

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Revised 05/15/2020

SPECIAL BOARD and EXECUTIVE/FINANCE COMMITTEE MEETING AGENDA

Thursday, May 21, 2020

9:00 A.M. or immediately following the Special Board Closed Session Meeting

San Diego International Airport
SDCRAA Administration Building
Board Room
3225 N. Harbor Drive
San Diego, California 92101

Board Members

C. April Boling
Chairman

Catherine Blakespear
Greg Cox
Mark Kersey
Robert T. Lloyd
Paul McNamara
Paul Robinson
Johanna S. Schiavoni
Mark B. West

Ex-Officio Board Members

Gustavo Dallarda
Col. Charles B. Dockery
Gayle Miller

President / CEO

Kimberly J. Becker

This meeting of the Board of the San Diego County Regional Airport Authority Board will be conducted pursuant to the provisions of California Executive Order N-29-20 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Board members will be participating in the meeting electronically. In accordance with the Executive Order, there will be no members of the public in attendance at the Board Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting.

In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Comment on Agenda Items must be submitted to the Authority Clerk at clerk@san.org and indicate the agenda item number you wish to submit your comment for. Comments on specific agenda items may be submitted up until the Chair calls the item. If you indicate in your email that you would like your comment to be read at the meeting, your submitted public comment will be read into the record for 3 minutes or in accordance with the time period established by the Chair. All public comments received up until the time the item is called will be submitted into the written record for the relevant item.

Comment on Non-Agenda Items must be submitted to the Authority Clerk at clerk@san.org, no later than 4:00 p.m. the day prior to the posted meeting in order to be eligible to be read into the record. The Authority Clerk will read the first 30 comments received by 4:00 p.m. the day prior to the meeting into the record. The maximum number of comments to be read into the record on a single issue will be 16. All other comments submitted, including those received after 4:00 p.m. the day prior and before 8:00 a.m. the day of the meeting, will be provided to the Authority Board and submitted into the written record for the meeting.

You may also view the meeting online at the following link: <https://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>

REQUESTS FOR ACCESSIBILITY MODIFICATIONS OR ACCOMMODATIONS

As required by the Americans with Disabilities Act (ADA), requests for agenda information to be made available in alternative formats, and any requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting the Authority Clerk at (619) 400-2550 or <mailto:clerk@san.org>. The Authority is committed to resolving accessibility requests swiftly in order to maximize accessibility

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 Board Services 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 Board Services/Authority Clerk Department.

CALL TO ORDER:

ROLL CALL:

Board

Board Members: Blakespear, Boling (Chair), Cox, Dallarda (Ex-Officio), Dockery (Ex-Officio), Kersey, Lloyd, McNamara, Miller (Ex-Officio), Robinson, Schiavoni, West

Executive Committee

Committee Members: Boling (Chair), Lloyd, Robinson

Finance Committee

Committee Members: Blakespear, Kersey (Chair), McNamara, Schiavoni

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.

EXECUTIVE COMMITTEE NEW BUSINESS:

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the April 16, 2020 special meeting.

2. **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, Board Services/Authority Clerk

FINANCE COMMITTEE NEW BUSINESS:

3. **REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TEN MONTHS ENDED APRIL 30, 2020:**
Presented by: Kathy Kiefer, Senior Director, Finance and Asset Management

- 4. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF APRIL 30, 2020:**
Presented by: Geoff Bryant, Manager, Airport Finance

- 5. ANNUAL REVIEW OF AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:**
RECOMMENDATION: Forward this item to the Board with a recommendation to approve amendments to Authority Policy 4.40 - Guidelines for Debt Issuance and Management.
Presented by: John Dillon, Director, Financial Management

- 6. ANNUAL REVIEW OF AUTHORITY POLICY 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, CHIEF FINANCIAL OFFICER:**
RECOMMENDATION: Forward this item to the Board with a recommendation to accept the review of Authority Policy 4.20 - Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Chief Financial Officer.
Presented by: Geoff Bryant, Manager, Airport Finance

REVIEW OF FUTURE AGENDAS:

- 7. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 4, 2020 BOARD MEETING:**
Presented by: Kimberly J. Becker, President/CEO

- 8. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 4, 2020 AIRPORT LAND USE COMMISSION MEETING:**
Presented by: Kimberly J. Becker, President/CEO

BOARD BUDGET WORKSHOP:

- 9. DISCUSSION REGARDING THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FISCAL YEAR 2021 PROPOSED BUDGET AND FISCAL YEAR 2022 PROPOSED CONCEPTUAL BUDGET:**
RECOMMENDATION: Discuss the Fiscal Year 2021 Proposed Budget and Fiscal Year 2022 Proposed Conceptual Budget.
(Finance & Risk Management: John Dillon, Director; Maya Dayan, Manager)

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 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 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.
- 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.
- 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

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 Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the SDCRAA 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.

Revised 05/20/2020

May 21, 2020
Special Board and
Executive-Finance Committee
Meeting

NON-AGENDA
PUBLIC COMMENTS

From: Rahim Seyed-Salehi <ray_salehi@yahoo.com>
Sent: Friday, May 8, 2020 11:20 AM
To: SDCRAA clerk <clerk@san.org>
Subject: Fwd: Postponing Airport Permits

Sent from my iPhone

Begin forwarded message:

From: Rahim Seyed-Salehi <ray_salehi@yahoo.com>
Date: May 7, 2020 at 3:15:48 PM PDT
To: "gcox@san.org" <gcox@san.org>
Cc: "pmcnomara@san.org" <pmcnomara@san.org>
Subject: Fw: Postponing Airport Permits

----- Forwarded Message -----

From: Rahim Seyed-Salehi <ray_salehi@yahoo.com>
To: mark.west@imperialbeachca.gov <mark.west@imperialbeachca.gov>
Cc: cblaksper@san.org <cblaksper@san.org>
Sent: Thursday, May 7, 2020, 03:14:17 PM PDT
Subject: Fw: Postponing Airport Permits

----- Forwarded Message -----

From: Rahim Seyed-Salehi <ray_salehi@yahoo.com>
To: probinson@san.org <probinson@san.org>
Sent: Thursday, May 7, 2020, 03:06:41 PM PDT
Subject: Fw: Postponing Airport Permits

----- Forwarded Message -----

From: Rahim Seyed-Salehi <ray_salehi@yahoo.com>
To: aboling@san.org <aboling@san.org>
Sent: Thursday, May 7, 2020, 02:54:31 PM PDT
Subject: Postponing Airport Permits

C. April Boling. Board Chair
Paul. Robinson. Vice. Chair
Greg Cox Board Member
Mark Kersey Board member
Robert T Lloyd. Board Member
Paul "MAC" Mc Namara Board member.
Catherine S. Blakespear. Board member
Mark B. West, Board member
Kimberly J. Becker. Board member
Angela Shafer Payne Vice President , Operation
Mark Nichols Ground Transportation Director

On behalf of Royal JR LLC. DBA JR. CAB. I would like to say the following. I remember clearly in one of the board meeting all of you said with the loud and clear voice, you are not playing politics when it come to topic that involved livelihood of individuals such as you taxi cab permit holders. This is my third times trying to bring it to your attention that because of special circumstances such as coronavirus pandemic please put the item of postponing airport permit on the agenda of your board meeting, and I'm not alone ,last two meeting you heard the request of more than sixty permit holders, and may be more. But the feedback we are getting looked like nobody was or is listening to us, not even one board member made any comments. Please remember your promises . We are playing the very important rule at the airport, and I personally believe we have done a good job. I appreciate if you put this topic that is very important for us on the next agenda item. We won't stop asking you until you pay attention to us .

Thanks
Ray Seyed Salehi

P.S. I would like to ask the clerk to read my email as a non agenda request on the next meeting

From: [Edris](#)
To: [SDCRAA clerk](#)
Subject: Long Term Recovery
Date: Monday, May 11, 2020 11:05:44 PM

Dear Mr. Russel please read this e-mail on non-agenda portion of the Board's meeting.

Honorable Board Members Good Morning, hope all of you have stayed safe from this invisible disease. This is to continue our best efforts to get as an agenda item on your next meeting, to discuss our situation and future.

My wish is that by the end of May, I be able to turn on the switch of normalcy and get back on my life as it was before Covid-19. The realities on the ground dictates otherwise, while a cure or a vaccine may take up to 18 months and it may even take longer or as some suggest we may not even get one! Also the economical and psychological impacts of Covid-19 is much greater than we anticipated. It will take long time to get back to normalcy, and being care free to travel, participate in conventions or large concerts and sporting events. For a cab drivers this is how we make our livelihood from. Our recovery is connected to National and International factors. Our recovery is long term, and we ask you to grant us that long term recovery time that maybe 2-3 years. I, deeply know that all of you have the wisdom and the authority to grant us the requested time in order to get back on our feet again.

Thank You,

Edris Wahab
Watan Cab

From: [abel s](#)
To: [SDCRAA clerk](#)
Subject: Non public comment
Date: Wednesday, May 13, 2020 12:58:57 PM

Hello Mr Russel

Can you please read this message as a non public agenda item at the next board meeting?

Thank you

Abel

Hello Board Members,

I hope you are all staying safe.

I am here again, coming to you in our fourth month of 100% loss of income to our taxi business. As things continue with this pandemic the way that they've been going, you can expect to hear more from us at the upcoming board meeting, asking the same thing again and again. We will continue to knock on your doors until we get a response. One day, we hope that the board will hear us and give us a reasonable response regarding the December 2020 taxi deadline. Considering the number of public comments we have made so far, we are a little surprised that not even one board member has made a comment in previous meetings about our issue.

Someone suggested to me that this board might extend the opening of the airport for all taxis by only six months, or up to June 2021, as a recovery time. If this is true, I would respectfully like to inform this board that we current permit holders cannot economically recover in this short period of time, so I hope it that this rumor is not true.

We are anxiously awaiting your direction and decision regarding this matter.

Regards

Abel Seifu

From: [r.s](#)
To: [SDCRAA clerk](#)
Subject: Postponement of Taxi cabs.
Date: Wednesday, May 13, 2020 1:09:29 PM

To: Board of Directors!

As we all aware the COVID-19 put a huge impact in aspects of our lives, one of is Taxi business at San Diego international Airport.

