically review for currency and adequacy a system of controls to ensure compliance with the applicable statutory requirements and the Authority's investment policies. The system of controls shall also provide for regulation of subordinate officers and employees as well as investment advisors under contract with the Authority.

(d) Execution of trades by authorized investment advisor. Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of investment responsibilities and where the Treasurer has approved in writing a strategy to guide the investment of Authority funds, the Treasurer may authorize the investment advisor to execute trades on behalf of the Authority to effectuate the approved investment strategy. The Treasurer shall make such delegation via a document that specifies the boundaries of the delegated authorization. The investment advisor designated to execute trades on behalf of the Authority shall be bound by this policy of the Authority and the Treasurer's written approval of the investment strategy. Authorizing the investment advisor to execute trades on behalf of the Authority does not relieve the Treasurer of responsibility for management and oversight of all investment transactions involving Authority funds. The Treasurer or designated Authority officer or employee, as provided in Section 3(b), when the Treasurer is not reasonably available and circumstances require timely action, must approve in writing all investment transactions that exceed a market value of five million dollars (\$5,000,000) prior to execution of the trade. The investment advisor shall not execute any trade through any security broker in whom the investment advisor holds an ownership interest or has a financial interest. The investment advisor shall not take possession of or act as custodian for the cash, securities or other assets. The investment advisor shall provide a written report of all trades made on behalf of the Authority to the Treasurer within twenty-four (24) hours of trade execution.

(4) Ethics and Conflicts of Interest. The Board, Authority officers or Authority employees involved in the investment process shall refrain from any activity that could conflict with proper execution of the investment program or which could impair the Authority's Treasurer's ability to make impartial investment decisions. Authority staff involved with the investment process shall disclose to the Authority's Treasurer any financial interest in financial institutions that conduct business with the Authority and they shall further disclose any personal financial and/or investment positions that could be related to the performance of the Authority's portfolio. Board members, Authority officials and Authority employees shall subordinate their personal investment transactions to those of the Authority, particularly with regard to the time of purchases and sales.

(5) Placement of Trade Execution Orders.

- (a) Whenever possible, investment transactions shall be made via a competitive process to ensure the Authority's security transactions are made on terms most favorable to the Authority. Trade execution shall be only through firms registered with the Financial Industry Regulatory Authority (FINRA) and approved by the Treasurer. To ensure security transactions are made via the most competitive process, solicitation of bids to transact a security trade shall be provided equally to all security dealers approved by the Treasurer pursuant to the section (5)(b) of this policy. This policy permits the Authority to purchase investments directly from approved issuers who require no competitive process (e.g., Local Agency Investment Fund (LAIF), the San Diego County Investment Pool (SDCIP), and Local Government Investment Pools (LGIPs).
- (b) Other than investments with depository institutions and approved pools, the Treasurer shall only execute trades with security dealers that have been approved to execute security trades on behalf of the Authority. Prior to approving a security dealer to execute security trades, the Treasurer shall determine that the dealer is fully qualified to execute security trades for the Authority. In evaluating whether a specific dealer is so qualified, the Treasurer shall evaluate, at a minimum, the dealer's security registration, financial condition, standing in the investment community, and experience with security trades of the nature to be executed on behalf of the Authority. To be qualified, all financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following information on an annual basis: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) a trading resolution; (4) proof of California registration; and (5) a completed broker/dealer questionnaire.
- (c) Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of the investment responsibilities, the Treasurer may rely on the advisor's assurances that specific security dealers are fully qualified to execute trades on behalf of the Authority. The investment advisor shall provide such assurances in writing and shall renew the assurances based on an annual review of the financial condition and registrations of qualified bidders.

(6) Authorized Investments.

The Authority is authorized by the applicable sections of Cal. Gov. Code §16429.1, §53600 *et seq.* and §53630 *et seq.* to invest in the following types of securities, further limited herein:

(a) United States Treasury Bills, Bonds and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(b)

(b) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(f)

(c) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio. Cal. Gov. Code §53601(q)

(d) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances which are eligible for purchase by the Federal Reserve System and are rated in the highest category by a nationally recognized statistical rating organization (NRSRO), may not exceed 180 days to maturity or 40% of the market value of the portfolio. No more than 10% of the market value of the portfolio may be invested in banker's acceptances issued by any one bank. Cal. Gov. Code §53601(g)

(e) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.

(2) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maturity of 270 days or less. No more than 25% of the market value of the portfolio may be invested in commercial paper. No more than 10% of the market value of the portfolio may be invested in the commercial paper of

any single issuer. The amount invested in commercial paper of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(h)

(f) Negotiable Certificates of Deposit (NCDs) issued by a nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank. The amount invested in Negotiable Certificates of Deposit (NCDs) may not exceed 30% of the market value of the portfolio. NCDs eligible for purchase shall be rated in a rating category of “A” or its equivalent or better by a NRSRO. The maximum term for NCDs shall be five years. The amount invested in NCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(i)

(g) Placement Service Deposits (PSDs). Deposits placed through a deposit placement service that meet the requirements of Cal. Gov. Code §53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for PSDs shall be three years. The amount invested in Placement Service Deposits (PSDs) may not exceed 30% of the market value of the portfolio. Cal. Gov. Code §53601.8 and 53635.8

(h) Bank Deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time certificates of deposits (“TCDs”) in financial institutions located in California. The Authority will invest in financial institutions with a net worth of ten million dollars and total assets in excess of \$50 million. Such deposits in each bank shall be limited to no more than 5% of the total assets of the bank. To be eligible to receive Authority deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Cal. Gov. Code §53630 *et seq.* The Treasurer may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The Authority shall have a signed agreement with any depository accepting Authority funds per Cal. Gov. Code §53649. The maximum maturity of TCDs is three years. A maximum of 20% of the market value of the portfolio may be invested in TCDs. The amount invested in TCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53630 *et seq.*

(i) Medium Term Notes (MTNs), defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States rated in a rating category of “A” or its equivalent or better by a NRSRO and be issued by a corporation organized and operating within the United States. The aggregate total of MTNs may not exceed 15% of the market value of the investment portfolio. The amount invested in MTNs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(k)

(j) Repurchase agreements (RPAs) shall only be made with financial institutions having a credit rating ~~in the rating category of not less than~~ “A” or its equivalent or better by a NRSRO. The Security Industry and Financial Markets Association (SIFMA) master repurchase agreement shall be the Authority’s master repurchase agreement.

The term of the agreement may not exceed one year.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in 6(a) and 6(b) above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102% of the total dollar value of the money invested by the Authority for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement. Cal. Gov. Code §53601(j)

(k) The Local Agency Investment Fund (“**LAIF**”), established by the State Treasurer for the benefit of local agencies and identified under Cal. Gov. Code §16429.1 *et seq.* The market value of the Authority’s investment in LAIF may not exceed the current deposit limit for regular LAIF accounts.

(l) The San Diego County Investment Pool (“**SDCIP**”) as authorized by Cal. Gov. Code §53684. The market value of the Authority’s investment in SDCIP may not exceed the current deposit limit for regular LAIF accounts.

(m) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“**LGIPs**”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of the Investment Trust of California (CalTRUST), as authorized by California Government Code §53601(p). The market value of the Authority’s investment in each of the CalTRUST funds may not exceed the current deposit limit for regular LAIF accounts.

(n) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“**LGIPs**”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of Cal. Gov. Code §53601(p). The market value of the Authority’s investment in any LGIP may not exceed the LAIF statutory limit. Prior to investing, the Treasurer will complete a thorough investigation of the potential investment. Whenever the Authority has any funds so invested, the Treasurer shall maintain on-going monitoring including the following:

(i) Establish the investment is a legal investment under Cal. Gov. Code.

(ii) A description of eligible investment securities, and a written statement of investment policy and objectives. All investments must comply with the eligible

investments outlined in this policy. In the event that any investments do not comply with the eligible investments outlined in this Policy, the Treasurer will assess the potential risk of a substantial investment loss related to the investment(s) not in compliance.

(iii) The issuer must have a current AAAM rating, provide a constant dollar pool with a stated objective of maintaining a \$1 net asset value, meet an asset size of \$1 billion at the time of investment, and provide for third-party custody of portfolio assets.

(iv) A description of interest calculations and how it is distributed, and how gains and losses are treated.

(v) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.

(vi) A description of who may invest in the program, the type and number of governmental participants, investor concentrations, what size deposit and withdrawal are allowed, and what time restrictions are placed on these deposits and withdrawals.

(vii) A schedule for receiving statements and portfolio listings.

(viii) Determination of how reserves, retained earnings, etc. are utilized by the fund.

(ix) A fee schedule, and when and how it is assessed. Cal. Gov. Code §53601(p).

(o) The Authority may place funds in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §80a-1 *et seq.*). Investment in money market funds may not exceed 20% of the market value of the portfolio with no more than 10% of the market value of the portfolio in any single fund. Additionally, each selected fund shall be large enough that the Authority's investment does not constitute more than 5% of the total fund balance. To be eligible for investment, these companies shall either:

(i) Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or

(ii) Retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years' experience managing money market mutual funds with assets under management in excess of \$500,000,000. Cal. Gov. Code §53601(l)

(p) The Authority may invest in: (i) Registered state warrants or treasury notes or bonds of this state including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state; (ii) Registered treasury notes or bonds issued by any of the other 49 States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state; and (iii) Bonds, notes, warrants or other evidence of debt issued by a

local agency or municipality located within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this paragraph shall be rated in a rating category of at least "A" or its equivalent or better by a NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of the Authority's portfolio. The amount invested with any one issuer shall not exceed 5% of the portfolio. Cal. Gov. Code §53601 (c), (d), (e).

(q) **Permitted Investment for Bond Proceeds.** All investment types listed above are authorized investments for bond proceeds. The percentage or dollar limitations listed above do not apply to bond proceeds investments. In addition to the above investments, bond proceeds may be invested in the following:

Investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in items (a) or (b) of this section which are the following:

- (i) Valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, and
- (ii) Held by any Federal Reserve Bank or a depository acceptable to the Treasurer or any Authority bond trustee, and
- (iii) Subject to a perfected first lien on behalf of the Authority or any bond trustee and free and clear from all third-party liens

The Board has expressly granted the Treasurer the authority to invest debt service reserve funds in U.S. Treasury, federal agency, municipal securities and investment agreements (which meet the requirements of this Investment Policy and the Indenture) with maturities exceeding 5 years if it is considered to be in the best interest of the Authority and if the maturity of such investments does not exceed the expected use of the funds. Reserve fund investments beyond 5 years are specifically excluded from the mathematical calculation of the average maturity of the Authority's portfolio.

(7) **Prohibited Investments.** Investments not described herein, including but not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages, and common stocks are prohibited from use in this portfolio. The Authority shall not invest any funds in any security that could result in zero interest accrual and zero discount accretion if held to maturity. Cal. Gov. Code §53601.6

(8) **Safekeeping of Securities.** To protect against potential losses by the collapse of individual securities dealers, all securities owned by the Authority shall be held in safekeeping

by a third person bank trust department acting as agent for the Authority under the terms of a custody agreement executed by the bank and the Authority. All securities will be received and delivered using standard delivery versus payment procedures. The only exception to the foregoing shall be: (i) LAIF; (ii) the SDCIP; (iii) LGIPs; (iv) money market mutual funds, and (v) Deposits (TCDs & PSDs), since the purchased securities are not deliverable. A record of these investments shall be held by the Treasurer.

All investment officers shall be bonded and all investment accounts subject to surprise audits performed no less than on a quarterly basis.

(9) Portfolio Limitations. Percentage limits and credit criteria are applied at the time of purchase. If a percentage-of-portfolio limitation is exceeded due to reduction in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Authority's Treasurer shall consider restructuring the portfolio basing the decision in part on the expected length of time the portfolio will be imbalanced. The Treasurer shall report all such imbalances in the monthly report to the Board. In the event that an investment originally purchased within policy guidelines is downgraded below the policy requirements by any one of the NRSROs, the course of action to be followed by the Treasurer will then be decided on a case-by-case basis, considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.

(10) Reporting Requirements.

(a) In accordance with Cal. Gov. Code §53646, on a quarterly basis, the Authority's Treasurer shall prepare in accordance with GAAP and GASB 31 a report detailing investments and investment activity and transmit same to the Executive Officer, the Internal Auditor and the Board.

(i) The report shall be submitted within 30 days of the end of the quarter covered by the report.

(ii) The report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Authority.

(iii) The report shall include a description of any funds, investments, or programs that are under the management of contracted persons.

(iv) The report shall also include a current market value on a market-to-market basis as of the report date using an established identified independent source for the valuation.

(v) The report shall state compliance of the portfolio to the statement of investment policy or the manner in which it is not in compliance.

(vi) The report shall state the Authority's ability to meet its budgeted expenditure requirements for the next six months or to explain why sufficient money may not be available.

(b) In accordance with Cal. Gov. Code §53607, the Authority's Treasurer shall make a monthly report of investment transactions to the Board.

(11) Internal Control. The development of internal controls is a function of management. The Authority's Treasurer shall establish and document a system of internal controls that will provide reasonable assurance regarding the achievement of objectives in the following categories:

- Safeguarding assets
- Ensuring validity of financial records and reports
- Promoting adherence to policies, procedures, regulations and laws
- Promoting effectiveness and efficiency of operations

In addition, the Authority's Treasurer shall:

- (a) Establish an annual process of an independent review by an external examiner.
- (b) Develop performance standards. Those performance standards will be reviewed by the Treasurer and presented as an information item to the President/CEO and the Board. On a quarterly basis, as part of the reporting requirements the Authority's Treasurer shall report actual compared to the performance standard and any substantial deviations shall be explained.
- (c) Review the Authority's investment policy annually at a public meeting and obtain Board approval and adoption of the policy to ensure its consistency with the Authority's objectives of preservation of principal, liquidity, rate of return and the policy's relevance to current law and financial and economic trends. The Authority's Treasurer is responsible for maintaining guidance over the Authority's investment policy and ensuring that the Authority can adapt readily to changing market conditions and shall submit to the Board any modification to the investment policy prior to implementation.