Until we all come back to normal, we owners and drivers would like to ask the distinguished board to take a deep look and postpone the opening of all Taxis at the San Diego Airport.

Thank you,

Haress Ebrahim

Hi Class can #954

Sent from my iPhone

From: [Zabiullah Qargha](#)
To: [SDCRAA clerk](#)
Subject: Fw: San Diego Airport Grand Transportaion . Taxi Industry.
Date: Wednesday, May 13, 2020 3:18:19 PM

----- Forwarded Message -----

From: Zabiullah Qargha <zqargha62@yahoo.com>
To: clerk@san.org <clerk@san.org>
Sent: Wednesday, April 15, 2020, 03:11:12 PM PDT
Subject: San Diego Airport Grand Transportaion . Taxi Industry.

With respect to San Diego Airport Grand Transportation:

My name is Zabiullah Qargha . Owner of ZA Cab #711 . I would like to share some information about Airport permit opening for all cabs in San Diego City Right now San Diego Airport does not have capacity to fit the all City taxi cabs . as we are the Airport Drivers feel responsible to keep the Airport safe and manageable for the future and better service for all .

To avoid all these problems and for better solution we are kindly to advise the Airport authority to hire professional people with background and knowledge about the Taxi business industry to find out either Airport needs more Taxi or not.

Especially this year 2020 there has been no work due to the COVID-19 , which lead to the quarantine . Not only I , but many Drivers are financially suffering

I request you to extend the time for 3 years; until 2023 .

I like thank you for your time to reading my letter, and hopefully we can find better solution for our Airport.

Best regards

Zabiullah Qargha

Rec'd:
2020/05/12 AMN

To: Mr. Marc Nichols
Director of Ground Transportation
SDCRAA
San Diego, CA 92138-2776

Dear Mr. Nichols,


As you are fully aware, due to the current COVID-19 pandemic, we as members of I.C.O.A and S.D.TX.A have particularly become completely non-operational for the past two months or so. We forecast a bleak future for our business, but we also hope that we can weather these dark days and get back to providing the County of San Diego the best and fastest public transportation possible.

While the economy is going from bad to worse, we hope that by paying attention to our request maybe the airport authorities can help us stay afloat by postponing their decision for a couple of years. We cannot open the airport to all taxis in San Diego until the business and economy has moved forward to establish some sort of stabilization in the future.

The industry and the airport must realize that any and all decision to open the airport to all city cabs was based on days Pre-Coronavirus and do not reflect the business model of today where every permitted taxi driver is struggling to operate.



Nasser A. Tehrani
San Diego Taxi Association



Safa Saleh
I.C.O.A.

From: [George Sadat](#)
To: [SDCRAA clerk](#)
Subject: Delay!!!
Date: Wednesday, May 13, 2020 6:42:40 PM

Dear board members,

My name is _GEORGE SADAT, and I am the owner of JB & SURF RIDE CABS..

We have asked this board to direct the airport staff members to bring the issue of the December 2020 taxi deadline up for discussion, and so far it has not been up for discussion. Therefore, I would like to ask again if the board could direct the staff members to bring this issue up for discussion.

Thank GEORGE SADAT.

[Sent from Yahoo Mail for iPhone](#)

From: [ak f](#)
To: [SDCRAA clerk](#)
Subject: 2020 taxi deadline up for discussion
Date: Thursday, May 14, 2020 7:13:20 PM

Dear board members,

My name is Aklilu Fray, and I am the owner of cab #701

We have asked this board to direct the airport staff members to bring the issue of the December 2020 taxi deadline up for discussion, and so far it has not been up for discussion. Therefore, I would like to ask again if the board could direct the staff members to bring this issue up for discussion.

Thank you,

Aklilu fray

From: [Faraidon Bustani](#)
To: [SDCRAA clerk](#)
Subject: Fwd: Postpone
Date: Thursday, May 14, 2020 9:16:21 PM

From: Faraidon Bustani <fbustani@hotmail.com>
Date: May 9, 2020 at 11:04:07 PM PDT
To: clerk@san.org
Subject: Postpone

Can you please place this item on the next board member meeting agenda? We are requesting to postpone the issuance of permits for city cabs due to the persistent damage COVID 19 has had on our ability to make ends meet and pay our bills. We are severely impacted financially and emotionally as a result of this crisis and are imploring you to please acknowledge our collective request. Thank you for your support and assistance during these challenging times in lives.

Sent from my iPhone

Alfred Banks

abohi2@yahoo.com

(619) 313 1052 May 20, 2020.

In 2019 the Airport Board Members, at the recommendation of the Ad Hoc committee, directed Staff to open the Airport to qualified San Diego City cabs on January 1, 2021. Since this recommendation, the COVID-19 health crisis has changed the entire economic landscape necessitating reevaluation of this and other policy decisions.

wherefore, I am requesting on behalf of myself and other industry representatives the following:

The Clerk of the Airport should Include this to the AGENDA for Consideration of policy decisions because of the **COVID 19** Interrupt the following:

1. **A Hold on Entry of New City Cabs into the Airport.**
2. **Suspend Transfer Fee for existed airport cab due to COVAD 19.**
3. **Suspend Non-Transferability Policy.**
4. **Allow Current Permit Stickers for All modes to be extended for another year.**

the above request is based that nobody knew how long it will take for the **existing partners** to recovered,

this was the income for the following: Mortgage, Rent, Credit Card payment, Insurance for \$508 and \$412 a month, car loan payment and other loans. I strongly believed that it would take longer to recover. Like the Airport, your taxicab partners have experienced a 96% reduction of trips generated from the Airport.

There had be no evidence that the Staff will not continue to process the new City Taxicab for 2021 without Board Member's new direction to **put on Hold.**

We have all seen the images of empty terminals and know the projections on recovery. Your simple supportive action will go a long way in returning health to the Ground Transportation Industry.

Alfred Banks

From: Mr ALFRED BANKS
To: SDCRAA clerk
Subject: To included on AGENDA
Date: Saturday, May 16, 2020 2:37:25 PM
Attachments: LETTER TO BOARD MEMBERS 5-16-20.docx

Alfred Banks
abohip2@yahoo.com
I am a member of M.T.S ADVISORY COMMITTEE, MEMBER OF SDTA ASSOCIATION and SAN DIEGO TAXICAB ASSOCIATION.
Over 500 TaxiCab had notified MTS that they could not operate because they unable to pay for Insurance.
Thank you
Alfred

Alfred Banks
abohip2@yahoo.com
(619) 313 1052 May 16, 2020.

In 2019 the Airport Board Members, at the recommendation of the Ad Hoc committee, directed Staff to open the Airport to qualified San Diego City cabs on January 1, 2021. Since this recommendation, the COVID-19 health crisis has changed the entire economic landscape necessitating reevaluation of this and other policy decisions.

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We have all seen the images of empty terminals and know the projections on recovery. Your simple supportive action will go a long way in returning health to the Ground Transportation Industry.

Alfred Banks

Alfred Banks

Abohi2@yahoo.com

(619) 313 1052 April 22, 2020.

In 2019 the Airport Board, at the recommendation of the Ad Hoc committee, directed Staff to open the Airport to qualified San Diego cabs on January 1, 2021. Since this recommendation, the COVID-19 health crisis has changed the entire economic landscape necessitating reevaluation of this and other policy decisions.

Therefore, I am requesting on behalf of myself and other industry representatives the following:

A Hold on Entry of New City Cabs into the Airport: Like the Airport, your taxicab partners have experienced a 96% reduction of trips generated from the Airport. Wait times can be more than 18 hours after checking in. As developing a new entry system to accommodate City Cabs will be costly for the Airport Staff and as the predicted recovery may extend years rather than months, we ask that you allow existing partners to have time to recuperate their losses.

Suspend Non-Transferability Policy: Currently cab owners may transfer their permit once and the new owner would have to surrender the permit if he leaves the industry. The ability for a cab owner to sell their company including: Established Good Name, Customer Base, Goodwill, and Marketplace Standing without requirement of surrendering the permit to the Airport, would allow the owner to realize some profit and enable others outside the current system easy entry. The inability to transfer the permit discourages a healthy marketplace and encourages the current owners to hold the permit when they may prefer to sell to a new buyer. This economic incentive will insure that this much needed mode sustains through the long recovery period. Cabs are an Essential Service and during these critical days they have operated 24/7 and invited the public, hospitals, police departments and the disabled travelers to utilize services while UBER asks that the traveling public to NOT utilize their service during this time.

Allow Current Permit Stickers for All modes to be extended for another year. This would be save time and money. There had been previous discussion about such action; COVID -19 simply gives reason to implement now. All ATOs can be notified with simple email.

We have all seen the images of empty terminals and know the projections on recovery. Your simple supportive action will go a long way in returning health to the Ground Transportation Industry.


Alfred Banks

Alfred Banks

abohi2@yahoo.com


(619) 313 1052 April 20, 2020

On or about 2019 the Airport Board members and ad Hoc committee members have extended the current Taxicab until December 2020 so that the current permit holders will have enough time to recover some of their investments.

By December 2020, the Airport will prepare to open the Airport for the City qualify Taxicab reading for January 2021

From January 2020 the **COVID 19 had caused changes** in every business and professionals including the Taxicab industry, as a result, the Airport should **put on hold any issues regarding open City Taxicab to Airport.**

The Airport taxi industry had seen a 100% loss of income from February and continue, even though the business is open, it will result a longer time for Airport taxicabs to recover.

- A. *The Airport should put on hold any insues regarding open City Taxicab to Airport.*
- B. *The Airport should continue to allow sticker Transfer ability, Airport should allow all 2020 Airport sticker extension for one more Year due to COVID 19.*
- C. The Airport's Staffs, Board Members should take a Judicial Notice of Gatekeeper pager 1 through 20 is a true and correct copy of taxicab *Exhibit 1 to 20* waiting in the holding lot for *9 to 12 hours and waiting 4 to 6 hours in Terminal 1. or Terminal 2.* Page 23 through 28 is 2019 is a true and correct copy of taxicab *Exhibit 1 to 6.* waiting in the holding lot for *2 to 4 hours and 1 to 2 hours waiting in Terminal 1. or Terminal 2*
- D. The Airport's Staffs, Board Members should take a Judicial Notice of Pictures pager 1 through 15 is a true and correct copy of Terminal 2 Dispatch 1 to 4 is inside Arrival 5 to 7,12 and page 9 to 11 and 13 to 15 is Terminal 1.
- E. Take a Judicial Notice of Gatekeeper P. 19 Exhibit 19 is 173 Cabs in the Hold lot, P. 9 Exhibit 9 is 154 Cabs in the Hold lot, P. 15 Exhibit 15 is 10 Cabs in the Hold lot, P. 17 Exhibit 17 is 13 Cabs in the Hold lot
- F. *P. 13 Exhibit 13 is 00:00 Cabs in the Hold lot at 3:01 am from 173 Cabs to less than 13 Cabs Drivers come to Airport every day regardless of the waiting time in the holding lot and at terminal*

Alfred Banks *If Business open back how long before Airport full service if less Conventions less Travel?*

Alfred Banks
abohi2@yahoo.com
(619) 313 1052
April 22, 2020

Good evening all

To Mr. Marc Nichols Director
San Diego International Airport

On April 21, 2020, the SDTA had a telephone conference call at 2:00 pm in which Adrian Kwiatkowski said that is better for any driver or owner to write to the Airport their suggestion or recommendation.

This my recommendation from 2019 to 2020 holding lot waiting time I had included 32 Custom binding Gatekeeper Dispatch Terminal 1 and 2 pictures of no lines.

1 for Mr. Marc Nichols

1 for Angela Shafer-Payne

1 for Carol Mahaffey

1 for Mike Anderson

1 for Ann Camishero

1 for ELECE

Copy to the Staffs

1 for Heidi Gatekeeper

1 for Mark B. West

1 for C. April Boling,

1 for Paul Robinson

1 for Greg Cox

1 for Mark Kersey

1 for Robert T Lloyd


1 for Paul "Mac" McNamara

1 for Johanna Schiavoni |

1 for Col. Charles Dockery,

1 for Gayle Miller

1 for Kimberly J. Becker



Alfred Banks

ALFRED BANKS

EXHIBIT 1 through

EXHIBIT 1, March 19, 2020 is 9:33 Hours Wait at the Hold Lot

EXHIBIT 2, March 18, 2020 is 8:13 Hours Wait at the Hold Lot

EXHIBIT 3, March 16, 2020 is 8:01 Hours Wait at the Hold Lot

EXHIBIT 4, March 16, 2020 is 8:05 Hours Wait at the Hold Lot

EXHIBIT 5, March 15, 2020 6:18 Hours Wait at the Hold Lot

EXHIBIT 6, March 15, 2020 is 6:04 Hours Wait at the Hold Lot

EXHIBIT 7, March 15, 2020 is 134 Cabs Wait at the Hold Lot

EXHIBIT 8, March 15, 2020 is 5:20 Hours Wait at the Hold Lot

EXHIBIT 9, March 10, 2020 is 154 Cabs Wait at the Hold Lot

EXHIBIT 10, March 13, 2020 is 4:38 is 2:18 Hours Wait at the Hold Lot

EXHIBIT 11, March 11, 2020 is 3:01 is 4:04 Hours Wait at the Hold Lot

EXHIBIT 12, March 12, 2020 is 4:28 is Hours Wait at the Hold Lot

EXHIBIT 13, March 10, 2020 is 00:00 Cabs Wait at the Hold Lot at 3:01 am

EXHIBIT 14, March 10, 2020 is 4:48 is Hours Wait at the Hold Lot

EXHIBIT 15, April 4, 2020 is 10 Cabs Wait at the Hold Lot 11:21 pm

EXHIBIT 16, March 11, 2020 is 141 Cabs Wait at the Hold Lot

EXHIBIT 17, April 4, 2020 is 13 Cabs Wait at the Hold Lot

EXHIBIT 18, March 10, 2020 is 137 Cabs Wait at the Hold Lot

EXHIBIT 19, March 9, 2020 is 173 Cabs Wait at the Hold Lot

EXHIBIT 20, March 16, 2020 is 116 Cabs Wait at the Hold Lot

Waiting in Terminal unknown.

2019 Hold lot waiting in EXHIBITS 1 THROUGH 6 in Page 23 Through 28

PROPOSED

1. Facts for 2020 any ALL Stickers before December 1, 2020 had no change.
2. Stickers A and B before December 1, 2020 had no change.
3. If Airport choose to Open for CITY New Taxi, there should been some direction to follow,
4. ***IF 20 TO 50 CITY TAXI QUALIFIED, HALF TAXI FOR A STICKER AND THE OTHER HALF TAXI ADD TO B STICKERS.***
5. Regarding the limits of taxicabs at the Airport, after 24 months there will be a Review if to add more taxi.
6. The Airport Staff will not change any program or create new program.
7. No more after 6 pm Taxi.
8. The new Taxicab Applications start October 1, 2020
9. With the above, there will be needless for the Airport Staffs to spend anything for changing program.

CONSIDERATION 1

Terminal 1 Improvement how many years
Commuter Terminal office building moving to McCain Street how many years
There will be no new Taxi at the Airport until all construction is completed.

CONSIDERATION 2

The Board members including Michael Union leader, Attorney and Jim Desmond and 2 other Board members must travel from Holding lot to terminal 2 and terminal 1 between the hours of 9 pm and 10:30 pm any day of the week in any special Event to see the traffic before adding any taxis to the Airport.

CONSIDERATION 3

In the future of Airport intending of adding new Taxicab to Airport, it must be adding to A. and B, Sticker.

CONSIDERATION 4

Board Member Mr. Jim Desmond and 2 other Members had not tried to drive into the Airport between 9 pm and 10 pm any day of the week, to see the Traffic problems

- Harbor Drive Traffic Consideration
- RCC BUS, Supper Shuttle, Hotel Shuttle, Unlimited TNC UBER LYFT, Private Cars and City MTS BUS, Drive through Harbor Drive.
- If Airport add 10 to 100 Taxicab to the present 450,
- It is Counterproductive especially all Taxis.



Dispatch: San Diego International Airport

Holding Lot Count:	35
Dispatched Last Hour:	7
Entered Holding Last Hour:	4
Last Dispatch:	19:46:45
Entry Time of Last Dispatched Vehicle:	10:13:27
Wait of Last Dispatched Vehicle (HH:MM):	09:33
Last Holding Entry:	19:51:03
Vehicles able to return to Holding:	12

Updated by Dispatch System at: 05/19/2020 19:51:15

Access by Permit Type Listing

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1



Dispatch: San Diego International Airport

Holding Lot Count:	51
Dispatched Last Hour:	5
Entered Holding Last Hour:	6
Last Dispatch:	19:15:41
Entry Time of Last Dispatched Vehicle:	11:02:34
Wait of Last Dispatched Vehicle (HH:MM):	08:13
Last Holding Entry:	19:03:37
Vehicles able to return to Holding:	5

Updated by Dispatch System at: 03/18/2020 19:29:29

Access by Permit Type Listing

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2

7:59 ↗

📶 LTE 🔋

EXHIBIT 3 March 16, 2019 is 8:01 Hours Wait at the Hold Lot
Waiting in Terminal unknown

AA

Not Secure — vs.san.org



Dispatch: San Diego International Airport

Holding Lot Count:	71
Dispatched Last Hour:	19
Entered Holding Last Hour:	12
Last Dispatch:	19:59:03
Entry Time of Last Dispatched Vehicle:	11:57:09
Wait of Last Dispatched Vehicle (HH:MM):	08:01
Last Holding Entry:	19:55:01
Vehicles able to return to Holding:	2

Updated by Dispatch System at: 03/16/2020 19:59:38

Access by Permit Type Listing

3

Powered by



Exhibit 4



Dispatch: San Diego International Airport

Holding Lot Count:	71
Dispatched Last Hour:	16
Entered Holding Last Hour:	11
Last Dispatch:	19:52:40
Entry Time of Last Dispatched Vehicle:	11:47:35
Wait of Last Dispatched Vehicle (HH:MM):	08:05
Last Holding Entry:	19:53:34
Vehicles able to return to Holding:	2

Updated by Dispatch System at: 03/16/2020 19:53:54

[Access by Permit Type Listing](#)

7:58 ↗

📶 LTE 🔋

Exhibit 5

AA

Not Secure — vs.san.org



Dispatch: San Diego International Airport

Holding Lot Count:	93
Dispatched Last Hour:	26
Entered Holding Last Hour:	15
Last Dispatch:	19:58:11
Entry Time of Last Dispatched Vehicle:	13:39:19
Wait of Last Dispatched Vehicle (HH:MM):	06:18
Last Holding Entry:	19:56:55
Vehicles able to return to Holding:	5

Updated by Dispatch System at: 03/15/2020 19:58:25

[Access by Permit Type Listing](#)

5

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GateKeeper

Exhibit 6.
Not Secure — vs.san.org

AA



Dispatch: San Diego International Airport

Holding Lot Count:	100
Dispatched Last Hour:	19
Entered Holding Last Hour:	14
Last Dispatch:	17:41:53
Entry Time of Last Dispatched Vehicle:	11:37:42
Wait of Last Dispatched Vehicle (HH:MM):	06:04
Last Holding Entry:	17:41:21
Vehicles able to return to Holding:	2

Updated by Dispatch System at: 03/15/2020 17:42:52

[Access by Permit Type Listing](#)

5:47 7

Exhibit 7

LTE

AA

vs.san.org



120	0386	17:17:45
121	0116	17:19:29
122	0547	17:23:03
123	0788	17:24:00
124	0812	17:25:30
125	0290	17:26:31
126	0195	17:28:50
127	0327	17:33:27
128	0321	17:36:19
129	1298	17:36:29
130	1320	17:41:21
131	0279	17:43:58
132	0803	17:45:05
133	0131	17:45:12
134	0956	17:45:14

Total Vehicles: 134 3-18-2020

Dispatched: 0 7

11:29 ↗

Exhibit 8

LTE 

AA

Not Secure — vs.san.org



Dispatch: San Diego International Airport

Holding Lot Count:	45
Dispatched Last Hour:	28
Entered Holding Last Hour:	13
Last Dispatch:	23:29:03
Entry Time of Last Dispatched Vehicle:	18:08:05
Wait of Last Dispatched Vehicle (HH:MM):	05:20
Last Holding Entry:	23:28:29
Vehicles able to return to Holding:	12