(12) Glossary of Terms.

Asked: The price at which securities are offered (that is, the price at which a firm will sell a security to an investor).

Bankers' Acceptance (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Bid: The price offered for securities (that is, the price at which a broker or dealer will pay to purchase a security an investor owns).

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

Certificate of Deposit (CD): See: Time Certificate of Deposits, Negotiable Certificates of Deposits.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper (CP) - An unsecured short-term promissory note issued by corporations and local governments, with maturities ranging from 1 to 270 days. Commercial paper is usually issued at a discount from par with a zero coupon. Highly-rated, or “Prime” commercial paper carries a Standard & Poor’s rating of A1 or A1+, a Moody’s rating of P1, and/or a Fitch rating of F1 or F1+.

Constant Maturity Treasury (CMT) – A calculated average released by the Federal Reserve of all Treasury yields along a specific maturity point. This calculation is frequently used as a benchmark for conservative government portfolios.

Coupon: (a) The annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value; (b) A certificate attached to a bond evidencing interest due on a payment date.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be selling at a discount.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Farm Credit Bank (FFCB): The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of Congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. Unlike commercial banks, System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FFCB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

Federal Home Loan Banks: Federal Home Loan Banks provide a source of low cost loan funding to U.S. banks. Within their collective membership, the FHLBank System represents the largest source of home mortgages in the United States. The System does

not provide loans directly to individuals, only to other correspondent banks. System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FHLB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

Federal Home Loan Mortgage Company (FHLMC or “Freddie Mac”): The Federal Home Loan Mortgage Corporation (FHLMC), commonly referred to as “Freddie Mac”, was created in 1970 to assist its sister company, Fannie Mae, by purchasing mortgage loans in the secondary market, pooling them together, and selling them to investors in the form of mortgage-backed securities. By providing a secondary market for home loans, Freddie Mac increases the amount of money available for mortgage lending. In September 2008, Freddie was placed under Federal government conservatorship as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed. Like Fannie Mae, Freddie Mac issues debt in maturity ranges from one-day to 30 years, and its long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government.

Federal National Mortgage Association (FNMA or “Fannie Mae”): The Federal National Mortgage Association (FNMA), commonly referred to as “Fannie Mae”, was created in 1938 during the Great Depression to provide a secondary market for mortgage loans by purchasing groups of loans from lenders and packaging them into pools of mortgage-backed securities that can then be sold to investors. To facilitate this process, Fannie Mae also issues debt in maturity ranges from one-day to 30 years. The company’s long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government. Although Fannie Mae had operated as a private company since 1968, it was placed under Federal government conservatorship in September 2008 as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed.

Government National Mortgage Association (GNMA or “Ginnie Mae”): Long-term mortgage-backed securities backed by FHA and VA loans guaranteed by the full faith and credit of the U.S. Treasury. The term “pass-through” is often used to describe Ginnie Mae securities as principal and interest payments from the underlying homeowners are passed along to investors.

Federal Open Market Committee (FOMC): A group of Federal Reserve Officials that meet eight times per year to set U.S. monetary policy (raises and lowers interest rates). The Committee must balance its two primary and often conflicting objectives of achieving stable economic growth and keeping inflation at acceptable levels

Fed or Federal Reserve Bank: The Central Bank of the U.S. responsible for supervising and regulating member banks, providing banking services, providing information, and setting monetary policy through the FOMC.

International Bank for Reconstruction and Development (IBRD or World Bank). The International Bank for Reconstruction and Development was created in 1944 to help Europe rebuild after World War II. Today, its purpose is to assist with reconstruction and

poverty reduction through an inclusive and sustainable globalization. The IBRD is owned and governed by its member governments. The United States is the IBRD's leading shareholder.

International Finance Corporation (IFC): The IFC is a member of the World Bank Group. Its focus is on assisting with private sector development in developing countries. The IFC is owned and governed by its member governments. The United States is the IFC's leading shareholder.

Inter-American Development Bank (IADB): The IADB was established in 1959 to provide financing and expertise for sustainable economic, social, and institutional development in Latin America and the Caribbean. The IADB is owned and governed by its member governments. The United States is the IADB's leading shareholder.

Inverse Floating Rate Note: A debt security with an interest rate stated as a fixed rate minus a variable rate index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pools (LGIPs): Shares of beneficial interest issued by a joint powers authority organized pursuant to Cal. Gov. Code §6509.7. LGIPs offer a diversification alternative to LAIF and SDCIP for short-term cash management facilities.

Market Value: The price at which a security is trading and could presumably be sold.

Master Repurchase Agreement: A written contract covering all future transactions between counterparties to repurchase agreements and reverse repurchase agreements that establish each entity's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Notes: A class of debenture that is defined as all corporate and depository debt securities with a maximum remaining maturity of five years or less.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency (CRA) that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Negotiable Certificate of Deposit (NCD): A type of CD that is at least \$100,000 and can also be traded on a highly liquid secondary market.

Placement Service Deposit (PSD): A type of deposit that uses a deposit placement service. The placement service will allow the bank with which the investment is placed to split the initial deposit into multiple pieces that are then distributed among a network of banks, such that the full amount of the deposit is protected by the FDIC insurance of each participating bank.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

Prudent Investor Standard: A legal doctrine that requires fiduciaries to make investments using the prudence, diligence, and intelligence that would be used by a prudent person in making similar investments.

Rate of Return: A standard performance measurement that considers the coupon interest a security or portfolio of securities receives, along with any realized gain or loss, along with any change in unrealized market gain or loss. Depending on market volatility, the rate of return could differ significantly from the average yield of a portfolio.

Rating Agency: Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

Rating Category: A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Repurchase Agreement (RP or Repo): A type of financial agreement in which an investor exchanges cash for securities with a primary dealer or bank and earns a fixed rate of interest for a specified period. At the end of the period, securities are returned in exchange for the principal amount, along with accrued interest. Dealers and banks use repo proceeds to finance their inventory positions.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Sec Rule 15C3-1: See Uniform Net Capital Rule.

Securities and Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Strip (Bonds): Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

Time Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

Treasurer: The Vice President of Finance/Treasurer of the Authority or the authorized designee or representative as designated by the President/Chief Executive Officer.

Treasury Bill: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

Treasury Bond: Long-term U.S. Treasury security having initial maturities of more than ten years.

Treasury Note: U.S. Treasury security having initial maturities between two and 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: The rate of annual income return on an investment, expressed as a percentage. (A) **Income Yield** is obtained by dividing the current dollar income by the current market price for the security. (B) **Net Yield or Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

[Amended by Resolution No. 2016-0040 dated May 19, 2016]

[Amended by Resolution No. 2015-0043 dated May 21, 2015]

[Amended by Resolution No. 2014-0051 dated June 5, 2014]

[Amended by Resolution No. 2013-0049 dated June 6, 2013]

[Amended by Resolution No. 2012-0059 dated June 7, 2012]

[Amended by Resolution No. 2011-0064 dated June 2, 2011]

[Amended by Resolution No. 2010-0059 dated June 3, 2010]

[Amended by Resolution No. 2009-0123 dated October 1, 2009]

[Amended by Resolution No. 2008-0118 dated September 4, 2008]

[Amended by Resolution No. 2006-0010 dated February 6, 2006]

[Amended by Resolution No. 2005-0102 dated September 8, 2005]

[Amended by Resolution No. 2004-0133 dated December 6, 2004]

[Amended by Resolution No. 2004-0100 dated October 4, 2004]
[Amended by Resolution No. 2004-0032 dated April 5, 2004]
[Adopted Resolution No. 2002-02 dated September 20, 2002]

ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20



Review of Investment Policy, Guidelines for Prudent Investments, and Delegation of Authority to Invest and Manage Authority Funds to the Vice President, Finance and Asset Management/Treasurer

Presented by:

John Dillon,

Director of Financial Management

Investment Policy - Overview

- Serves as the foundation of investment goals and objectives
- Mandates investing in a manner that provides the highest security while meeting Authority cash flow needs
- Demonstrates our fiduciary responsibility, thereby promoting trust and confidence from the public we serve
- Adheres to or exceeds the requirements of California Government Code Section 53600 et seq.

Investment Policy - Overview

- Adheres to state law requirements that return on investment be subordinate to safety and liquidity objectives
- Developed and annually reviewed in conjunction with our financial and investment advisors
- Annual Board review is not required by State Code, but is an Authority practice

Investment Policy Amendments

State code was modified to clarify that the rating requirements specify the minimum credit rating category required at purchase without regard to “+” or “-” or “1, 2, 3” modifiers. This change effected the following Authorized Investments:

Section (6)(c)

“United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank....Investments under this subdivision shall be rated **in a rating category of “AA” or its equivalent** or better by an NRSRO and shall not exceed 30 percent of the portfolio. Cal. Gov. Code §53601(q)”

Investment Policy Amendments

And

Section (6)(e)

“Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following...:

(1) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated **in a rating category of "A" or its equivalent** or higher by a NRSRO.”

Investment Policy Amendments

And

Section (6)(f)

“Negotiable Certificates of Deposit (NCDs) issued by a nationally or state chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank...NCDs eligible for purchase shall be rated **in a rating category of “A” or its equivalent** or better by a NRSRO.”

Section (6)(i)

“Medium Term Notes (MTNs)...issued by corporations organized and operating within the United States or any state and operating within the United States rated **in a rating category of “A” or its equivalent** or better by a NRSRO.”

Investment Policy Amendments

And

Section (6)(j)

“Repurchase agreements (RPAs) shall only be made with financial institutions having a credit rating **in the rating category of not less than “A” or its equivalent or better** by a NRSRO.”

Section (6)(p)

“The Authority may invest in: (i) Registered state warrants or treasury notes or bonds of this state ... (ii) Registered treasury notes or bonds issued by any of the other 49 States in addition to California...and (iii) Bonds, notes, warrants or other evidence of debt issued by a local agency or municipality located within California...Securities eligible for investment under this paragraph shall be rated **in a rating category of at least “A” or its equivalent or better** by a NRSRO.”

Delegation of Investment Authority

- The board delegates the authority to invest and manage funds to the Vice President of Finance and Asset Management/Treasurer
- This delegation is on a fiscal year basis and subject to renewal by the Board

Action Requested

- Forward Resolution approving amendments to Authority Policy 4.20 - Guidelines for Prudent Investments to Board for approval,
and
- Forward Delegation of authority to invest and manage Authority funds to the Vice President of Finance and Asset Management / Treasurer to Board for approval

Questions?



EXECUTIVE COMMITTEE

Meeting Date: **MAY 22, 2017**

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 2016-2017 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 REQUEST

KIMBERLY J BECKER

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: Kimberly J. Becker 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: 5/08/17 PLANNED DATE OF DEPARTURE/RETURN: 9/16/17 / 9/21/17

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

Destination: Ft. Worth, TX Purpose: Attend ACI-NA Annual Conference
Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$ 700.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100.00
B. LODGING	\$ 1400.00
C. MEALS	\$ 300.00
D. SEMINAR AND CONFERENCE FEES	\$ 795.00
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 50.00
TOTAL PROJECTED TRAVEL EXPENSE	\$ 3346.00

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: Kimberly J. Becker Date: 5/8/17

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.)

APRIL BOLING

**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: April Boling Dept: 2

Position: Board Member President/CEO Gen. Counsel Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 2/28/17 **PLANNED DATE OF DEPARTURE/RETURN:** 4/23/17 / 4/26/17

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

Destination: Palm Desert, CA Purpose: Attend 2017 ACI-NA Business of Airports Conference

Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 150.00

B. LODGING \$ 1,200.00

C. MEALS \$ 100.00

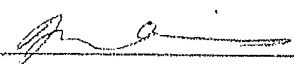
D. SEMINAR AND CONFERENCE FEES \$ 1,040.00

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$ 50.00

TOTAL PROJECTED TRAVEL EXPENSE \$ **2,540.00**

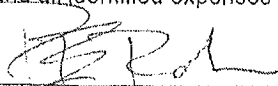
CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 3/1/17

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: 3/2/17

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.)

TRAVEL EXPENSE

KIMBERLY J BECKER

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

TRAVEL EXPENSE REPORT

(To be completed within 30 days from travel return date)

TRAVELER: Kimberly J. Becker DEPT. NAME & NO. Executive Office/BU 6
 DEPARTURE DATE: 5/7/2017 RETURN DATE: 5/8/2017 REPORT DUE: 6/7/17
 DESTINATION: Long Beach, CA - AAAE Top 100 CEO Leadership Focus Forum

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY 5/7/17	MONDAY 5/8/17	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)									0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*		27.00							27.00
Mileage - attach mileage form*		57.25	57.24						114.49
Taxi and/or Shuttle Fare (include tips pd.)*									0.00
Hotel*		263.74							263.74
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (include tips pd.)									0.00
Breakfast*									0.00
Lunch*									0.00
Dinner*									0.00
Other Meals*									0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality ¹ *									0.00
Miscellaneous:									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
Total Expenses: prepaid by Authority	0.00	347.99	57.24	0.00	0.00	0.00	0.00	0.00	405.23

Explanation:	Total Expenses Prepaid by Authority	0.00
	Total Expenses Incurred by Employee (including cash advances)	405.23
	Grand Trip Total	405.23
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	0.00
	Due Traveler (positive amount)²	
	Due Authority (negative amount)³	405.23
<i>Note: Send this report to Accounting even if the amount is \$0.</i>		

¹ Give names and business affiliations of any persons whose meals were paid by traveler.
² Prepare Check Request
³ Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.
⁴ Travel and Lodging Expense Reimbursement Policy 3.40 ⁵ Business Expense Reimbursement Policy 3.30

Prepared By: Kim Ayers Ext.: 2445
 Traveler Signature: Kimberly J. Becker Date: 5/8/17
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, _____ hereby certify that this document was approved by the Executive Committee at its _____ meeting.
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**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: Kimberly J. Becker 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: 4/3/17 PLANNED DATE OF DEPARTURE/RETURN: 5/8/17 / 5/8/17

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

Destination: Long Beach, CA Purpose: Attend AAE Top 100 CEO Focus Summit at the AAE Annual Conference
 Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$	
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	120.00
B. LODGING	\$	265.00
C. MEALS	\$	50.00
D. SEMINAR AND CONFERENCE FEES	\$	
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	50.00
TOTAL PROJECTED TRAVEL EXPENSE	\$	485.00

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: 4.3.17

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, Tony R. Russell, Authority Clerk, 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 4-29-17 meeting.
 (Leave blank and we will insert the meeting date.)