Updated by Dispatch System at: 03/15/2020 23:29:11

[Access by Permit Type Listing](#)

14:03:35

139 0672 14:03:35

140 0533 14:05:26

141 0435 14:07:01

142 1019 14:08:38

143 0091 14:09:17

144 1815 14:09:55

145 1071 14:11:17

146 0257 14:13:14

147 0417 14:13:38

148 0495 14:14:27

149 1227 14:15:56

150 1249 14:17:33

151 0059 14:17:51

152 0694 14:20:08

153 0121 14:22:18

154 0582 14:22:53

3-102020

9

10:02 ↗

📶 LTE 🔋

Exhibit 10

AA

Not Secure — vs.san.org



Dispatch: San Diego International Airport

Holding Lot Count:	83
Dispatched Last Hour:	30
Entered Holding Last Hour:	16
Last Dispatch:	22:02:31
Entry Time of Last Dispatched Vehicle:	17:23:55
Wait of Last Dispatched Vehicle (HH:MM):	04:38
Last Holding Entry:	22:01:41
Vehicles able to return to Holding:	9

Updated by Dispatch System at: 03/13/2020 22:02:46

[Access by Permit Type Listing](#)

10

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2:58 ↖

EXHIBIT // March 12, 2019 is 3:01 Hours Wait at the Hold Lot
Waiting in Terminal unknown

LTE 

AA

Not Secure — vs.san.org



Dispatch: San Diego International Airport

Holding Lot Count:	114
Dispatched Last Hour:	32
Entered Holding Last Hour:	37
Last Dispatch:	14:57:30
Entry Time of Last Dispatched Vehicle:	11:55:59
Wait of Last Dispatched Vehicle (HH:MM):	03:01
Last Holding Entry:	14:56:55
Vehicles able to return to Holding:	3

Updated by Dispatch System at: 03/12/2020 14:58:08

[Access by Permit Type Listing](#)

Exhibit 12

AA

Not Secure — vs.san.org



Dispatch: San Diego International Airport

Holding Lot Count:	100
Dispatched Last Hour:	37
Entered Holding Last Hour:	26
Last Dispatch:	20:28:16
Entry Time of Last Dispatched Vehicle:	16:00:15
Wait of Last Dispatched Vehicle (HH:MM):	04:28
Last Holding Entry:	20:29:34
Vehicles able to return to Holding:	6

Updated by Dispatch System at: 03/11/2020 20:30:24

[Access by Permit Type Listing](#)

3:51

EXHIBIT 13

March 10, 2019 is 00:00 Hours Wait at the Hold Lot
AT THE TIME NOT CAB IN THE HOLD LOT. at 3:01 am



AA

Not Secure — vs.san.org



Dispatch: San Diego International Airport

Holding Lot Count:	0
Dispatched Last Hour:	2
Entered Holding Last Hour:	0
Last Dispatch:	03:01:46
Entry Time of Last Dispatched Vehicle:	03:01:44
Wait of Last Dispatched Vehicle (HH:MM):	00:00
Last Holding Entry:	00:00:00
Vehicles able to return to Holding:	0

Updated by Dispatch System at: 03/10/2020 03:51:05

Access by Permit Type Listing

Exhibit 14

AA

Not Secure — vs.san.org



Dispatch: San Diego International Airport

Holding Lot Count:	120
Dispatched Last Hour:	14
Entered Holding Last Hour:	23
Last Dispatch:	18:07:29
Entry Time of Last Dispatched Vehicle:	13:19:21
Wait of Last Dispatched Vehicle (HH:MM):	04:48
Last Holding Entry:	18:05:51
Vehicles able to return to Holding:	1

Updated by Dispatch System at: 03/10/2020 18:08:02

[Access by Permit Type Listing](#)



San Diego International Airport Dispatch

Taxi Hold Lot - Taxicab

#	ID	Time	Dispatched To
1	1249	20:43:57	
2	0206	20:44:46	
3	0916	20:44:56	
4	0626	20:45:00	
5	0845	20:48:48	
6	0290	20:51:01	
7	0691	21:45:00	
8	0598	21:55:34	
9	0490	22:12:51	
10	1319	22:41:22	

Total Vehicles: 10

Dispatched: 0 *4-4-2020*

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15



Exhibit 16

120 0440 10:45:49

121 0948 16:46:37

122 0706 16:47:36

123 0734 16:49:46

124 0612 16:49:53

125 1249 16:50:02

126 0553 16:52:08

127 0328 16:53:58

128 0177 16:59:24

129 0417 17:04:21

130 0206 17:09:56

131 1203 17:17:35

132 0631 17:18:12

133 0803 17:19:31

134 0683 17:20:38

135 0006 17:22:15

136 0582 17:25:56

137 0442 17:26:04

138 0077 17:31:15

139 0235 17:32:17

140 0869 17:34:16

141 0506 17:34:38

16

Exhibit 17

AA

vs.san.org



Exhibit 17

San Diego International Airport Dispatch

Taxi Hold Lot - Taxicab

#	ID	Time	Dispatched To
1	0175	17:31:49	
2	0303	18:06:27	
3	0089	18:45:03	
4	0292	19:27:39	
5	1017	19:28:46	
6	0328	20:38:50	
7	1203	20:41:55	
8	1249	20:43:57	
9	0206	20:44:46	
10	0916	20:44:56	
11	0626	20:45:00	
12	0845	20:48:48	
13	0290	20:51:01	

Total Vehicles: 13

Dispatched: 0 4-4-2020

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17



Exhibit 18

AA

vs.san.org



111	0501	14:55:01
112	0562	15:01:52
113	0395	15:01:56
114	954	15:03:45
115	0542	15:04:53
116	0681	15:07:19
117	0385	15:10:08
118	0256	15:12:14
119	0328	15:12:20
120	0865	15:12:52
121	0322	15:13:01
122	0552	15:13:30
123	0698	15:13:33
124	0279	15:15:57
125	1235	15:18:06
126	0762	15:20:49
127	0706	15:20:53
128	0584	15:21:55
129	0255	15:22:49
130	0437	15:24:12
131	0442	15:26:38
132	0767	15:30:07
133	0793	15:33:08
134	0532	15:34:16
135	1267	15:35:18
136	0067	15:36:00
137	0820	15:44:51

Total Vehicles: 137

Dispatched: 0

3-10-2020

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18



143	0635	18:06:03
144	1324	18:06:05
145	0740	18:06:12
146	0760	18:10:47
147	1024	18:22:06
148	0206	18:23:37
149	1321	18:24:11
150	0491	18:24:53
151	0598	18:25:59
152	0895	18:26:22
153	0713	18:28:11
154	0359	18:28:54
155	0957	18:28:58
156	0780	18:30:47
157	0942	18:31:15
158	0564	18:33:32
159	0578	18:36:04
160	0461	18:37:40
161	0203	18:38:07
162	0468	18:38:48
163	0478	18:39:05
164	0117	18:39:41
165	0758	18:40:11
166	0299	18:41:37
167	0883	18:42:02
168	0761	18:44:14
169	0720	18:44:20
170	0534	18:44:25
171	0904	18:44:31
172	0327	18:44:41
173	0209	18:44:52

Total Vehicles: 173

Dispatched: 0

3-9-2020

Exhibit 20

91	0864	15:24:21
92	0059	15:25:04
93	0786	15:25:13
94	0534	15:31:56
95	0442	15:37:13
96	0819	15:41:53
97	0490	15:49:33
98	0006	15:51:31
99	0148	15:55:23
100	0328	15:59:08
101	1203	16:04:52
102	0011	16:06:06
103	0672	16:07:55
104	0942	16:09:41
105	0782	16:12:10
106	0595	16:17:22
107	0711	16:18:17
108	0736	16:19:24
109	0620	16:31:41
110	0175	16:40:24
111	0861	16:42:24
112	0902	16:43:23
113	0533	16:51:26
114	0544	16:51:32
115	0698	16:54:34
116	0865	17:23:47

Total Vehicles: 116

Dispatched: 0

3-16-2020

20

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EXHIBITS 1 THROUGH 6

Page 23 Through 28

21

ALFRED BANKS

EXHIBIT 1 through 6

EXHIBIT 1, June 11, 2019 is 2:55 Hours Wait at the Hold Lot

EXHIBIT 2, June 12, 2019 is 2:37 Hours Wait at the Hold Lot

EXHIBIT 3, June 15, 2019 is 2:18 Hours Wait at the Hold Lot

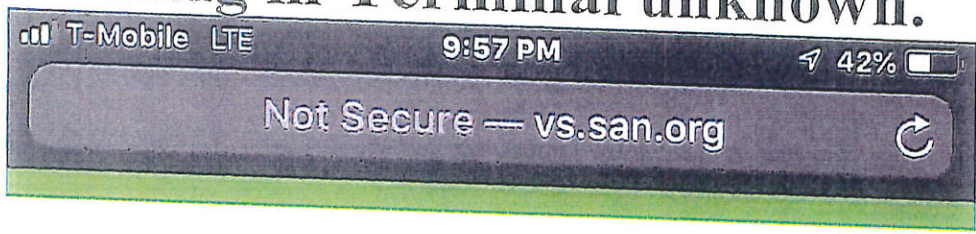
EXHIBIT 4, June 18, 2019 is 2:18 Hours Wait at the Hold Lot

EXHIBIT 5, May 26, 2019 is 4:04 Hours Wait at the Hold Lot

EXHIBIT 6, May 27, 2019 is 3:06 Hours Wait at the Hold Lot

Waiting in Terminal unknown.

**EXHIBIT 1, June 11, 2019 is 2:55 Hours Wait at the Hold Lot
Waiting in Terminal unknown.**



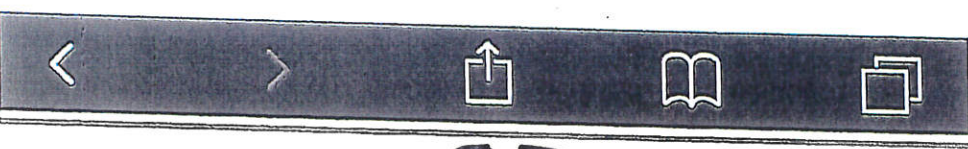
**Dispatch: San Diego International
Airport**

Holding Lot Count:	116
Dispatched Last Hour:	30
Entered Holding Last Hour:	32
Last Dispatch:	21:55:03
Entry Time of Last Dispatched Vehicle:	18:59:21
Wait of Last Dispatched Vehicle (HH:MM):	02:55
Last Holding Entry:	21:55:58
Vehicles able to return to Holding:	8

Updated by Dispatch System at: 06/11/2019 21:57:10

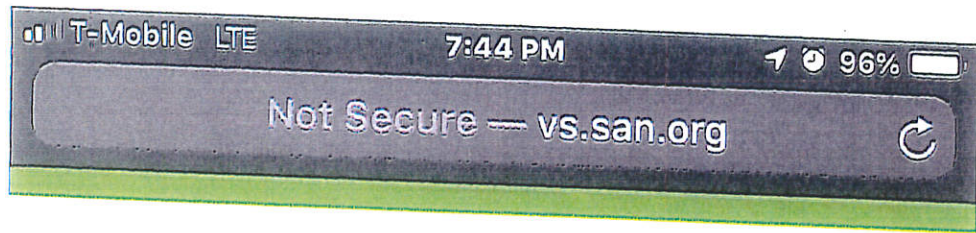
[Access by Permit Type Listing](#)

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23

EXHIBIT 2, June 12, 2019 is 2:37 Hours Wait at the Hold Lot



Dispatch: San Diego International Airport

Holding Lot Count:	148
Dispatched Last Hour:	42
Entered Holding Last Hour:	67
Last Dispatch:	19:43:56
Entry Time of Last Dispatched Vehicle:	17:06:48
Wait of Last Dispatched Vehicle (HH:MM):	02:37
Last Holding Entry:	19:43:51
Vehicles able to return to Holding:	1

Updated by Dispatch System at: 06/12/2019 19:44:10

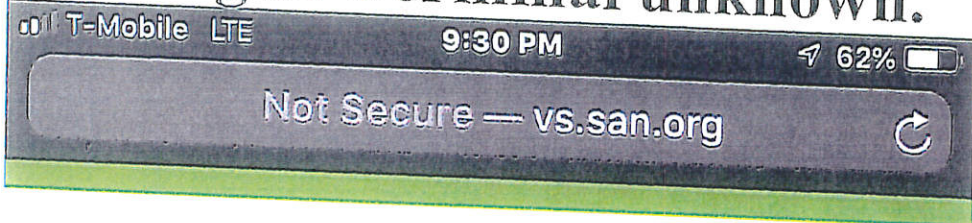
Access by Permit Type Listing

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24

**EXHIBIT 3, June 15, 2019 is 2:18 Hours Wait at the Hold Lot
Waiting in Terminal unknown.**



**Dispatch: San Diego International
Airport**

Holding Lot Count:	91
Dispatched Last Hour:	38
Entered Holding Last Hour:	40
Last Dispatch:	21:29:18
Entry Time of Last Dispatched Vehicle:	19:10:23
Wait of Last Dispatched Vehicle (HH:MM):	02:18
Last Holding Entry:	21:28:54
Vehicles able to return to Holding:	5

Updated by Dispatch System at: 06/15/2019 21:29:20

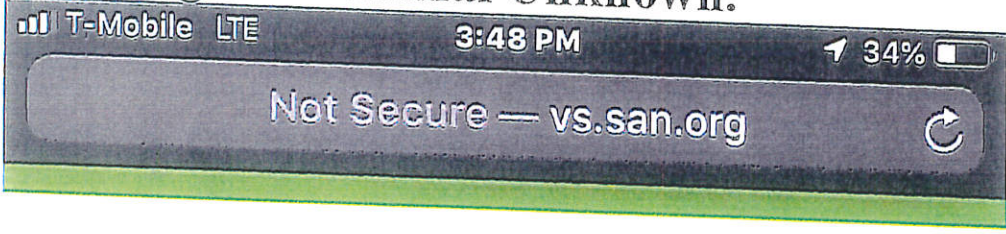
Access by Permit Type Listing

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EVMS



25

**EXHIBIT 4, June 18, 2019 is 2:18 Hours Wait at the Hold Lot
Waiting in Terminal Unknown.**

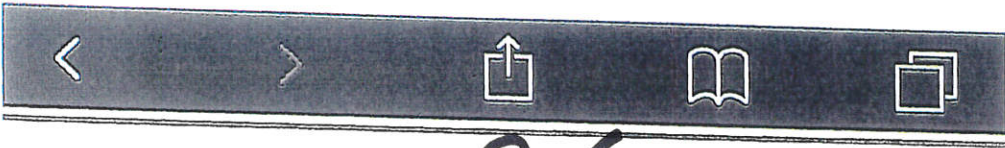


**Dispatch: San Diego International
Airport**

Holding Lot Count:	123
Dispatched Last Hour:	33
Entered Holding Last Hour:	49
Last Dispatch:	15:46:49
Entry Time of Last Dispatched Vehicle:	13:28:06
Wait of Last Dispatched Vehicle (HH:MM):	02:18
Last Holding Entry:	15:46:32
Vehicles able to return to Holding:	0

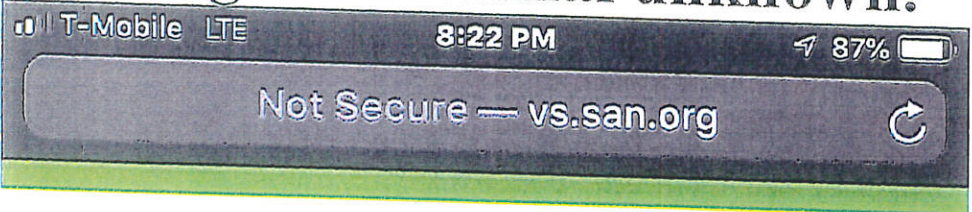
Updated by Dispatch System at: 06/18/2019 15:47:22

Access by Permit Type Listing



26

**EXHIBIT 5, May 26, 2019 is 4:04 Hours Wait at the Hold Lot
Waiting in Terminal unknown.**



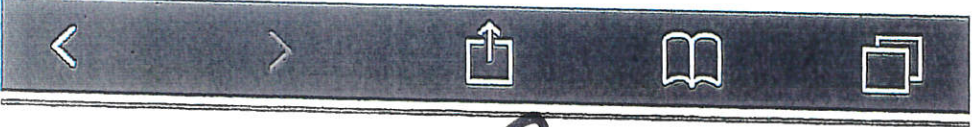
**Dispatch: San Diego International
Airport**

Holding Lot Count:	97
Dispatched Last Hour:	29
Entered Holding Last Hour:	20
Last Dispatch:	20:20:27
Entry Time of Last Dispatched Vehicle:	16:16:15
Wait of Last Dispatched Vehicle (HH:MM):	04:04
Last Holding Entry:	20:19:56
Vehicles able to return to Holding:	4

Updated by Dispatch System at: 05/26/2019 20:20:40

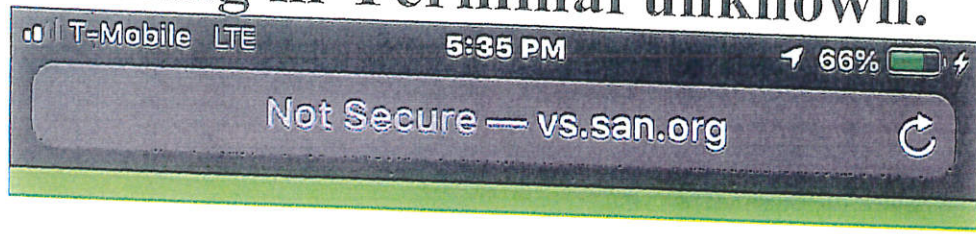
Access by Permit Type Listing

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27

EXHIBIT 6, May 27, 2019 is 3:06 Hours Wait at the Hold Lot Waiting in Terminal unknown.



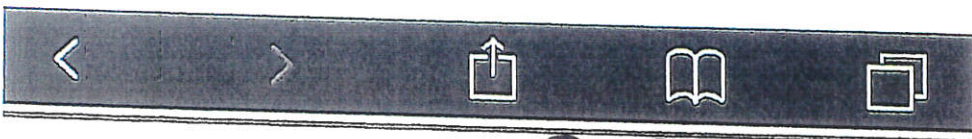
Dispatch: San Diego International Airport

Holding Lot Count:	121
Dispatched Last Hour:	44
Entered Holding Last Hour:	35
Last Dispatch:	17:32:36
Entry Time of Last Dispatched Vehicle:	14:26:24
Wait of Last Dispatched Vehicle (HH:MM):	03:06
Last Holding Entry:	17:33:33
Vehicles able to return to Holding:	1