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

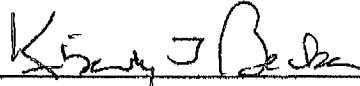
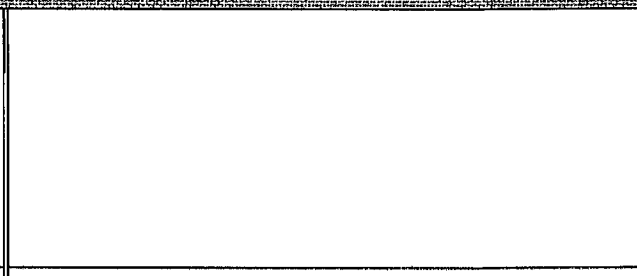
2017

MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

EMPLOYEE NAME Kimberly J. Becker			PERIOD COVERED 6/7-6/8/2017	
DEPARTMENT/DIVISION Executive Office/BU 6				
Date	Miles driven	Destination and purpose of trip	Parking fees & other transportation costs paid	\$\$\$
5/7/17	107.00	SAN-Long Beach - AAEE		
5/8/17	107.00	Long Beach-SAN		
SUBTOTAL			SUBTOTAL	

Computation of Reimbursement

	214.00	
REIMBURSEMENT RATE: (see below) *	Rate as of January 2017	X 0.535
TOTAL MILEAGE REIMBURSEMENT		114.49
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)		-
TOTAL REIMBURSEMENT REQUESTED		\$ 114.49

<p>I acknowledge that I have read, understand and agree to *Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.</p> <p><u>Business Expense Reimbursement Policy 3.30</u></p> <div style="text-align: center; margin-top: 20px;">  </div>	<div style="text-align: center; margin-top: 20px;">  </div>
SIGNATURE OF EMPLOYEE	DEPT./DIV. HEAD APPROVAL



3225 North Harbor Drive, San Diego, CA Drive 107 miles, 1 h 54 min to 300 E Ocean Blvd, Long Beach, CA 90802

3225 N Harbor Dr
San Diego, CA 92101








Get on I-5 N from N Harbor Dr, W Laurel St and India St

-10 min (3.0 mi)
- ↑ 1. Head west
.....33 ft
- ↶ 2. Turn left toward Airport Terminal Rd
.....262 ft
- ↷ 3. Turn right toward Airport Terminal Rd
.....0.1 mi
- ↶ 4. Turn left onto Airport Terminal Rd
.....358 ft
- ↷ 5. Slight left to stay on Airport Terminal Rd
.....0.1 mi
- ↑ 6. Continue straight
.....358 ft
- ↶ 7. Turn left onto N Harbor Dr
.....1.1 mi
- ↶ 8. Use the left 2 lanes to turn left onto W Laurel St
.....0.4 mi
- ↶ 9. Use the left 2 lanes to turn left onto India St
.....0.8 mi
- ⤴ 10. Use the left 2 lanes to take the ramp onto I-5 N
.....0.3 mi

Continue on I-5 N to Seal Beach

-1 h 24 min (96.8 mi)
- ⤴ 11. Merge onto I-5 N
.....66.4 mi
- ↷ 12. Use the right 3 lanes to take exit 85A for CA-73 N toward Long Beach
⚠ Toll road
.....0.7 mi
- ↑ 13. Continue onto CA-73 N
⚠ Partial toll road
.....16.9 mi
- ↶ 14. Use the left 3 lanes to take exit 18A to merge onto I-405 N toward Long Beach
.....12.8 mi

Continue on E 7th St. Drive to E Seaside Way in Long Beach

- 19 min (6.9 mi)
-  15. Keep right at the fork to continue on CA-22 W/E 7th St, follow signs for Long Beach
..... 2.5 mi
-  16. Continue straight onto E 7th St
..... 8.3 mi
-  17. Turn left onto Alamitos Ave
..... 0.6 mi
-  18. Turn right onto E Ocean Blvd
..... 0.2 mi
-  19. Turn left onto S Linden Ave
..... 331 ft
-  20. Turn right onto E Seaside Way
  Destination will be on the left
..... 0.2 mi

300 E Ocean Blvd

Long Beach, CA 90802

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.



Hyatt Regency Long Beach
 200 South Pine Avenue
 Long Beach, CA 90802
 Tel: 562.491.1234
 Fax: 562.432.1972

INVOICE

Payee Kim Becker
 [Redacted]
 [Redacted]
 [Redacted]

Room No. 1401
 Arrival 05-07-17
 Departure 05-08-17
 Page No. 1 of 1
 Follo Window 1
 Follo No. 866937

Confirmation No. 4041076901
 Group Name 89th Annual AAAE Conference & Expo
 Booking No. 32JR2M5N

Date	Description	Charges	Credits
05-07-17	Package	229.00	
05-07-17	Occupancy Tax 12.0%	27.48	
05-07-17	LB Tourism Assessment 3.0%	6.87	
05-07-17	CA Tourism Assessment	0.39	
05-08-17	Visa XXXXXXXXXXXXXXXX [Redacted] XX/XX		263.74
05-08-17	Parking - Self 1 night parking	27.00	
05-08-17	Visa XXXXXXXXXXXXXXXX [Redacted] XX/XX		27.00
Total		290.74	290.74

Guest Signature

Balance 0.00

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

WE HOPE YOU ENJOYED YOUR STAY WITH US!

We trust you enjoyed your stay at the Hyatt Regency Long Beach. Please let us know your thoughts at: qualitylgbrl@hyatt.com.

World of Hyatt Summary

Membership: [Redacted]
 Bonus Codes:
 Qualifying Nights: 1
 Eligible Spend: 229.00
 Redemption Eligible: 27.00

We thank you for your business and we appreciate your loyalty.
 For questions on your World of Hyatt account, call 800-30-HYATT.
 For inquiries concerning your bill please call 888-588-4384

Summary Invoice, please see front desk for eligibility details.

Please remit payment to:
 Hyatt Regency Long Beach
 P.O. Box 842160
 Dallas, TX 75284

TOP 100 CEO

FOCUS
AAAE

Agenda

SUNDAY, MAY 7

12 – 1 p.m.
Room 104C

Luncheon

1 – 1:15 p.m.
Room 104AB

Welcome and Introductions
Todd Hauptli, President and CEO, AAAE

1:15 – 2:30 p.m.

Leadership Lecture: "Lessons Learned" with Thella Bowens



Former President/CEO of the San Diego County Regional Airport Authority, Thella Bowens, will discuss the challenges she has faced in her career, the leadership lessons she has learned along the way and the advice she has for you and the other CEOs. We intend to have a facilitated discussion to make the conversation entertaining, informative and thought-provoking.

2:30 – 3 p.m.
Room 104AB

Networking Break

3 – 4:15 p.m.

Bob Montgomery, Vice President Airport Affairs at Southwest Airlines



A fixture at Southwest since 1977, Bob is well-known and well-liked in the aviation industry. We'll have a free-wheeling conversation with Bob on the topics of the day – air service, ATC reform, infrastructure financing and who knows what else!

4:15 – 5 p.m.
Room 104AB

Networking Break

5 – 6:30 p.m.
Exhibit Hall AB

Exhibit Hall Grand Opening and Corporate Appreciation Reception

MONDAY, MAY 8

7:30 – 8 a.m.

Continental Breakfast

The Top 100 Airport CEO Leadership Focus is sponsored by:



Room 104AB

8 – 9:15 a.m.
Room 104AB

Amy Wilkinson, CEO and Founder of Ingenuity, Lecturer at Stanford Graduate School of Business Faculty and Author of "Creator's Code"



Amy will lead a session on her work in researching and interviewing some of the most successful entrepreneurs and business leaders in the country and how we can apply many of the leadership characteristics that make them so successful in our daily operations at the top airports across the country.

9:15 – 9:30 a.m.

Airport CEO Leadership Focus Wrap-Up

9:45 – 10:05 a.m.
Room 203C

Meet and Greet with Patrick Lencioni, Best Selling Business Author, Internationally Recognized Speaker and Thought-Leader



Patrick has written 10 books, which have sold over 5 million copies and have been translated into more than 30 languages. Come say hello before his keynote address. You'll be impressed...

10:15 – 11 a.m.
Grand Ballroom

**89th Annual AAAE Conference & Exposition
Official Conference Opening Ceremonies**

11 a.m. – 12 p.m.
Grand Ballroom

**General Session I:
Keynote Speaker - Patrick Lencioni**

The Top 100 Airport CEO Leadership Focus is sponsored by:



AAAE PRIME PARTNER

APRIL BOLING

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT - Board Members
(To be completed within 30 days from travel return date)

Board member name: C. April Boling
 Departure Date: 4/23/2017 Return Date: 4/26/2017 Report Due: 5/26/17
 Destination: Palm Desert, CA - 2017 ACI-NA Business of Airports Conference

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

Business Expense Reimbursement Policy 3.30

Travel and Lodging Expense Reimbursement Policy 3.40

	Authority Expenses (Prepaid by Authy)	Board Member Expenses							TOTALS
		SUNDAY 4/23/17	MONDAY 4/24/17	TUESDAY 4/25/17	WEDNESDAY 4/26/17	THURSDAY	FRIDAY	SATURDAY	
Daily Per Diem Limitations:									
**GSA Daily Hotel Rate or Conference Hotel Rate		240.00	240.00	240.00					
**GSA Daily Meals, Entertainment & Incidentals (M,E&I)		64.00	64.00	64.00					
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)									0.00
Conference Fees (provide copy of flyer/registration expenses)	1,040.00								0.00
Rental Car									0.00
Gas and Oil									0.00
Garage/Parking									0.00
Mileage - attach mileage form									0.00
Taxi/Shuttle Fare (include tips pd.) To/From meetings, airport, etc.									0.00
Hotel - Actual Expense Paid - Excluding Taxes		197.00	197.00	197.00					
Allowable Hotel (Lessor of Actual or GSA Allowance)		197.00	197.00	197.00	0.00	0.00	0.00	0.00	591.00
Hotel Taxes Paid									0.00
Telephone, Internet and Fax									0.00
Laundry									0.00
Meals, Entertainment & Incidentals (M,E&I):									
Meals (include tips pd.)									
Breakfast									
Lunch									
Dinner			30.01	51.50					
Other Meals									
Entertainment (Hospitality)									
Tips Paid to Maids, Bellhops and other hotel servers									
Taxi/Shuttle Fare (include tips pd.) To/From meal destinations									
Total Meals, Entertainment & Incidentals		0.00	30.01	51.50	0.00	0.00	0.00	0.00	
GSA Allowance for M,E&I (from above)		64.00	64.00	64.00	0.00	0.00	0.00	0.00	
Allowable M,E&I (Lessor of Actual or GSA Allowance)		0.00	30.01	51.50	0.00	0.00	0.00	0.00	81.51
Alcohol is a non-reimbursable expense									0.00
Miscellaneous: Baggage Fee									0.00
									0.00
									0.00
Total Expenses	1,040.00	698.00	1,170.61	248.50	0.00	0.00	0.00	0.00	672.51

Grand Trip Total 1,712.51

Less Cash Advance (attach copy of Authority ck)

Less Expenses Prepaid by Authority 1,040.00

Due Traveler - if positive amount, prepare check request

Due Authority - If negative, attach check payable to SDCRAA **672.51**

Note: Send this report to Accounting even if the amount is \$0.

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Linda Gehiken
 Traveler Signature:
 Administrator's signature: _____

Ext.: 2557
 Date: 5/15/17
 Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)

I, _____ hereby certify that this document was approved by the Executive Committee at it's meeting on _____.

Clerk Signature: _____ Date: _____

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: April Boling Dept: 2

Position: Board Member President/CEO Gen. Counsel Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 2/28/17 **PLANNED DATE OF DEPARTURE/RETURN:** 4/23/17 / 4/26/17

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

Destination: Palm Desert, CA

Purpose: Attend 2017 ACI-NA Business of Airports Conference

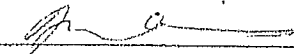
Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	150.00
B. LODGING	\$	1,200.00
C. MEALS	\$	100.00
D. SEMINAR AND CONFERENCE FEES	\$	1,040.00
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	50.00
TOTAL PROJECTED TRAVEL EXPENSE	\$	2,540.00

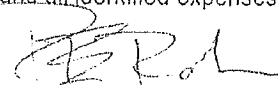
CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 3/1/17

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: 3/2/17

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.)

Gehlken Linda

From: meetings@aci-na.org
Sent: Wednesday, March 08, 2017 3:58 PM
To: Gehlken Linda
Subject: Your Purchase Information

Dear Mrs. Linda D. Gehlken,

Thank you for registering.