Updated by Dispatch System at: 05/27/2019 17:34:06

Access by Permit Type Listing

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28



1



2



3



4



5



6



17



5



9



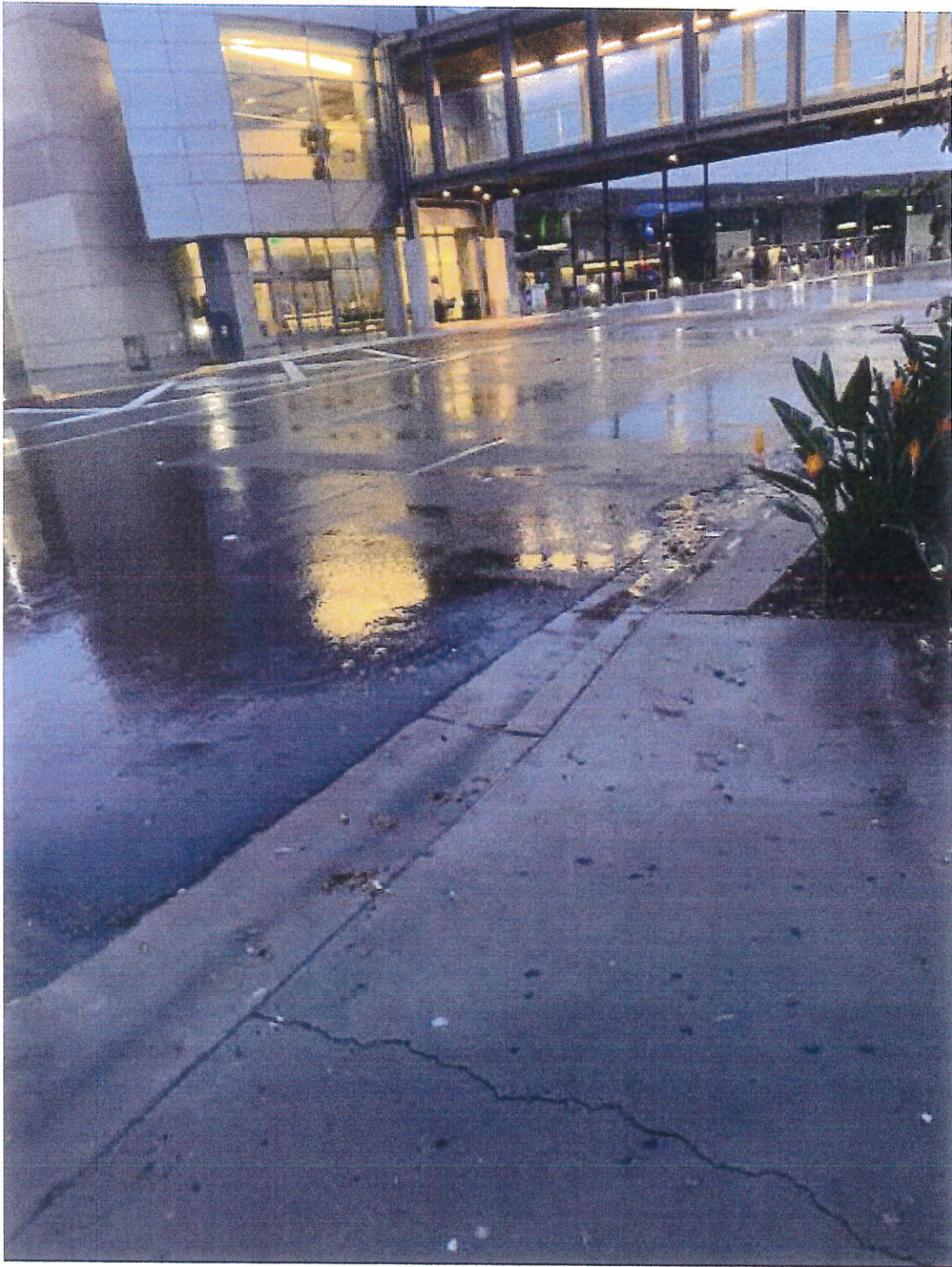
10



//



12



13



14



'15

From: [Belal Qargha](#)
To: [SDCRAA clerk](#)
Subject: In regards of extension
Date: Tuesday, May 19, 2020 4:52:52 PM

Dear Ms. Chairman and Board Members of the SDCRAA,

As you may know, this year, 2020 has been a difficult year for everyone and the current COVID-19 pandemic has significantly impacted everyone worldwide, especially small businesses, such as Taxi Cabs. We have become more aware of the fact that it is getting harder to pay our expenses such as our Taxi Fees. Not only that, but there are other fees that we have to pay such as our monthly living expenses. Additionally, we do know that TNC has taken 80% of the Taxi business and for the longest, we have trouble making money because of them. Even if the Taxi business opens in 2021, all the Taxi drivers in San Diego County will be working which will cause traffic by the desperate Taxi cab drivers. Knowing this, we can only work up to five days a month the most. Not only that but since my cab is a "commercial car" my family won't be able to use it. This makes it harder to make money when we know that for the other 25 days of the month, my cab will be parked outside my house. As we know, January 2021 is the date that is scheduled to open permits to all cab drivers in San Diego. Knowing this, we are respectfully asking you to postpone the opening of the airport as well as Taxi permits for at least three years; December 2023. We hope you take our requests into serious consideration and help us during this difficult time. Thank you for your time and support.

Respectfully,
Belal Qargha (BQ Cab-715)

From: [Zabiullah Qargha](#)
To: [SDCRAA clerk](#)
Subject: Airport Permit :
Date: Tuesday, May 19, 2020 6:57:37 PM

Date April 19/2020

Dear Airport Board members and staff members:

As we all know Covid-19 impacted a numbers of businesses in the State, including our airport taxi operation. As returning to normality for all businesses , including the taxi industry seems far away, and as must conventions in the city have been cancelled already . And all taxi drivers have a hard time to support their families, with no income and we have to pay all our taxi expenses from our pocket as you know that. I can tell the truth we have a very difficult time to survive in this unprecedented time without any income , to buy food, pay the rent , pay to G&E and pay insurance more and more , can you imagine?

If more permit are issued will be a big problems arise , there could be un additional big numbers new taxi cab obtaining permits, It will be chaotic.
The airport is already over saturated with cabs and will not be to handle a very disproportionate supply of cabs .

We as cabs drivers feel responsible to keep the airport safe and manageable for customers , and others. hopefully each one of us realize and wisely keep working together as a team for better way to do excellent service and the right solution for all.

I request with my respect to all airport Board members and stuff members to review and revise of this maters . And we want to for the next agenda to discuss our situation. And to postpone the 2021 opening permit for 2 more years. until 2023 .

best regards.

Zabullah Qargha

ZA Cab permit holder.

From: [Alan Beker](#)
To: [SDCRAA clerk](#)
Subject: Request to be added to the next meeting as agenda item
Date: Tuesday, May 19, 2020 9:57:39 PM

Hello

As you know the impact of the Pandemic crisis kept us away from working, following the guidelines of CDC , and it appears we have to wait for vaccine, which it takes 18 months.

Additionally, the economic impact will take 3 years to recover as economic analysts said. Since, the airline industry will be the last one to recover, consequently, our taxi business at the airport will take longer. Therefore, I with all taxi business at the airport ask please to put our request in the next meeting as agenda items, In order to discuss the postponement of the opening airport permits to city taxi for 3 years, thank you so much for your time.

Alan Beker

SKD Cab owner

Sent from my iPhone

From: [Amjad Alasady](#)
To: [SDCRAA clerk](#)
Subject: taxi
Date: Tuesday, May 19, 2020 10:36:58 PM

Dear international San Diego airport members

I hope this email finds you well

All of you aware of the impact of the Pandemic crisis that is keeping the entire world parallelized and away from doing normal life activities... although this pandemic has kept us taxi drivers and owners away from our job, following the health guidelines of Covid-19, it appears we have to wait for vaccine. Vaccine takes more than 24 months.

Additionally, the economic impact will take 3 years to recover as economic analysts have said. Since the airline industry will be the last one to recover, consequently, our taxi business at the airport will take longer to recover. Therefore, i am asking you to please put our request in the next meeting as agenda items in order to discuss the postponement of the opening airport permits to city cabs for a minimum of 3 years. Thank you so much for your time.

Sincerely
Amjad Alasady
Amany Cab 1009

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD
AND
SPECIAL EXECUTIVE COMMITTEE MEETING MINUTES
THURSDAY, APRIL 16, 2020
BOARD ROOM

CALL TO ORDER: Chairman Boling called the Special Board and Special Executive meeting to order at 9:05 a.m., on Thursday, April 16, 2020, via teleconference, pursuant to Executive Order N-29-20, at the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

ROLL CALL:

Board

Present: Boling (Chairman), Blakespear, Kersey, Lloyd, McNamara, Robinson, Schiavoni, West

Absent: Cox, Dallarda (Ex-Officio), Dockery (Ex-Officio), Miller (Ex-Officio)

Executive Committee

Present: Committee Members: Boling (Chairman), Lloyd, Robinson

Absent: Committee Member: None

Also Present: Kim Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Board Services/Authority Clerk; Linda Gehlken, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: Tony R. Russell, Authority Clerk, read the non-agenda public comments received into the record.

FARAIDON BUSTANI, requested that the Authority postpone opening permits for City cabs until taxis recover from these challenging times.

MOHAMMAD TARIQ, SAN DIEGO, requested a postponement to the opening of the airport to all taxis until after the COVID-19 situation is resolved.

GEORGE SADAT, requested that the airport not be open to all cabs.

RAY SEYED SALEHI, requested that the airport not open permits to all taxis.

BELAL QARGHA, requested that the Authority stop the insurance requirement and give a three year extension to December 2023 due to COVID-19.

IRAJ ARYANPOUR, requested that the Authority postpone opening the airport to all taxis for at least another year.

EDRIS WAHAB, requested that the Authority postpone opening the airport to all cabs in 2021.

WILLIAM ALOZIE, requested a hold on the Open permit issue for now.

ABEL SEIFU, requested that the Authority extend the opening of permits by at least a year so that permit holders will be compensated fairly.

HOSSEIN TABATABAI, requested that the January 2021 start date for permitting all cabs to work at the airport be postponed. He also requested adding the postponing of permits to a future agenda.

ZABIULLAH QARGHA, requested that the Authority extend the permit opening to all cabs in San Diego City for three years, until 2023.

JAMES QARGHA, requested that the Authority postpone opening permits to all taxis to 2023.

EXECUTIVE COMMITTEE:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the February 24, 2020 regular meeting.

ACTION: Moved by Board Member Robinson and seconded by Board Member Lloyd to approve staff's recommendation. Motion carried unanimously.

2. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

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

ACTION: Moved by Board Member Robinson and seconded by Board Member Lloyd to approve staff's recommendation. Motion carried unanimously.

REVIEW OF FUTURE AGENDAS:

3. REVIEW OF THE DRAFT AGENDA FOR THE MAY 7, 2020 BOARD MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the May 7, 2020 Draft Board Agenda. She stated that she would be adding a presentation update on COVID-19 as a standing item for all Board meetings.

Amy Gonzalez, General Counsel, requested that an item be added to Closed Session regarding negotiations with rental car companies.

Tony Russell, Authority Clerk, reported that Airport Planning staff has requested the addition of an item regarding the extension of a contract term for the Quieter Home Program, Project 9 Group 12 with G&G Specialty Contractors, Inc. increasing the term from 384 days to 584 days.

The Committee concurred to accept the May 7, 2020 Draft Board agenda as amended.

4. REVIEW OF THE DRAFT AGENDA FOR THE MAY 7, 2020 AIRPORT LAND USE COMMISSION MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the May 7, 2020 Draft Airport Land Use Commission meeting agenda.