Purchase Information

Date of Purchase: **Mar 8 2017 6:57PM**
Mrs. Linda D. Gehlken
Purchase Number: **11230**
Payment method: **Credit card**
Card Type: **VISA**
Credit Card Number: ***** [REDACTED] *(Private)*
Order Number: **89188.00**
Transaction Numbers:

Detail

Code	Type	Description	Quantity	Unit Price	Total
17450/REG2	MEETING	Commercial Management "Concess	1	\$1040.00	\$1040.00
				Total:	\$1040.00
				Total	-\$1040.00
				Payments:	
				Balance:	\$0.00

Registrant Detail

Registrant ID	Registrant Name	Meeting	Confirmation Number
54132	Ms. April Bolling	2017 Business of Airports	89188



2017 ACI-NA Business of Airports Conference Agenda (Concessions Track)

April 24-26, 2017 • JW Marriott Desert Springs • Palm Springs, CA

Monday, April 24, 2017

8:00am – 4:30pm **Registration**

8:00am – 9:00am **Networking Breakfast**

9:00am – 10:30am **Commercial Management Committee Workshop**
(Open to all registered attendees)

Welcome and Opening Remarks

Speaker: David Kellerman, Senior Manager of Concessions, Cincinnati/Northern Kentucky International Airport

ACI-NA Annual Concessions Benchmarking Results Summary

The findings of the 2016 Airport Concessions Benchmarking Survey will be presented. The survey results readily show that airports continue to creatively reinvent their concessions programs to improve the travel experience and explore new revenue streams.

Speakers: Deven Judd, Director, Concessions Leasing & Development, Metropolitan Washington Airports Authority
Jo-Anne McLean, Director, Air Service and Terminal Business Development, Halifax Stanfield International Airport
Laurie Noyes, Vice President of Airport Concessions, Tampa International Airport

Present Your Airport's Upcoming Opportunities

Join this session on upcoming opportunities for planned RFPs for concessions over the next year. This exciting new session will provide an excellent opportunity for everyone involved in airport concessions, and especially those new to the airport arena, to learn more about the industry and potential new opportunities.

Presentations from: Indianapolis Airport Authority, Minneapolis-Saint Paul International Airport, Salt Lake City International Airport, San Francisco International Airport, and Seattle-Tacoma International Airport

10:30am – 11:00am **Networking Break**

11:00am – 12:15pm **Joint Meeting with the Commercial Management Committee and Business Diversity Committee**

Required Contract Provisions – AIP Grants and Obligated Sponsors

In January 2016 FAA released "Required Contract Provisions- AIP Grants and Obligated Sponsors", covering the applicable provisions that airports must include in all contracts, regardless of funding sources. The provisions cover lease agreements as well as agreements with concessionaires and ground transportation providers. These obligations also extend to subcontracts. Additionally, there are training and monitoring requirements in order to be in compliance.

Speakers: Joe Manges, Attorney, Office of Chief Counsel, Federal Aviation Administration

12:15pm – 1:30pm **Joint Buffet Lunch**

1:30pm – 3:00pm **World Business Partners/Associate Members**

3:00pm – 5:00pm **Open Networking Time**

On-your-own networking time where airports, concession operators, and small business owners can meet and exchange contacts for future business relationships. Airports will be able to meet with potential tenants and/or service providers.

5:00pm – 6:30pm **Networking Lounge Grand Opening and Welcome Reception**

Tuesday, April 25, 2017

8:00am – 4:30pm **Registration**

8:00am – 9:15am **Breakfast in Networking Lounge**

9:15am – 9:30am **Welcome and Opening Remarks**

Thomas P. Nolan, Executive Director, Palm Springs International Airport
William R. Vanecek, Chair, ACI-NA and Director of Aviation, Buffalo Niagara International Airport

9:30am – 10:45am **Keynote Speaker: Jim Knight, Business Culture Catalyst and Former Hard Rock International Executive & Author of Culture That Rocks!**

Learn from the acclaimed author of *Culture That Rocks!* how people-oriented businesses can achieve rock star status. Sharing lessons from his more than 30-year career in hospitality training, Jim Knight will provide thought-provoking and refreshingly candid advice on organizational culture, customer service, employee branding, building teams, and performance management.

10:45am – 11:15am **Networking Break**

11:15am – 12:30pm **Session 1A: Concessions Master Planning – Looking into the Crystal Ball**

This session will look at different considerations for airport operators when developing their concessions master plan. In today's environment merchants are responding to perceive purchase changes from millennials and the collection of passenger data. How are airports and concessionaires changing their business strategy? Planning for concessions needs to be integrated with the overall terminal planning, for example the interaction of hold rooms with concession programs.

Moderator: Andrew Weddig, Chief Development Officer, Hojeij Branded Foods

Speakers: Amanda Anthony, CEO & Founder, FlyInStyle
Robert Chicas, Senior Vice President, Firm-wide Director, Aviation & Transportation, HOK
George Fewster, Director of Business Development, Paradies Lagardère
Rawley Vaughan, Director, Ricondo & Associates, Inc.

12:30pm – 2:00pm **Lunch in Networking Lounge**

2:00pm – 3:15pm **Session 2A: Airport Lounges – Upgrades and New Options**

Airport Lounges strive to deliver passenger satisfaction, comfort, and an enhanced travel experience. Today, lounges can be operated by airlines, airports, or third-parties. Many high-end lounges offer unique catering options, showers, spa services, private meeting rooms, and business facilitates. The pay per-use approach can subsequently generate non-aeronautical revenue to the airport, while at the same time providing an enhanced passenger experience. The challenge of opening a new airport lounge is the availability of space in the right location.

Moderator: Jaimini M. Erskine, Director, Office of Commercial Management, Baltimore/Washington International Thurgood Marshall Airport

Speakers: Liz Devaney, General Manager, Delta Sky Club Facilities, Delta Air Lines
James Jennings, Senior Manager, Aviation Properties, Seattle-Tacoma International Airport
Nancy Knipp, Senior Vice President, Airport Lounge Development
Anthony Tangorra, Vice President, Commercial, Manchester Airport Group – USA

3:15pm – 3:45pm **Networking Break**

3:45pm – 5:00pm **Session 3A: Cost of Doing Business at Airports (Concessions Perspective)**

Join us to learn more from industry experts about the current challenges and opportunities of doing business in airports taking into consideration, among other elements: Size of company AND airport, Investment requirements, Non-monetary resources, the Approvals process, and ways to leverage your assets to improve your opportunity for success. Information from recent ACRP report *on Food and Beverage and Retail Operators: The Costs of Doing Business at Airports* will be shared as well.

Moderator: Rebecca Ramsey, Director, Concession Affairs, Metropolitan Nashville Airport Authority

Speakers: Michael Levine, Chief Executive Officer, Tastes on the Fly
Firelli Pitters, Director, Unison Consulting, Inc.
Kent Vanden Oever, Vice President, Business Development, HMSHost

Wednesday, April 26, 2017

8:00am – 1:00pm **Registration**

8:00am – 8:45am **Breakfast in Networking Lounge**

8:45am – 10:00am **General Session: Roundtable with Airlines**

This session features representatives from airlines who will share their perspectives on many issues including industry growth projections, airport privatization and public/private partnerships, new trends in airport-airline agreements, airline input into airport capital programs and much more. And, of course, we'll look to airports in the audience for their questions and discussion with our airline panelists.

Moderator: Randy Bush, CFO, Columbus Regional Airport Authority
Tatiana Starostina, Manager, Financial Planning, Oakland International Airport

Speakers: DJ Anderson, Director, Properties, American Airlines
Donnell Harvey, Regional Director, Corporate Real Estate, Delta Air Lines
Mike McNaney, Vice President - Industry, Corporate & Airport Affairs, WestJet

10:00am – 10:30am **Networking Break**

10:30am – 11:30am **Concessions Roundtable**

The roundtables provide a forum to engage in candid discussions with your peers regarding two hot topics in airport concessions.

Topic 4A: Latest Trends in the Airport Concessions Solicitation Process

Airports need to make an informed decision with the information presented to them. However, what do airports really want to know? How much information to include in proposals? On the other side of the coin, what are the costs and resources of putting together a proposal associated to the concessionaire?

What are the Best Practices in today's environment? One debate is "Digital vs. Printed Proposals" – adopting a digital approach can streamline the process and led to lower operational expenditure for the concessionaire; however, does this come at a disadvantage to the airport?

Facilitators: John Reeb, Senior Principal Property Manager, San Francisco International Airport
Adeline Moya, Vice President, Business Development, Be Relax
Amy Snyder, Property/Contract Administrator, Boise Airport
Joe Waller, President & CEO, Pacific Gateway

11:30am – 12:30pm **Concessions Roundtable**

The roundtables provide a forum to engage in candid discussions with your peers regarding two hot topics in airport concessions.

Topic 5A: Advertising Policies and Guidelines

Facilitators: Faith Roland Quilling, Senior Director, Development, Clear Channel Airports
Shauna Forsythe, Director of Business Development, Lamar Alliance Airport Advertising
Eric Friedman, Concessions Manager, Louis Armstrong New Orleans International Airport
Amy Gonzalez, General Counsel, San Diego County Regional Airport Authority

12:30pm – 2:00pm **Lunch in Networking Lounge**

2:00pm – 3:15pm **Session 6A: Beyond the Lease: True Partnerships Between Airports and Concessionaires**

Discover the next generation of partnerships between airports and concessionaires. This session will look beyond the lease by identifying practical solutions and opportunities that can benefit both stakeholders. Airports and concessionaires operate in a complex environment and there are unique strategies that can be deployed to leverage and expand the stakeholder relationship. Pulling together new partnership visions can help both the airport and concessionaire grow successfully and meet new demands.

Moderator: Ingrid Hairston, Director of Business Development, Raleigh-Durham Airport Authority

Speakers: Elizabeth Grzechowiak, Assistant Director of Concessions and Business Development, Metropolitan Airports Commission
Michael Mullaney, Executive Vice President, Corporate Strategy & Development, Hudson Group
Pady Regnier, CEO & Founder, St. Croix Airport Retail, Inc.

5:30pm – 6:00pm **Awards Gala Reception** (*business or cocktail attire suggested*)

6:00pm – 9:00pm **Awards Gala Dinner** (*business or cocktail attire suggested*)

Check In Check Out
Apr 21, 2017 Apr 26, 2017

Entire home/apt

BEAUTIFUL UPPER PLAZA VILLAS CONDO
222 North Calle El Segundo 551
Palm Springs, CA 92262
United States

Hosted by Tiana Capper
Phone: +1 (310) 503-2377

Charges

\$156 x 5 nights	\$780
Cleaning fees	\$100
Service Fee	\$107
Total	\$987

$\$987 \div 5 \text{ NIGHTS} = \197
 $\times 3 \text{ NIGHTS} \quad \underline{\quad 3}$
 $\underline{\quad \underline{\$591}} \quad \text{TL.}$

Payment

Charged to VISA	\$987
March 09, 2017	
Balance	\$0

April Boling Palm Springs Conference

Lodging/Airbnb	591.00	
Purple Room Restaurant - Dinner	51.50	Food
King's Highway - Dinner	30.01	Food
TOTAL	672.51	

FOUND THE MON NITE
DINNER RECEIPT

I HAD
CHANGE CARNITAS 30.01
1 STICKY DATE PUDDING

23.00
+ TAX 2.01
+ TIP 5.00

+ TAX
+ TIP @ 20%

King's Highway
701 E Palm Canyon Dr
Palm Springs, CA 92264

Check: 106903
Customer Name: 4 Custs
Server: Aaron Table: KNG113
04/24/17 08:50pm Guest Count: 4

3 Taco Maria Michelada	\$30.00
1 Cortez The Killer	\$19.00
2 Sticky Date Pudding	2.00 ① \$16.00
1 OG-OC Kogi	\$15.00
1 Orange Carnitas	① \$15.00
1 Ace Cactus Club	\$13.00
1 Desert Hgwy Burger	\$17.00
ADD Bacon	
1 Rouge Hzlnut Brown	\$8.00

Subtotal:	\$133.00
Tax::	\$11.65
Sub w/Tax:	\$144.65
Total:	\$144.65

18% tip would be	\$23.94
20% tip would be	\$26.60
22% tip would be	\$29.26

A friendly place.

Purple

ROOM
Where Palm Springs Plays

1900 E Palm Canyon
Palm Springs, CA 92264
(760)322-4422

Check 60

Eric T.
Guests 4

Table 43

4/25/2017
8:58 PM

_____	_____
_____	_____
_____	_____
_____	_____
2 Purple Pea (13.00)	① 26.00
_____	_____
_____	_____
Pork Tenderloin	① 27.00
_____	_____
_____	_____
Subtotal	13.00
Tax	27.00
TOTAL	40.00 TAX
BALANCE DUE	8.00 TIP
	\$ 51.50 TL

Come Back and join us for dinner
Present this receipt within two weeks of today, and enjoy one complimentary glass of Bubbly with each entree purchased!
Thank you for joining us!

FY 2017 Per Diem Rates for Palm Springs California

(October 2016 - September 2017)

Cities not appearing below may be located within a county for which rates are listed.

To determine what county a city is located in, visit the National Association of Counties (NACO) website (a non-federal website).

The following rates apply for Palm Springs California

Primary Destination (1, 2)	County (3, 4)	Max lodging by Month (excluding taxes)												M&IE (5)
		2016			2017									
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Palm Springs	Riverside	\$101	\$131	\$131	\$131	\$131	\$131	\$131	\$101	\$101	\$101	\$101	\$101	\$64

Footnotes

1. Traveler reimbursement is based on the location of the work activities and not the accommodations, unless lodging is not available at the work activity, then the agency may authorize the rate where lodging is obtained.
2. Unless otherwise specified, the per diem locality is defined as "all locations within, or entirely surrounded by, the corporate limits of the key city, including independent entities located within those boundaries."
3. Per diem localities with county definitions shall include "all locations within, or entirely surrounded by, the corporate limits of the key city as well as the boundaries of the listed counties, including independent entities located within the boundaries of the key city and the listed counties (unless otherwise listed separately)."
4. When a military installation or Government-related facility (whether or not specifically named) is located partially within more than one city or county boundary, the applicable per diem rate for the entire installation or facility is the higher of the rates which apply to the cities and/or counties, even though part(s) of such activities may be located outside the defined per diem locality.
5. *Meals and Incidental Expenses*, see Breakdown of M&IE Expenses for important information on first and last days of travel.

AMY GONZALEZ

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT**

(To be completed within 30 days from travel return date)

TRAVELER: Amy Gonzalez DEPT. NAME & NO. General Counsel
 DEPARTURE DATE: 2/26/2017 RETURN DATE: 2/28/2017 REPORT DUE: 3/30/17
 DESTINATION: Dallas, TX

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.4.0, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY 2/27/17	TUESDAY 2/28/17	WEDNESDAY 3/1/17	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	140.20								0.00
Conference Fees (provide copy of flyer/registration expenses)	550.00								0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*				60.00					60.00
Hotel*		235.69	235.69						471.38
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel srvs.)									0.00
Meals (Include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*								0.00
	Other Meals*								0.00
<i>Attention: is a non-reimbursable expense</i>									
Hospitality ¹ *									0.00
Miscellaneous									0.00
Baggage fee									0.00
*Provide detailed receipts									0.00
Total Expenses prepaid by Authority	690.20	0.00	235.69	235.69	60.00	0.00	0.00	0.00	531.38

Explanation: No other receipts were provided for this travel report.	Total Expenses Prepaid by Authority	690.20
	Total Expenses Pd. by Employee (including cash advances)	531.38
	Grand Trip Total	1,221.58
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	690.20
	Due Traveler (positive amount) ²	
	Due Authority (negative amount)³	531.38

Note: Send this report to Accounting even if the amount is \$0.

¹ Give names and business affiliations of any persons whose meals were paid by traveler.
² Prepare Check Request
³ Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Kendy Rios Ext.: x2424
 Traveler Signature: Amy L Date: 4/28/2017
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, _____ hereby certify that this document was approved by the Executive Committee at its _____ meeting.
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**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: Amy Gonzalez Dept: 15
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 1/23/17 PLANNED DATE OF DEPARTURE/RETURN: 2/26/17 / 2/28/17

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

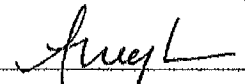
Destination: Dallas, TX Purpose: P3 Conference
 Explanation: P3 Conference

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$	600.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	0.00
B. LODGING	\$	500.00
C. MEALS	\$	100.00
D. SEMINAR AND CONFERENCE FEES	\$	
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	
TOTAL PROJECTED TRAVEL EXPENSE	\$	

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: 1/24/17

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, Tony Russell, Authority Clerk, 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 2-21-17 meeting.
 (Leave blank and we will insert the meeting date.)

Registration

Share Your Plans!

Congratulations!

You are now registered for P3C 2017

Hi Amy,

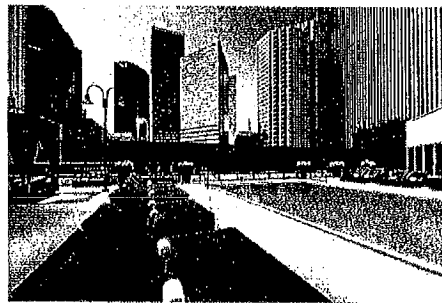
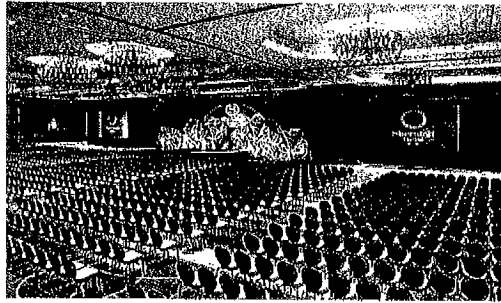
Please print this page as your confirmation, and we will send you a receipt of payment momentarily. If someone other than the registered attendee made this registration, please be sure to forward this information to that person.

Now It's Time to Book Your Room:

The Sheraton Dallas Hotel is our event headquarters. A block of rooms are being held at the hotel at a special rate of \$179. Reservations must be made by Friday, February 17, 2017 or before the block is sold out in order to guarantee this rate. Reservations made after this date can only be honored on a space and rate available basis.

To make your hotel reservations, please click here

(<https://www.starwoodmeeting.com/events/start.action?id=1606237179&key=11F6B625>) or call the hotel directly at (214) 922-8000 and identify yourself as part of P3C or The Public-Private Partnership Conference.



Order Summary

Order #283647 | 1 Ticket | Total amount: 550

A confirmation email will be sent to agonzale@san.org

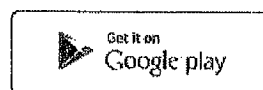
Get Ready for the Event

Download the Event App

Access your tickets and event info on your mobile device. Download and search for P3C 2017



(<http://www.bizzabo.com/download/iphone>)



(<http://www.bizzabo.com/download/android>)

Add to calendar: Google ([https://www.google.com/calendar/render?action=TEMPLATE&text=P3C%202017&dates=20170227T080000/20170301T150000&details=P3C%20is%20one%20of%20the%20largest%20gatherings%20of%20development%20professionals%20in%20the%20country.%20With%](https://www.google.com/calendar/render?action=TEMPLATE&text=P3C%202017&dates=20170227T080000/20170301T150000&details=P3C%20is%20one%20of%20the%20largest%20gatherings%20of%20development%20professionals%20in%20the%20country.%20With%20))



Traveltrust Corporation
 374 North Coast Hwy 101, Suite F
 Encinitas, CA 92024
 Phone: (760) 635-1700

ADD TO OUTLOOK

Tuesday, 14FEB 2017 04:47 PM EST

Passengers: AMY GONZALEZ (15)

Agency Reference Number: TURWHF

Click here to view your current Itinerary or ETicket receipt on-line: tripcase.com

Southwest Airlines Confirmation 5YCA9N

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt
 Be sure to visit www.traveltrust.com for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN
 ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO
 EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

AIR Monday, 27FEB 2017

Southwest Airlines

From: San Diego CA, USA

To: Dallas Love Field TX, USA

Stops: Nonstop

Flight Number: 1837

Depart: 07:00 AM

Arrive: 11:55 AM

Duration: 2 hour(s) 55 minute(s)

Status: CONFIRMED

Class: L-Coach/Economy

Miles: 1175 / 1880 KM

Equipment: Boeing 737-700 Jet

DEPARTS SAN TERMINAL 1 - ARRIVES DAL TERMINAL 1

Southwest Airlines Confirmation number is 5YCA9N

THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED
 OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS
 IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE
 YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY.
 SOUTHWEST AIRLINES CONFIRMATION NUMBER - 5YCA9N
 FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

Ticket/Invoice Information

Ticket for: AMY GONZALEZ

Ticket Nbr: WN2487730310 Electronic Tkt: No Amount: 0.00

Base: 0.00 Tax: 0.00

Charged to: AX*****[REDACTED]

Service fee: AMY GONZALEZ

Date issued: 2/14/2017

Document Nbr: XD0700766338 Amount: 25.00

Charged to: AX*****[REDACTED]

Total Tickets: 0.00
 Total Fees: 25.00
 Total Amount: 25.00



Traveltrust Corporation
 374 North Coast Hwy 101, Suite F
 Encinitas, CA 92024
 Phone: (760) 635-1700

ADD TO OUTLOOK

Wednesday, 25JAN 2017 01:48 PM EST

Passengers: AMY GONZALEZ (15)

Agency Reference Number: IYZUBR

Click here to view your current Itinerary or ETicket receipt on-line: trlpcase.com

American Airlines Confirmation IYZUBR

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt
 Be sure to visit www.traveltrust.com for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN
 ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO
 EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

AIR Wednesday, 1MAR 2017

American Airlines

From: Dallas/Ft Worth TX, USA

To: San Diego CA, USA

Stops: Nonstop

Seats: 24D

Equipment: Airbus A321 Jet

ARRIVES SAN TERMINAL 2

American Airlines Confirmation number is IYZUBR

Flight Number: 0474

Depart: 05:00 PM

Arrive: 06:10 PM

Duration: 3 hour(s) 10 minute(s)

Status: CONFIRMED

MEAL: FOOD FOR PURCHASE

Class: S-Coach/Economy

Miles: 1175 / 1880 KM

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR
 THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED
 OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS
 IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE
 YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY.
 AMERICAN AIRLINES CONFIRMATION NUMBER - IYZUBR
 FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

Ticket/Invoice Information

Ticket for: AMY GONZALEZ

Date issued: 1/25/2017 Invoice Nbr: 5410471

Ticket Nbr: AA7940626670 Electronic Tkt: Yes Amount: 140.20 USD

Base: 117.21 US Tax: 8.79 USD XT Tax: 14.20 USD

Charged to: AX*****

Service fee: AMY GONZALEZ

Date issued: 1/25/2017

Document Nbr: XD0699867897

Amount: 30.00

Charged to: AX*****

Total Tickets: 140.20

Total Fees: 30.00

Sheraton Dallas
 400 North Olive Street
 Dallas, TX 75201
 United States
 Tel: 214-922-8000 Fax: 214-922-0308



Sheraton

Amy Gonzales
 Po Box 82776
 San Diego, CA, 92138-2776
 PB18AA - P3 Conference Attendee Block

Page Number : 1
 Guest Number : 1860179
 Follo ID : A
 Arrive Date : 27-FEB-17 13:38
 Depart Date : 01-MAR-17 12:00
 No. Of Guest : 1
 Room Number : 2578
 Club Account : SPG - A8729

Tax Invoice

Sheraton Dallas MAR-01-2017 12:51 LATOJAC

Date	Reference	Description	Charges (USD)	Credits (USD)
27-FEB-17	RT2578	Room Charge	179.00	
27-FEB-17	RT2578	2% Tourism PID Fee	3.58	
27-FEB-17	RT2578	7% City Occupancy Tax	12.78	
27-FEB-17	RT2578	6% State Occupancy Tax	10.95	
28-FEB-17	31031	Room Service	58.76	
28-FEB-17	RT2578	Room Charge	179.00	
28-FEB-17	RT2578	2% Tourism PID Fee	3.58	
28-FEB-17	RT2578	7% City Occupancy Tax	12.78	
28-FEB-17	RT2578	6% State Occupancy Tax	10.95	
01-MAR-17	VI	Visa-0192		-471.38

For Authorization Purpose Only

xxxxx [REDACTED]
 Date Code Authorized
 27-FEB-17 03042D 483.3

Approve EMV Receipt for VI - 0192; no CVM
 TC:B8733BB54ED91347 TVR:0080008000 AID:A0000000031010
 Application Label:CHASE VISA

Continued on the next page

YELLOW CAB DFW
(214)426-6262 or (817)426-6262
(See reverse side of receipt for instructions
how to download our mobile app)

Amount/Cuenta: 60.00 Date/Fecha: 03.01.17

Trip From/Viaje de: SHIRAZ

To/Destinacion: DFW

Driver/Taxista: _____

ID#: 80444 Taxi #: 202

Agenda

EVENT DETAILS

GET INVOLVED

REGISTER

(<http://thep3conference.com/registratic>)

2017 Agenda-At-A-Glance

8:00am

9:00am •

MONDAY FEB 27 (/202145/AGENDA/1)

VIEW

List

Conference Check-In, Exhibitor Set-Up

(/202145/agenda/session/162963)

8:00am - 2:00pm Feb 27

8:30am •

TRACKS

- Main Room
- Chaparral Room
- Off Site Tour
- Expo Hall
- Dallas Ballroom D1
- Dallas Ballroom D2
- Dallas Ballroom D3
- Lone Star Ballroom A4
- Lone Star Ballroom A3
- Lone Star Ballroom A2

Pre-Conference Activity - P3 Questions? P3 Answers.

(/202145/agenda/session/162964)

8:30am - 11:00am Feb 27

Open to Public Sector Attendees Only - Advanced Sign Up Required

[Read more](#)

Pre-Conference Activity - P3 Hits the Highway: A Tour of Dallas' LBJ Express

(/202145/agenda/session/162965)

9:15am - 11:30am Feb 27

Open to All Attendees | Advanced Sign Up Required

[Read more](#)

1:30pm •

Official Conference Start: Welcome & Opening Remarks



P 3 C
PUBLIC-PRIVATE PARTNERSHIP
CONFERENCE
& EXPO 2017

It's a pleasure to welcome you to P3C 2017!

The conference officially begins Monday afternoon at 1:30pm in the Dallas Ballroom with our opening presentations. Formal conference activities continue until 6:00pm, and will be followed by our Opening Night Welcome Reception which goes from 6:00pm to 8:00pm. The Higher Education Reception also starts at 6:00pm, and will be located on the 38th floor of the hotel in the Chaparral Room.

On Tuesday, please join us for breakfast starting at 7:30am. Conference activities run Tuesday from 8:00am to 5:15pm. Lunch will be served at 12:00pm, and our second Networking Reception will be that evening at 5:15pm.

On Wednesday, breakfast begins at 7:00am. The conference proceeds from 8:00am until its official end at 12:30pm.

Please view the conference booklet included in your guest bag for a more detailed presentation of all events scheduled.