BOARD

5. DECLARE THE EXISTANCE OF A LOCAL EMERGENCY IN RESPONSE TO THE SERIOUS AND IMMINENT THREAT OF THE NOVEL CORONAVIRUS (COVID-19):

Kim Becker, President/CEO, stated that COVID-19 has had a tremendous impact on the aviation industry, and stated that passenger traffic, both at SAN, and nationally, is down approximately ninety-six percent from the same time last year. She provided a federal overview of action taken in support of the aviation industry, because of COVID-19, and reported that SAN will be receiving \$91.2M as its share of the CARE Act passed by Congress in March.

Amy Gonzalez, General Counsel, provided an overview of the staff report and resolution declaring a State of Emergency in response to the serious and imminent threat of COVID-19. She stated that declaring a State of Emergency will allow the Authority to be nimble and take action as needed during these uncertain and quickly changing times. She provided an overview of certain powers granted to the President/CEO during this State of Emergency and stated that the Declaration will provide immunity to the Authority under the law for certain actions that may be taken. She stated that if adopted, the Declaration would be in effect for sixty days. She stated that any action taken under the Resolution would be reported to the Board.

RECOMMENDATION: Adopt Resolution No. 2020-0044, declaring the existence of a local emergency in connection with preparations the Airport Authority is making and actions it is taking in response to the serious and imminent threat of the novel coronavirus (COVID-19) and compliance with health authorities' applicable guidance regarding COVID-19.

ACTION: Moved by Board Member Schiavoni and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following votes: YES – Blakespear, Boling, Kersey, Lloyd, McNamara, Robinson, Schiavoni, West; NO – None; ABSENT – Cox; (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

Adopt Resolution No. 2020-0045, "Designation of Applicant's Agent Resolution for Non-State Agencies," designating the President/CEO and the Vice President/COO as the Airport Authority's agents for purposes of applying for disaster relief funds.

ACTION: Moved by Board Member Schiavoni and seconded by Board Member Robinson to approve the staff's recommendation. Motion carried by the following votes: YES – Blakespear, Boling, Kersey, Lloyd, McNamara, Robinson, Schiavoni, West; NO – None; ABSENT – Cox; (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

6. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2020 AND THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2020:

Scott Brickner, Vice President/CFO, provided a presentation on the Review of the Unaudited Financial Statements for the Nine Months Ended March 31, 2020, that included Enplanements, Gross Landing Weight Units, Operating Revenue, Operating Expenses, Net Operating Income, Nonoperating Revenue & Expenses, and Statements of Net Position.

Scott Brickner, Vice President/CFO, provided a presentation on the Authority's Investment Report as of March 31, 2020 that included Portfolio Characteristics, Sector Distribution, Quality & Maturity Distribution, Investment Performance, and Bond Proceeds.

BUDGET WORKSHOP:

7. PROPOSED CAPITAL PROGRAM BUDGET FISCAL YEARS 2021-2025:

Dennis Probst, Vice President/CDO, reported that due to the impacts of the COVID-19 pandemic, Capital Program projects for Fiscal Years 2021-2025 have been re-evaluated and timelines adjusted, as warranted.

Bob Bolton, Director, Airport Design & Construction and John Dillon, Director, Finance & Risk Management, provided a presentation on the Capital Program Budget Fiscal Years 2021-2025 that included Capital Program Overview, Current Capital Program Project Status, Current FY2020 - 2024 Capital Program – Budget by Location, CIP Project Development Process, Prioritization Criteria, Proposed Capital Projects, Proposed FY2021-2025 Capital Project Adjustments/ Allowances, Current FY2020 - 2024 Capital Program – Project Closeouts/ Eliminations/ Adjustments, Capital Program Budget Summary, Proposed FY2021 - 2025 Capital Program – Source of Funds, and Proposed FY2021 - 2025 Capital Program – On-Hold Values.

In response to Board Member West regarding how staff envisions the pandemic affecting the ADP moving forward, Kim Becker, President/CEO, stated that staff is continuing with planning and is meeting with airlines next week to discuss plans.

Dennis Probst, Vice President/CDO, stated that staff is working to maintain the ADP schedule as best we can as we move forward during the pandemic.

Chairman Boling suggested looking at projects that could be done at this time that could save the Authority money due to the lack of congestion.

The Board recessed at 11:14 a.m. and reconvened at 11:19 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 11:20 a.m. to discuss all items.

- 8. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Quiet Skies San Diego v. San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2020-00007998-CU-TT-CTL
- 9. CONFERENCE WITH LABOR NEGOTIATORS**
(Cal. Gov. Code section 54957.6)
Agency designated representatives: Angela Shafer-Payne, Lola Barnes, Greg Halsey, Rod Betts
Employee Organization: California Teamsters Local 911
- 10. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Airline Operating and Lease Agreement-San Diego International Airport
Agency Negotiators: Kim Becker, Scott Brickner, John Dillon, Kathy Kiefer, Amy Gonzalez
Negotiating Parties: Air Canada, Alaska Airlines, Allegiant Airlines, American Airlines, AmeriFlight, Atlas Air, British Airways, Delta Airlines, Edelweiss, FedEx, Frontier Airlines, JetBlue Airlines, Lufthansa, Southwest Airlines, Spirit, Sun Country, Japan Airlines, United Airlines, UPS, West Air, West Jet
Hawaiian Airlines
Under Negotiation: Price and Terms of Payment

11. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Property: Food & Beverage and Retail Concession Leases - San Diego International Airport

Agency Negotiators: Kim Becker, Scott Brickner, Hampton Brown, Jim DeCock
Negotiating Parties: SSP American Inc., HG-CV Epicure Martinez San Diego, Mission Yogurt Inc., Host International, Inc., PGC-PCI San Diego, Paradies-San Diego LLC, ZoomSystems Inc., InMotion Entertainment Group, LLC, SFS Beauty CA, LLC, SFS Investors JV, Spa Didicus, Inc., Stellar Partners, Inc,
Under Negotiation: Price and Terms of Payment

12. THREAT TO PUBLIC SERVICES OR FACILITIES:

Consultation with: General Counsel and President/CEO

REPORT ON CLOSED SESSION: The Board reconvened out of Closed Session at 12:54 p.m. There was no reportable action.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting adjourned at 12:54 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY EXECUTIVE COMMITTEE ON THE 21ST DAY OF MAY, 2020.

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

ITEM 2

**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:**

**There are no materials for this item
at this time.**

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ended April 30, 2020
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 3,890,080	\$ 3,332,495	\$ (557,585)	(14)%	\$ 2,314,527
Aircraft parking Fees	983,211	856,465	(126,746)	(13)%	288,858
Building rentals	9,548,428	5,283,797	(4,264,631)	(45)%	6,051,881
Security surcharge	-	-	-	-	2,916,308
CUPPS Support Charges	785,942	579,581	(206,361)	(26)%	114,723
Other aviation revenue	17,103	8,067	(9,036)	(53)%	16,815
Terminal rent non-airline	178,782	208,909	30,127	17%	177,743
Terminal concessions	2,564,262	567,503	(1,996,759)	(78)%	2,708,817
Rental car license fees	2,928,868	1,829,094	(1,099,774)	(38)%	2,694,165
Rental car center cost recovery	170,290	-	(170,290)	(100)%	161,246
License fees other	513,537	522,437	8,900	2%	607,033
Parking revenue	3,751,079	458,067	(3,293,012)	(88)%	3,872,055
Ground transportation permits and citations	1,709,227	440,782	(1,268,445)	(74)%	1,495,485
Ground rentals	1,443,982	1,429,328	(14,654)	(1)%	1,731,254
Grant reimbursements	24,000	24,800	800	3%	34,377
Other operating revenue	79,933	101,253	21,320	27%	163,187
Total operating revenues	28,588,724	15,642,578	(12,946,146)	(45)%	25,348,474
Operating expenses:					
Salaries and benefits	4,106,582	3,977,860	128,722	3%	3,763,079
Contractual services	4,031,315	2,054,725	1,976,590	49%	4,454,705
Safety and security	2,659,000	2,610,993	48,007	2%	2,334,896
Space rental	849,229	852,848	(3,619)	-	850,155
Utilities	1,139,500	872,545	266,955	23%	998,225
Maintenance	1,262,878	677,651	585,227	46%	1,449,957
Equipment and systems	19,642	50,889	(31,247)	(159)%	50,003
Materials and supplies	58,181	73,184	(15,003)	(26)%	79,886
Insurance	115,560	99,063	16,497	14%	91,172
Employee development and support	97,787	70,926	26,861	27%	92,403
Business development	207,783	(14,273)	222,056	107%	107,548
Equipment rentals and repairs	445,751	477,577	(31,826)	(7)%	487,302
Total operating expenses	14,993,208	11,803,988	3,189,220	21%	14,759,331
Depreciation	10,229,039	10,229,039	-	-	10,158,700
Operating income (loss)	3,366,477	(6,390,449)	(9,756,926)	-	430,443
Nonoperating revenue (expenses):					
Passenger facility charges	3,840,112	(1,267,310)	(5,107,422)	(133)%	4,304,188
Customer facility charges (Rental Car Center)	3,618,493	1,378,474	(2,240,019)	(62)%	3,508,240
Quieter Home Program	(108,630)	(55,665)	52,965	49%	(253,220)
Interest income	1,573,741	1,633,533	59,792	4%	1,722,215
BAB interest rebate	390,514	-	(390,514)	(100)%	390,515
Interest expense	(8,036,485)	(8,525,398)	(488,913)	(6)%	(6,664,711)
Bond amortization costs	453,800	1,226,373	772,573	170%	467,544
Other nonoperating income (expenses)	-	3,603,219	3,603,219	-	(163,880)
Nonoperating revenue, net	1,731,545	(2,006,774)	(3,738,319)	(216)%	3,310,891
Change in net position before capital grant contributions	5,098,022	(8,397,223)	(13,495,245)	(265)%	3,741,334
Capital grant contributions	1,156,821	346,995	(809,826)	(70)%	67,023
Change in net position	\$ 6,254,843	\$ (8,050,228)	\$ (14,305,071)	(229)%	\$ 3,808,357