While here at P3C we encourage you to spend some of your time in our Expo Hall where you can meet exhibitors sharing information about their communities, organizations, products, and services. Networking breaks, meals, as well as the main Monday & Tuesday receptions will all take place in the Expo Hall.

We look forward to working with you over the next three days. If you are in need of any special services (or just looking for a great restaurant recommendation while in town) Mendie Triguero, our Event Coordinator, or any member of the P3C team at the help desk will be happy to assist you. Please do not hesitate to provide us feedback or suggestions on any aspects of this week's events. It's our goal to make this conference the best possible for everyone attending.

We're thrilled you've been able to join us this year, and we hope the next three days are a rewarding and enjoyable experience that helps you meet all of your P3 objectives.

Sincerely,



Eric Iravani, Executive Director - P3C

ANGELA SHAFER-PAYNE

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT**

(To be completed within 30 days from travel return date)

TRAVELER: Angola Shafer-Payne DEPT. NAME & NO. Executive Office/BU 6
 DEPARTURE DATE: 4/27/2017 RETURN DATE: 4/28/2017 REPORT DUE: 5/28/17
 DESTINATION: Washington, DC

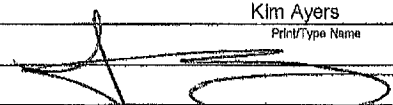

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY 4/30/17	MONDAY	TUESDAY	WEDNESDAY	THURSDAY 4/27/17	FRIDAY 4/28/17	SATURDAY 4/29/17	
Air Fare, Railroad, Bus (attach copy of Itinerary w/charges)	\$871.60								0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*		17.50				20.50	19.24		57.24
Hotel*						219.70			219.70
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*					5.11			5.11
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality ^{1*}									0.00
Miscellaneous:									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
Total Expenses prepaid by Authority	871.60	17.50	0.00	0.00	0.00	245.31	19.24	0.00	282.05

Explanation: Traveler extended trip through 4/30/17. Travel Trust confirmed that the price to return on 4/30/17 was the same as if returning on 4/28/17.	Total Expenses Prepaid by Authority	871.60
	Total Expenses Incurred by Employee (including cash advances)	282.05
	Grand Trip Total	1,153.65
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	871.60
	Due Traveler (positive amount)²	
	Due Authority (negative amount)³	282.05
<i>Note: Send this report to Accounting even if the amount is \$0.</i>		

¹ Give names and business affiliations of any persons whose meals were paid by traveler.
² Prepare Check Request
³ Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.
⁴ Travel and Lodging Expense Reimbursement Policy 3.40 ⁵ Business Expense Reimbursement Policy 3.30

Prepared By: Kim Ayers Ext.: 2445
 Traveler Signature:  Date: 5.1.17
 Approved By:  Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, _____ hereby certify that this document was approved by the Executive Committee at its
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 _____ meeting.
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**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: Angela Shafer-Payne 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: 4/24/17 PLANNED DATE OF DEPARTURE/RETURN: 4/27/17 / 4/28/17

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 U.S. Travel & Gateway Airports Council Briefing with Vice President.

Explanation:

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$ 900.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ 320.00

C. MEALS \$ 100.00

D. SEMINAR AND CONFERENCE FEES \$ _____

E. ENTERTAINMENT (If applicable) \$ _____

F. OTHER INCIDENTAL EXPENSES \$ 50.00

TOTAL PROJECTED TRAVEL EXPENSE \$ 1470.00

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: [Signature] Date: 4.24.17

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, Tony L. Russell, Authority Clerk, 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 4/24/17 meeting.
(Leave blank and we will insert the meeting date.)

Ayers Kim

From: Ayers Kim
Sent: Monday, May 01, 2017 8:51 AM
To: Ayers Kim
Subject: FW: White House Meeting

Importance: High

From: Erik Hansen [REDACTED]
Sent: Friday, April 21, 2017 12:29 PM
To: GAC Airport Staff; GAC Washington Reps
Cc: Jonathan Grella; Martin Whitmer; Emerson Hemperley
Subject: White House Meeting
Importance: High

GAC Staff and Wash Reps:

Steve Pinkos, Chief of Staff to Vice President Pence, and his team have invited U.S. Travel and the GAC to meet with them next Friday, April 28th, at 11:30a.m. to discuss issues related to airport modernization and the PFC. To ensure a focused meeting, we've been asked to limit the number of attendees to no more than one representative per GAC airport. **To RSVP for the meeting, please send an email to me and Emerson Hemperley by no later than 12:00p.m. ET on Tuesday, April 25.**

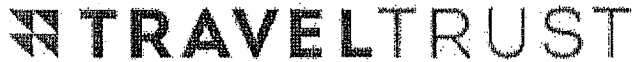
We'll share additional details and background for the meeting on next week's GAC Policy Committee call.

Thanks,

Erik

Erik Hansen | Vice President, Government Relations
U.S. Travel Association 1100 New York Avenue, NW | Suite 450 | Washington, D.C. 20005
T 202.408.2184
LEARN MORE ustravel.org | projecttimeoff.com | travelcoalition.org
FOLLOW US [Facebook](#) | [Twitter](#) | [LinkedIn](#)





Traveltrust Corporation
 374 North Coast Hwy 101, Suite F
 Encinitas, CA 92024
 Phone: (760) 635-1700



Monday, 24APR 2017 02:41 PM EDT

Passengers: ANGELA SHAFERPAYNE (51)

Agency Reference Number: ZZYWIO

Click here to view your current itinerary or ETicket receipt on-line: tripcase.com

Delta Air Lines Confirmation JKNCTN

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt
 Be sure to visit www.traveltrust.com for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN
 ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO
 EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

AIR Thursday, 27APR 2017

Delta Air Lines	Flight Number: 2628	Class: L-Coach/Economy
From: San Diego CA, USA	Depart: 07:00 AM	
To: Detroit Metro MI, USA	Arrive: 02:31 PM	
Stops: Nonstop	Duration: 4 hour(s) 31 minute(s)	
Seats: 16C	Status: CONFIRMED	Miles: 1958 / 3133 KM
Equipment: Boeing 737-900 Jet	MEAL: FOOD FOR PURCHASE	
DEPARTS SAN TERMINAL 2 - ARRIVES DTW E.H.MCNAMARA TERMINAL		
Frequent Flyer Number: [REDACTED]		
AISLE SEAT CONFIRMED		
Delta Air Lines Confirmation number is JKNCTN		

AIR Thursday, 27APR 2017

Delta Air Lines	Flight Number: 1863	Class: L-Coach/Economy
From: Detroit Metro MI, USA	Depart: 03:30 PM	
To: Washington Reagan Natl DC, USA	Arrive: 05:00 PM	
Stops: Nonstop	Duration: 1 hour(s) 30 minute(s)	
Seats: 16C	Status: CONFIRMED	Miles: 391 / 626 KM
Equipment: McDonnell Douglas MD-88 Jet	MEAL: NO MEAL SVC	
DEPARTS DTW E.H.MCNAMARA TERMINAL - ARRIVES DCA TERMINAL B		
Frequent Flyer Number: [REDACTED]		
AISLE SEAT CONFIRMED		
Delta Air Lines Confirmation number is JKNCTN		

AIR Sunday, 30APR 2017

Delta Air Lines	Flight Number: 1758	Class: L-Coach/Economy
From: Washington Reagan Natl DC, USA	Depart: 06:00 AM	
To: Detroit Metro MI, USA	Arrive: 07:35 AM	
Stops: Nonstop	Duration: 1 hour(s) 35 minute(s)	
Seats: 24B	Status: CONFIRMED	Miles: 391 / 626 KM

Equipment: Boeing 717 Jet MEAL: NO MEAL SVC
DEPARTS DCA TERMINAL B - ARRIVES DTW E.H.MCNAMARA TERMINAL
Frequent Flyer Number: [REDACTED]
AISLE SEAT CONFIRMED
Delta Air Lines Confirmation number is JKNCTN

APR Sunday, 30 APR 2017

Delta Air Lines	Flight Number: 0833	Class: L-Coach/Economy
From: Detroit Metro MI, USA	Depart: 08:35 AM	
To: San Diego CA, USA	Arrive: 10:31 AM	
Stops: Nonstop	Duration: 4 hour(s) 56 minute(s)	
Seats: 24F	Status: CONFIRMED	Miles: 1958 / 3133 KM
Equipment: Boeing 757 Jet	MEAL: FOOD FOR PURCHASE	
DEPARTS DTW E.H.MCNAMARA TERMINAL - ARRIVES SAN TERMINAL 2		
Frequent Flyer Number: [REDACTED]		
WINDOW SEAT - WE WILL MONITOR FOR AISLE		
Delta Air Lines Confirmation number is JKNCTN		

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY. DELTA AIR LINES CONFIRMATION NUMBER - JKNCTN FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

Ticket/Invoice Information

Ticket for: ANGELA SHAFERPAYNE
Date issued: 4/24/2017 Invoice Nbr: 5421939
Ticket Nbr: DL7967520543 Electronic Tkt: Yes Amount: 841.60 USD
Base: 740.46 US Tax: 55.54 USD XT Tax: 45.60 USD
Charged to: AX*****[REDACTED]

Service fee: ANGELA SHAFERPAYNE
Date issued: 4/24/2017
Document Nbr: XD0703810365 Amount: 30.00
Charged to: AX*****[REDACTED]

Total Tickets: 841.60
Total Fees: 30.00
Total Amount: 871.60

Click here 24 hours in advance to obtain boarding passes:

[DELTA](#)

Click here to review Baggage policies and guidelines:

[DELTA](#)

TSA Guidance- a government issued photo id is needed for checkin. Please allow minimum 3 hour check-in for International flights and 2 hours for Domestic. For Additional security information visit www.tsa.gov.

Thank you for choosing Traveltrust!
Our Business Hours are 2am-5:30pm Pacific Monday - Friday, Saturday from 9am-1pm Pacific.
For EMERGENCY AFTERTHOUS assistance In the US, please call 888-221-6043 and use VIP Code SJE72. You can also use the Direct Dial Number 682-233-1914 or the collect number 682-647-0061. Each call is billable at a minimum \$25.00 per call/reservation

GRAND | HYATT

Grand Hyatt Washington
 1000 H Street NW
 Washington, DC 20001
 Tel: 202-582-1234
 Fax: 202-637-4781
www.grandwashington.hyatt.com

INVOICE

Payee Angela Shafer-Payne

Room No. 0767
 Arrival 04-27-17
 Departure 04-30-17
 Page No. 1 of 1
 Folio Window 1
 Folio No. 1051645

Confirmation No. 4177452901
 Group Name
 Booking No. 831259603

Date	Description	Charges	Credits
04-27-17	Deposit Transferred at C/I		659.10
04-27-17	Package Room	191.88	} \$219.70
04-27-17	Occupancy Sales Tax 14.5%	27.82	
04-28-17	- Cabinet Breakfast Food	10.00	
04-28-17	Package Room	191.88	
04-28-17	Occupancy Sales Tax 14.5%	27.82	
04-29-17	Package Room	191.88	
04-29-17	Occupancy Sales Tax 14.5%	27.82	
04-30-17	American Express	XXXXXXXXXXXX-XX/XX	10.00
Total		669.10	669.10

Guest Signature

Balance

0.00

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

WE HOPE YOU ENJOYED YOUR STAY WITH US!

Thank you very much for staying with us, we hope to have the pleasure of your company in the future. If you were not **Completely Satisfied** with your stay, I would like to hear from you.

World of Hyatt Summary

No Membership to be credited

Join World of Hyatt today and start earning points for stays, dining and more. Visit www.worldofhyatt.com

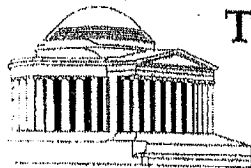
I can be reached at: lee.steger@hyatt.com

If you are not able to locate a personal belonging or feel that you may have left something behind we are happy to assist you with your search. Please visit our partner website: leefmystuff.com and use hotel code 82194

For Inquiries concerning your bill please call 855-869-0846

Please remit payment to:
 Grand Hyatt Washington
 Department 350
 Washington, DC 20042-3350

**RECEIPTS FOR TRIP TO WASHINGTON, DC
APRIL 28, 2017 - ANGELA SHAFER-PAYNE**



TAXICAB RECEIPT

Time: 4.27.17
Date: _____

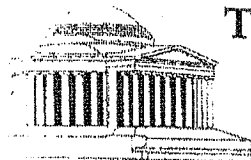
Origin of trip: Reason Inst
Destination: Grand Hyatt
Fare: \$18.50 + 2 tip Sign: \$20.50

Dinner Through
SUBWAY

Subway#18471-0 Phone 202-289-7709
1100 New York Ave NW Lbby#11 Subway
Washington, DC, 20005
Served by: Nisha 4/27/2017 7:50:46 pm
Term ID-Trans# 1/A-233729

Qty	Size	Item	Price
1		Mini Turkey Sub	3.00
1		6" Turkey Sub	4.65
1		-Fresh Value Meal (21-1)	2.50
		-Milk	
		-Apples	
1		Bag Fee	0.05
		TAX <u>4.65</u>	
		<u>\$ 5.11</u>	
		Sub Total	10.20
		Taxable Amount	10.15
		SALES TAX (10%)	1.02
		Total (Eat In)	11.22
		Cash	20.22
		Change	9.00

If it isn't right, I will make it right!
D Jones 571 242 7531

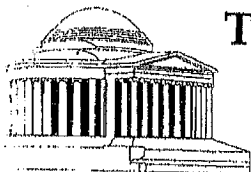


TAXICAB RECEIPT

Time: _____
Date: 4.28.17

Origin of trip: Grand Hyatt
Destination: Metropolitan Club
Fare: \$8.50 + 2.00 tip Sign: \$10.50

Host Order ID: SPM20170427075046



TAXICAB RECEIPT

Time: _____
Date: 4.30.17

Origin of trip: Grand Hyatt
Destination: DCA
Fare: \$15.50 + 2 tip Sign: \$17.50

NATIONAL TRANS L
CAB # A232
04/28/17 TR 677
START END MILES
12:59 13:06 0.5
REGULAR FARE
FARE: \$ 6.49
EXTRA: \$ 0.00
TOLL: \$ 0.00
SRCH: \$ 0.25
TOTAL: \$ 6.74
\$ 8.74
DFHV COMPLAINTS
LINE AND
WEBSITE ADDRESS
855-484-4966
TTY 711 HTTP://
DFHV.DC.GOV/

*White House
to Grand Hyatt
+ 2.00 tip*

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

TRAVEL EXPENSE REPORT

(To be completed within 30 days from travel return date)

TRAVELER: Angela Shafer-Payne DEPT. NAME & NO. Executive Office/BU 6
 DEPARTURE DATE: 4/20/2017 RETURN DATE: 4/21/2017 REPORT DUE: 5/21/17
 DESTINATION: Washington, DC

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY 4/20/17	FRIDAY 4/21/17	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	\$946.61								0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*						18.00	28.00		46.00
Hotel*						274.07			274.07
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (include tips pd.)									0.00
Breakfast*									0.00
Lunch*									0.00
Dinner*							23.05		23.05
Other Meals*									0.00
Alcohol is a non-reimbursable expense									0.00
Hospitality ¹ *									0.00
Miscellaneous:									0.00
									0.00
*Provide detailed receipts									0.00
Total Expenses prepaid by Authority	946.61	0.00	0.00	0.00	0.00	292.07	51.05	0.00	343.12

Explanation:	Total Expenses Prepaid by Authority	946.61
	Total Expenses Incurred by Employee (including cash advances)	343.12
	Grand Trip Total	1,289.73
	Less: Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	946.61
	Due Traveler (positive amount) ²	
	Due Authority (negative amount)³	343.12

Note: Send this report to Accounting even if the amount is \$0.

¹ Give names and business affiliations of any persons whose meals were paid by traveler.
² Prepare Check Request
³ Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Kim Ayers Ext.: 2447
 Traveler Signature:  Date: 4.24.17
 Approved By: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, _____ hereby certify that this document was approved by the Executive Committee at its _____ meeting.
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**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 travelling 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: ANGELA SHAFER-PAYNE Dept: 51
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 3/21/17 PLANNED DATE OF DEPARTURE/RETURN: 4/20/17 / 4/21/17

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

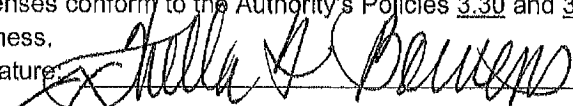
Destination: ARLINGTON, VA Purpose: ATTEND THE TSA INTEL BRIEFING FOR GATEWAY AIRPORTS COUNCIL
 Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$ 580.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100.00
B. LODGING	\$ 350.00
C. MEALS	\$ 75.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$
TOTAL PROJECTED TRAVEL EXPENSE	<u>\$ 1,105.00</u>

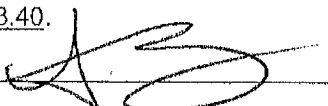
CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 3/21/17

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: 3.23.17

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.)



Traveltrust Corporation
 374 North Coast Hwy 101, Suite F
 Encinitas, CA 92024
 Phone: (760) 635-1700

ADD TO OUTLOOK

Monday, 27MAR 2017 08:04 PM EDT

Passengers: ANGELA SHAFERPAYNE (51)

Agency Reference Number: YQUKKG

Click here to view your current Itinerary or ETicket receipt on-line: tripcase.com

Delta Air Lines Confirmation G8L8FV

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt
 Be sure to visit www.traveltrust.com for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN
 ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO
 EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

AIR	Thursday, 20APR, 2017	
Delta Air Lines	Flight Number: 1430	Class: U-Coach/Economy
From: San Diego CA, USA	Depart: 02:00 PM	
To: Atlanta GA, USA	Arrive: 09:11 PM	
Stops: Nonstop	Duration: 4 hour(s) 11 minute(s)	
Seats: 29D	Status: CONFIRMED	Miles: 1888 / 3021 KM
Equipment: Boeing 757 Jet	MEAL: FOOD FOR PURCHASE	
DEPARTS SAN TERMINAL 2 - ARRIVES ATL SOUTH TERMINAL		
Frequent Flyer Number: [REDACTED]		
AISLE SEAT CONFIRMED		
Delta Air Lines Confirmation number is G8L8FV		

AIR	Thursday, 20APR, 2017	
Delta Air Lines	Flight Number: 2612	Class: U-Coach/Economy
From: Atlanta GA, USA	Depart: 10:14 PM	
To: Washington Reagan Natl DC, USA	Arrive: 11:59 PM	
Stops: Nonstop	Duration: 1 hour(s) 45 minute(s)	
Seats: 13D	Status: CONFIRMED	Miles: 541 / 866 KM
Equipment: Airbus A320 Jet	MEAL: NO MEAL SVC	
DEPARTS ATL SOUTH TERMINAL - ARRIVES DCA TERMINAL B		
Frequent Flyer Number: [REDACTED]		
AISLE SEAT CONFIRMED		
Delta Air Lines Confirmation number is G8L8FV		

HOTEL	Thursday, 20APR, 2017	
Residence INN Pentagon Marriott (RESIDENCE INN)		
550 Army Navy Drive Arlington VA 22202		
Number of Rooms: 1	Confirmation Number: 99197766	
Phone: 703-413-6630	Fax: 703-418-1751	
Rate: USD 242.00	Room GUARANTEED TO AMERICAN EXPRESS	

Check Out: Friday, 21 APR 2017

Guaranteed to: AX*****
Hotel cancellation policy: cancel 1 day prior to arrival date
NONSMOKING KING
Traveler is responsible for hotel charges if not cancelled

AIR: Friday, 21 APR 2017

Delta Air Lines	Flight Number: 1627	Class: H-Coach/Economy
From: Washington Reagan Natl DC, USA	Depart: 02:40 PM	
To: Minneapolis St PI MN, USA	Arrive: 04:37 PM	
Stops: Nonstop	Duration: 2 hour(s) 57 minute(s)	
Seats: 16D	Status: CONFIRMED	Miles: 918 / 1469 KM
Equipment: Airbus Jet	MEAL: REFRSHMNT/PUR	

DEPARTS DCA TERMINAL B - ARRIVES MSP TERMINAL 1 - LINDBERGH
Frequent Flyer Number: *****
AISLE SEAT CONFIRMED
Delta Air Lines Confirmation number is G8L8FV

AIR: Friday, 21 APR 2017

Delta Air Lines	Flight Number: 0884	Class: H-Coach/Economy
From: Minneapolis St PI MN, USA	Depart: 05:55 PM	
To: San Diego CA, USA	Arrive: 08:04 PM	
Stops: Nonstop	Duration: 4 hour(s) 9 minute(s)	
Seats: 17B	Status: CONFIRMED	Miles: 1524 / 2438 KM
Equipment: McDonnell Douglas MD-90 Jet	MEAL: FOOD FOR PURCHASE	

DEPARTS MSP TERMINAL 1 - LINDBERGH - ARRIVES SAN TERMINAL 2
Frequent Flyer Number: *****
AISLE SEAT CONFIRMED
Delta Air Lines Confirmation number is G8L8FV

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY. DELTA AIR LINES CONFIRMATION NUMBER - G8L8FV FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043

Ticket/Invoice Information

Ticket for: ANGELA SHAFERPAYNE
Date issued: 3/27/2017 Invoice Nbr: 5418237
Ticket Nbr: DL7958528470 Electronic Tkt: Yes Amount: 916.61 USD
Base: 810.24 US Tax: 60.77 USD XT Tax: 45.60 USD
Charged to: AX*****

Service fee: ANGELA SHAFERPAYNE
Date issued: 3/27/2017
Document Nbr: XD0702605334 Amount: 30.00
Charged to: AX*****

Total Tickets: 916.61
Total Fees: 30.00
Total Amount: 946.61

Click here 24 hours in advance to obtain boarding passes:

**Residence
Inn®
Marriott.**

Residence Inn by Marriott
Arlington Pentagon City

550 Army Navy Drive
Arlington, VA 22202
T 703.413.6630

A. Shaferpayne

Room: 409

Room Type: STDO

Number of Guests: 1

Rate: \$242.00

Clerk:

Arrive: 20Apr17

Time: 01:02AM

Depart: 21Apr17

Time:

Folio Number: 57087

Date	Description	Charges	Credits
20Apr17	Room Charge	242.00	
20Apr17	Occupancy Sales Tax	14.52	
20Apr17	County Tax	17.55	
21Apr17	American Express		274.07
	Card #: AXXXXXXXXXXXXX-XXXX		
	Amount: 274.07 Auth: 525950 Signature on File		
	This card was electronically swiped on 21Apr17		
	Balance:	0.00	

As a Rewards Member, you could have earned points toward your free dream vacation today. Start earning points and elite status, plus enjoy exclusive member offers. Enroll today at the front desk.

Want your final hotel bill by email? Just ask the Front Desk! See "Internet Privacy Statement" on Marriott.com.

**RECEIPTS FOR TRIP TO WASHINGTON, DC
APRIL 21, 2017 - ANGELA SHAFER-PAYNE**



IKE'S FOOD & COCKTAILS MAIN
MSP INTERNATIONAL AIRPORT

182140 Brent

225/1

439
APR21'17 7:10PM

DINE IN

**** SEAT 1 ****
1 SODA BAR M 3.29
FIRST RND SFTBEV
ICD TEA
1 SAND CHIX BAC CH 15.40
TAX 1.36 AMOUNT D 20.05

SUBTOTAL 18.69
TAX 1.36
AMOUNT DUE \$20.05

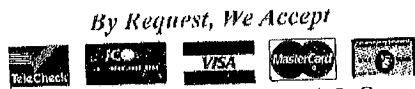
WE WANT TO HEAR YOUR FEEDBACK!
PLEASE CONTACT 1-877-672-7467
OR CUSTOMERSERVICE@HMSHOST.COM
TO SHARE YOUR EXPERIENCE.

STOREID: MSPIKE1A \$23.05

+ 3 tip

**ALEXANDRIA UNION CAB
(703)683-1200 - 24 Hr. Dispatch Service**

FROM DCA
TO Residence Inn
DATE 4.20 FARE \$ 15.00 + 3.00 tip
DRIVER'S NAME _____ CAB# _____ \$18.00



Each Cab Independently Owned & Operated

DATE 4.21 AMOUNT \$ 8.00 + 2.00 tip
RECEIVED FROM Residence Inn \$10
FROM _____
DESTINATION TSA
CAB # _____ DRIVER I.D. # _____
DRIVERS NAME _____

DATE 4.21 AMOUNT \$ 15.00 + 3.00 tip
RECEIVED FROM _____ \$18
FROM Residence Inn
DESTINATION DCA
CAB # _____ DRIVER I.D. # _____
DRIVERS NAME _____

TSA – GATEWAY AIRPORTS COUNCIL MEETING

Friday, April 21st, 2017
9:00 AM -12:00 PM EDT

Attendees:

Industry Stakeholders

Sean Donohue, *Chief Executive Officer, Dallas Fort Worth International Airport*

David Zielke, *Director, Air Service Development, Port of Portland*

Stanley Thornton, *Chief Operating Officer, Greater Orlando Aviation Authority*

Angela, Shafer-Payne, *Interim Chief Executive Officer, San Diego County Regional Airport Authority*

Rochelle Cameron, *Chief Executive Officer, City of Philadelphia*

Paul Malandrino, *Airport Director – Ronald Reagan Washington National Airport, Metropolitan Washington Airports Authority*

Ivar Satero, *Airport Director, San Francisco Airport Commission*

TSA

Gary Rasicot, *Chief of Operations*

Tom Bush, *Assistant Administrator, Office of Intelligence & Analysis*

John Beattie, *Deputy Assistant Administrator, Office of Intelligence & Analysis*

Darby LaJoye, *Assistant Administrator, Office of Security Operations*

Stacey Fitzmaurice, *Deputy Assistant Administrator, Office of Security Operations*

Paul Leyh, *Director of Compliance, Office of Security Operations*

Eddie Mayenschein, *Assistant Administrator, Office of Security Policy & Industry Engagement*

Victoria Newhouse, *Deputy Assistant Administrator, Office of Security Policy & Industry Engagement*

Aaron Roth, *Chief of Staff to the Chief of Operations*

Agenda:

- | | |
|----------------------------|--|
| 9:00 AM– 9:15 AM | Clearance Read-Ons |
| 9:15 AM– 9:30 AM | Welcome Remarks—Roundtable Introductions |
| 9:30 AM– 10:30 AM | Threat Briefing and Tour of Watch |
| 10:30 AM – 11:00 AM | Briefing on Outcome Focused Compliance |
| 11:00 AM – 11:30 AM | Roundtable Discussion |
| 11:30 AM – 12:00 PM | Tour of Airport Operations Center |

BUSINESS EXPENSE

APRIL BOLING

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

2017

SDCRAA
MAY 02 2017
Corporate & Information Governance

MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

EMPLOYEE NAME C. April Boling			PERIOD COVERED Apr. 2017	
DEPARTMENT/DIVISION				
Date	Miles driven	Destination and purpose of trip	Parking fees & other transportation costs paid	\$\$\$
4/4/17		City Admin. Building/Federal Inspection Services Mtg.		10.00
4/4/17	29.40	Airport/MAC Ribbon Cutting Ceremony		
4/6/17	29.40	Airport/ALUC Board Mtg.		
4/13/17	29.40	Airport/Exec. Pers. & Comp. Mtg.		
4/20/17	29.40	Airport/LEADSD 'IMPACT' Speaking Engagement		
4/27/17	29.40	Airport/Federal Inspection Services Mtg.w/Jeffrey Woodson		
4/28/17	27.00	Old Globe/LEADSD 'INFLUENCE' Speaking Engagement		
4/23/17	278.00	Palm Springs/ACI-NA Business of Airports Conference		
4/24/17	27.60	To Palm Desert from Hotel/ACI-NA Business of Airports Conference		
4/25/17	27.60	To Palm Desert from Hotel/ACI-NA Business of Airports Conference		
SUBTOTAL			507.20	


SD EVJ PARKADE 92888
1265 1ST AVE
SAN DIEGO, CA 92101

SUBTOTAL

Computati

04/04/2017 10:08:53

CREDIT CARD
VISA SALE

REIMBURSEMENT RATE: (see below) *	
TOTAL MILEAGE REIMBURSEMENT	
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)	
TOTAL REIMBURSEMENT REQUESTED	
I acknowledge that I have read, understand and agree to Auth Policy 3.30 - Business Expense Reimbursement Policy and the purchases/claims that are not allowed will be my responsibility. further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.	
Business Expense Reimbursement Policy 3.30	
 SIGNATURE OF EMPLOYEE	

Card #
Chip Card:
AID: *PAKING*
ATC:
TC: *CITY MTE*
SEQ #:
Batch #: *RE FIS*
INVOICE
Approval
Entry Met
Mode: *4/16*

	507.20
X	0.535
	271.35
	10.00
	\$ 281.35
AD APPROVAL	

SALE AMOUNT \$10.00

ANGELA SHAFER-PAYNE

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
BUSINESS EXPENSE REIMBURSEMENT REPORT**

April 2017

Period Covered

DATE	G/L Account	Description	AMOUNT
4/8/2017	66290	Parking for Port Tenants Assn Dinner	\$ 12.00
<p>THANK YOU STATION SAN DIEGO MARINA TOWER</p> <p>04/08/2017 11:22AM 00000#0532 CLERK01</p> <p>*COPY* PAYMENT DUE \$12.00</p> <p>ITEMS 10 CASH \$12.00</p>			
TOTAL			\$12.00

I acknowledge that I have read, understand and agree to Authority *Policy 3.30 - Business Expense Reimbursement Policy and that any purchases that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

* Policy 3.30

NAME *Angela Shafer-Payne*

DATE *4.20.17*

APPROVED:

NAME

DATE

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Item 8

DRAFT BOARD AGENDA

Thursday, June 1, 2017
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

Board Members

C. April Boling
Chairman

Greg Cox
Jim Desmond
Robert H. Gleason
Jim Janney
Mark Kersey
Paul Robinson
Michael Schumacher
Mary Sessom

Ex-Officio Board Members

Laurie Berman
Eraina Ortega
Col. Jason Woodworth

President / CEO

Kimberly J. Becker

Live webcasts of Authority Board meetings can be accessed at
<http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>

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.

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: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

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.**

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:

PRESENTATIONS:

- A. FEDERAL LEGISLATIVE UPDATE:**
Presented by Mike Kulis, Director, Inter-Governmental Relations; and Sam Whitehorn, Signal Group
- B. INNOVATION LAB UPDATE:**
Presented by Rick Belliotti, Director, Innovation and Small Business Development

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Committee Members: Gleason, Hollingworth, Robinson (Chair), Schumacher, Sessom, Tartre, Van Sambeek
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Gleason, Janney(Chair), Kersey, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boling, Cox, Desmond (Chair), Kersey, Schumacher
- **FINANCE COMMITTEE:**
Committee Members: Boling (Chair), Cox, Janney, Sessom

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Liaison: Robinson (Primary), Boling
- **ART ADVISORY COMMITTEE:**
Committee Member: Gleason

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:**
Liaison: Janney

- **CALTRANS:**
Liaison: Berman
- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cox
- **MILITARY AFFAIRS:**
Liaison: Woodworth
- **PORT:**
Liaisons: Boling, Cox, Gleason (Primary), Robinson
- **WORLD TRADE CENTER:**
Representatives: Gleason (Primary)

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Boling (Alternate), Janney (Primary)

CHAIR’S REPORT:

PRESIDENT/CEO’S REPORT:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. 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.

CONSENT AGENDA (Items 1-12):

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 4, 2017 regular meeting and April 24, 2017 Special 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 R. Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 10, 2017 THROUGH MAY 7, 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 10, 2017 THROUGH MAY 7, 2017:

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

4. JUNE 2017 LEGISLATIVE REPORT:

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2017-_____, approving the June 2017 Legislative Report.

(Inter-Governmental Relations: Michael Kulis, Director)

5. APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:

The Board is requested to approve the appointment.

RECOMMENDATION: Adopt Resolution No. 2017-_____, appointing Don Tartre to a new term as a Public Member to the Audit Committee.

(Corporate & Information Governance: Tony Russell, Director/Authority Clerk)

CLAIMS

COMMITTEE RECOMMENDATIONS

6. REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2017:

The Board is requested to accept the information.

RECOMMENDATION: The Audit Committee recommends that the Board accept the information.

(Chief Auditor: Mark Burchyett, Chief Auditor)

- 7. FISCAL YEAR 2017 THIRD QUARTER ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**
The Board is requested to accept the information.
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.
(Chief Auditor: Mark Burchyett, Chief Auditor)
- 8. FISCAL YEAR 2018 PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
The Board is requested to approve the audit plan.
RECOMMENDATION: Adopt Resolution No. 2017-____, approving the proposed Fiscal Year 2018 Audit Plan.
(Chief Auditor: Mark Burchyett, Chief Auditor)
- 9. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 – POLICY GUIDELINES FOR PRUDENT INVESTMENTS, DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/TREASURER:**
The Board is requested to amend the policy.
RECOMMENDATION: Adopt Resolution No. 2017-____, approving amendments to Authority Policy 4.20 – Policy Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Finance and Asset Management/Treasurer.
(Business and Financial Management: John Dillon, Director)
- 10. ANNUAL REVIEW OF AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:**
The Board is requested to amend the policy.
RECOMMENDATION: Adopt Resolution No. 2017-____, approving amendments to Authority Policy 4.40 - Guidelines for Debt Issuance and Management.
(Business and Financial Management: John Dillon, Director)

CONTRACTS AND AGREEMENTS

- 11. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AGREEMENTS WITH CLEANTECH SAN DIEGO AND SENSEOPS FOR CONDENSATE SENSOR DEPLOYMENT UNDER THE SAN DIEGO FOUNDATION'S SMART CITIES & WATER SOLUTIONS GRANT PROGRAM:**
The Board is requested to authorize the execution of an agreement.
Recommendation: Adopt Resolution No. 2017-____, authorizing the President/CEO to execute agreements with Cleantech San Diego and SenseOps for condensate sensor deployment.
(Environmental Affairs: Brendan Reed, Director)

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

12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE ON-CALL SERVICES AGREEMENT WITH RICONDO & ASSOCIATES:

The Board is requested to approve an amendment.

RECOMMENDATION: Adopt Resolution No. 2017-_____, approving and authorizing the President/CEO to execute a Second Amendment to the Agreement with Ricondo & Associates for On-Call Services, extending the term for one year and increasing the compensation amount by \$1,600,000 for a total not-to-exceed amount of \$4,600,000.

(Development: Jeffrey Woodson, VP)

PUBLIC HEARINGS:

OLD BUSINESS:

13. DISCUSSION AND POSSIBLE ACTION REGARDING ASSEMBLY BILL 805:

The Board is requested to discuss the Assembly bill.

RECOMMENDATION: Adopt Resolution No. 2017-0044, adopting a WATCH position on Assembly Bill 805.

(Inter-Governmental Relations: Mike Kulis, Director)

NEW BUSINESS:

14. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2018, THE CAPITAL PROGRAM FOR FISCAL YEARS 2018-2022, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2019:

The Board is requested to approve the budgets.

RECOMMENDATION: Adopt Resolution No. 2017-_____, approving and adopting the operating budget for Fiscal Year 2018, the Capital Program for Fiscal Years 2018-2022, and conceptual approval of the operating budget for Fiscal Year 2019.

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

CLOSED SESSION:

15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: GGTW LLC v San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL

16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL

- 17. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
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
- 18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1
- 19. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
The Receipt of a Government Claim from Cal-a-Vie Spa
Number of potential cases: 1
- 20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Navy Boat Channel Environmental Remediation
Number of potential cases: 1
- 21. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of potential cases: 2
- 22. CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
In re Seaport Airlines, Inc., U.S. Bankruptcy Court Case No. 16-30406-rld7
Number of potential cases: 1
- 23. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal.Gov. Code §54956.9)
The Receipt of a Government Claim from Juanita Robledo

24. CONFERENCE WITH REAL PROPERTY NEGOTIATORS AND WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Gov. Code §§54956.9(d)(e)(1) and 54954.5(b))

Property: Concession leases (food & beverage) with Host, High Flying Foods and SSP

Agency Negotiator: Scott Brickner, Kathy Kiefer and Eric Podnieks

Negotiating Parties: Host, High Flying Foods San Diego Partnership, SSP

America, Inc. and Stellar Partners, Inc.

Under negotiation: rent (price and terms of payment), closure/conversion of locations, new concession buildout, ACDBE participation, lease compliance issues, claim by Host and close outs/permits.

25. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957

Title: General Counsel

26. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957

Title: Chief Auditor

REPORT ON CLOSED SESSION:

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>
July 6	Thursday	9:00 a.m.	Regular	Board Room

DRAFT
AIRPORT LAND USE COMMISSION
AGENDA

Thursday, June 1, 2017
9:00 A.M. or immediately following the Board Meeting

San Diego International Airport
SDCRAA Administration Building – 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/Airport-Authority/Meetings-Agendas/ALUC>

Board Members

C. April Boling
Chairman

Greg Cox
Jim Desmond
Robert H. Gleason
Jim Janney
Mark Kersey
Paul Robinson
Michael Schumacher
Mary Sessom

Ex-Officio Board Members

Laurie Berman
Eraina Ortega
Col. Jason Woodworth

President / CEO

Kimberly J. Becker

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.

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 Commission 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.

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

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Commission Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

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 COMMISSION MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Commission on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Commission. 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 Commission.

CONSENT AGENDA (Items 1-6):

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 Airport Land Use Commission is requested to approve minutes of prior meetings.

RECOMMENDATION: Approve the minutes of the May 4, 2017 regular meeting.

CONSISTENCY DETERMINATIONS

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

The Commission is requested to receive a report.

RECOMMENDATION: Receive the report.

(Development: Jeffrey Woodson, Vice President)

3. CONSISTENCY DETERMINATION – SAN DIEGO INTERNATIONAL AIRPORT - AIRPORT LAND USE COMPATIBILITY PLAN – CONSTRUCTION OF 423 ATTACHED RESIDENTIAL UNITS WITH LEASABLE OFFICE AND COMMERCIAL SPACE AT PARK BOULEVARD & MARKET STREET, CITY OF SAN DIEGO:

The Commission is requested to make a consistency determination.

RECOMMENDATION: Adopt Resolution No. 2017-____ ALUC, making the determination that the project is conditionally consistent with the San Diego International Airport - Airport Land Use Compatibility Plan.

(Development: Jeffrey Woodson, Vice President)

4. CONSISTENCY DETERMINATION – SAN DIEGO INTERNATIONAL AIRPORT - AIRPORT LAND USE COMPATIBILITY PLAN – CONSTRUCTION OF 218 ATTACHED RESIDENTIAL UNITS WITH HOTEL, LEASABLE OFFICE AND COMMERCIAL SPACE AT SEVENTH AVENUE & MARKET STREET, CITY OF SAN DIEGO:

The Commission is requested to make a consistency determination.

RECOMMENDATION: Adopt Resolution No. 2017-____ ALUC, making the determination that the project is conditionally consistent with the San Diego International Airport - Airport Land Use Compatibility Plan.

(Development: Jeffrey Woodson, Vice President)

5. CONSISTENCY DETERMINATION – SAN DIEGO INTERNATIONAL AIRPORT - AIRPORT LAND USE COMPATIBILITY PLAN – CONSTRUCTION OF 336 ATTACHED RESIDENTIAL UNITS WITH HOTEL, LEASABLE OFFICE AND COMMERCIAL SPACE AT 499 WEST ASH STREET, CITY OF SAN DIEGO:

The Commission is requested to make a consistency determination.

RECOMMENDATION: Adopt Resolution No. 2017-____ ALUC, making the determination that the project is conditionally consistent with the San Diego International Airport - Airport Land Use Compatibility Plan.

(Development: Jeffrey Woodson, Vice President)

6. CONSISTENCY DETERMINATION – SAN DIEGO INTERNATIONAL AIRPORT - AIRPORT LAND USE COMPATIBILITY PLAN – CONSTRUCTION OF A DETACHED RESIDENTIAL UNIT AT 4526 CAPE MAY AVENUE, CITY OF SAN DIEGO:

The Commission is requested to make a consistency determination.

RECOMMENDATION: Adopt Resolution No. 2017-____ ALUC, making the determination that the project is conditionally consistent with the San Diego International Airport - Airport Land Use Compatibility Plan.

(Development: Jeffrey Woodson, Vice President)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

7. STATUS UPDATE AND POSSIBLE POLICY DIRECTION ON AIRPORT LAND USE COMPATIBILITY PLANS:

The Commission is requested to receive a status update presentation.

RECOMMENDATION: Receive the presentation and possibly provide policy direction to staff.

(Development: Jeffrey Woodson, Vice President)

COMMISSION COMMENT:

ADJOURNMENT:

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