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Ten Months Ended April 30, 2020 and 2019
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 39,070,935	\$ 36,660,708	\$ (2,410,227)	(6)%	\$ 22,741,449
Aircraft parking fees	9,844,868	9,029,613	(815,255)	(8)%	2,893,647
Building rentals	95,222,759	88,562,110	(6,660,649)	(7)%	58,335,186
Security surcharge	-	-	-	-	28,301,890
CUPPS Support Charges	7,966,015	7,662,091	(303,924)	(4)%	1,148,627
Other aviation revenue	155,549	142,570	(12,979)	(8)%	156,992
Terminal rent non-airline	1,800,632	2,043,070	242,438	13%	1,807,660
Terminal concessions	24,809,445	24,030,028	(779,417)	(3)%	24,422,116
Rental car license fees	27,965,111	23,105,504	(4,859,607)	(17)%	26,838,161
Rental car center cost recovery	1,702,897	1,514,984	(187,913)	(11)%	1,658,216
License fees other	5,399,812	5,563,507	163,695	3%	5,502,156
Parking revenue	35,558,501	34,775,231	(783,270)	(2)%	38,139,224
Ground transportation permits and citations	16,498,699	13,985,921	(2,512,778)	(15)%	13,416,190
Ground rentals	14,439,816	16,193,859	1,754,043	12%	17,425,930
Grant reimbursements	258,257	252,276	(5,981)	(2)%	437,691
Other operating revenue	896,366	1,349,177	452,811	51%	1,524,766
Total operating revenues	281,589,662	264,870,649	(16,719,013)	(6)%	244,749,901
Operating expenses:					
Salaries and benefits	43,112,125	43,418,800	(306,675)	(1)%	39,734,991
Contractual services	39,165,199	33,844,492	5,320,707	14%	40,924,510
Safety and security	27,949,375	24,754,153	3,195,222	11%	25,953,802
Space rental	8,492,292	8,505,224	(12,932)	-	8,491,800
Utilities	11,892,501	10,895,176	997,325	8%	11,217,361
Maintenance	10,883,539	10,084,484	799,055	7%	10,792,112
Equipment and systems	224,966	286,865	(61,899)	(28)%	270,251
Materials and supplies	467,649	554,365	(86,716)	(19)%	468,456
Insurance	1,274,660	1,110,346	164,314	13%	1,016,891
Employee development and support	1,060,591	906,773	153,818	15%	844,041
Business development	2,520,941	1,507,161	1,013,780	40%	2,183,637
Equipment rentals and repairs	3,799,841	3,003,422	796,419	21%	3,200,067
Total operating expenses	150,843,679	138,871,261	11,972,418	8%	145,097,919
Depreciation	103,163,075	103,163,075	-	-	96,453,927
Operating income (loss)	27,582,908	22,836,313	(4,746,595)	(17)%	3,198,055
Nonoperating revenue (expenses):					
Passenger facility charges	40,500,555	33,520,812	(6,979,743)	(17)%	40,449,428
Customer facility charges (Rental Car Center)	34,489,622	29,189,788	(5,299,834)	(15)%	34,335,942
Quieter Home Program	(2,887,972)	(2,513,512)	374,460	13%	(2,657,874)
Interest income	14,631,149	16,518,185	1,887,036	13%	13,829,975
BAB interest rebate	3,905,145	2,089,397	(1,815,748)	(46)%	3,905,145
Interest expense	(77,174,253)	(72,290,501)	4,883,752	6%	(66,804,735)
Bond amortization costs	4,612,515	7,164,088	2,551,573	55%	4,745,455
Other nonoperating income (expenses)	-	13,483,617	13,483,617	-	4,919,080
Nonoperating revenue, net	18,076,761	27,161,874	9,085,113	50%	32,722,416
Change in net position before capital grant contributions	45,659,669	49,998,187	4,338,518	10%	35,920,471
Capital grant contributions	7,707,994	4,359,885	(3,348,109)	(43)%	7,569,230
Change in net position	\$ 53,367,663	\$ 54,358,072	\$ 990,409	2%	\$ 43,489,701

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of April 30, 2020
(Unaudited)

ASSETS

	April	
	2020	2019
Current assets:		
Cash and investments ⁽¹⁾	\$ 95,733,948	\$ 134,281,428
Tenant lease receivable, net of allowance of 2020: (\$211,156) and 2019: (\$208,649)	18,168,550	11,881,146
Grants receivable	3,675,531	4,249,157
Notes receivable-current portion	2,006,052	1,903,323
Prepaid expenses and other current assets	8,611,532	10,595,669
Total current assets	128,195,613	162,910,723
Cash designated for capital projects and other ⁽¹⁾	77,431,150	27,290,124
Restricted assets:		
Cash and investments:		
Bonds reserve ⁽¹⁾	62,911,770	62,346,162
Passenger facility charges and interest unapplied ⁽¹⁾	67,559,985	88,692,462
Customer facility charges and interest unapplied ⁽¹⁾	48,469,271	40,808,936
SBD Bond Guarantee ⁽¹⁾	4,000,000	4,000,000
Bond proceeds held by trustee ⁽¹⁾	453,173,461	235,113,918
Passenger facility charges receivable	277,574	8,528,770
Customer facility charges receivable	1,110,734	3,725,162
OCIP insurance reserve	5,519,913	5,554,294
Total restricted assets	643,022,708	448,769,704
Noncurrent assets:		
Capital assets:		
Land and land improvements	136,757,114	135,158,592
Runways, roads and parking lots	698,701,559	681,524,197
Buildings and structures	1,695,520,195	1,687,902,427
Machinery and equipment	62,121,856	59,099,242
Vehicles	25,483,861	25,107,675
Office furniture and equipment	44,310,897	37,225,538
Works of art	13,980,641	12,567,380
Construction-in-progress	298,946,942	174,847,572
	2,975,823,065	2,813,432,623
Less accumulated depreciation	(1,200,368,390)	(1,089,243,609)
Total capital assets, net	1,775,454,675	1,724,189,014
Other assets:		
Notes receivable - long-term portion	27,668,742	29,759,210
Investments-long-term portion ⁽¹⁾	267,927,066	161,879,863
Net OPEB Asset	394,547	394,547
Security deposit	304,985	130,611
Total other assets	296,295,340	192,164,231
Deferred outflows of resources:		
Deferred pension outflows	22,402,997	23,293,050
Deferred OPEB outflows	1,634,123	976,558
Deferred POB outflows	556,018	505,326
Deferred Refunding Loss	-	-
Total assets and deferred outflows of resources	\$ 2,944,992,624	\$ 2,580,098,730

⁽¹⁾ 5/13/2020 1:48 PM Total cash and investments, \$1,077,206,651 for 2020 and \$754,412,893 for 2019

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of April 30, 2020
(Unaudited)

LIABILITIES AND NET POSITION

	April	
	2020	2019
Current liabilities:		
Accounts payable and accrued liabilities	\$ 74,730,079	\$ 56,678,195
Deposits and other current liabilities	2,192,549	6,934,696
Total current liabilities	76,922,628	63,612,891
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	31,560,000	22,865,000
Accrued interest on bonds and variable debt	26,871,710	26,156,049
Total liabilities payable from restricted assets	58,431,710	49,021,049
Long-term liabilities:		
Variable debt	13,719,000	20,163,000
Other long-term liabilities	9,167,131	8,891,904
Long term debt - bonds net of amortized premium	1,852,108,364	1,559,700,243
Net pension liability	15,961,502	18,373,191
Total long-term liabilities	1,890,955,997	1,607,128,338
Total liabilities	2,026,310,335	1,719,762,278
Deferred inflows of resources:		
Deferred pension inflows	6,190,685	6,235,495
Deferred OPEB inflows	507,578	507,578
Deferred POB inflows	217,937	178,971
Deferred Inflows Bond Refunding	4,105,664	
Total liabilities and deferred inflows of resources	\$ 2,037,332,199	\$ 1,726,684,322
Net Position:		
Invested in capital assets, net of related debt	324,638,967	349,634,217
Other restricted	189,849,248	213,577,849
Unrestricted:		
Designated	105,779,158	27,290,124
Undesignated	287,393,052	262,912,218
Total Net Position	\$ 907,660,425	\$ 853,414,408



San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the ten months ended April 30, 2020
(Unaudited)

Print Date: 5/13/2020
 Print Time: 12:18:13PM
 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	\$3,890,080	\$3,350,255	\$(539,825)	(14)	\$2,323,235	\$39,256,039	\$36,816,550	\$(2,439,489)	(6)	\$22,899,703
41113 - Landing Fee Rebate	0	(17,760)	(17,760)	0	(8,708)	(185,104)	(155,842)	29,262	16	(158,254)
Total Landing Fees	3,890,080	3,332,495	(557,585)	(14)	2,314,527	39,070,935	36,660,708	(2,410,227)	(6)	22,741,449
Aircraft Parking Fees										
41150 - Terminal Aircraft Parking	0	0	0	0	238,180	0	0	0	0	2,381,801
41155 - Remote Aircraft Parking	0	0	0	0	50,678	0	0	0	0	511,846
41160 - Aircraft Parking Position Rent	622,666	427,693	(194,973)	(31)	0	6,226,658	6,112,543	(114,115)	(2)	0
41162 - Parking Position Turn Fee	172,785	160,440	(12,345)	(7)	0	1,734,559	1,351,375	(383,184)	(22)	0
41165 - Overnight Parking Fee	187,760	268,331	80,572	43	0	1,883,650	1,565,695	(317,955)	(17)	0
Total Aircraft Parking Fees	983,211	856,465	(126,746)	(13)	288,858	9,844,868	9,029,613	(815,255)	(8)	2,893,647
Building and Other Rents										
41210 - Terminal Rent	9,216,022	5,082,401	(4,133,621)	(45)	5,711,145	91,687,609	85,394,590	(6,293,019)	(7)	55,505,707
41215 - Federal Inspection Services	332,405	201,396	(131,009)	(39)	340,736	3,535,150	3,167,520	(367,630)	(10)	2,829,479
Total Building and Other Rents	9,548,427	5,283,797	(4,264,630)	(45)	6,051,881	95,222,759	88,562,110	(6,660,649)	(7)	58,335,186
Security Surcharge										
41310 - Airside Security Charges	0	0	0	0	684,971	0	0	0	0	6,481,604
41320 - Terminal Security Charge	0	0	0	0	2,231,337	0	0	0	0	21,820,286
Total Security Surcharge	0	0	0	0	2,916,308	0	0	0	0	28,301,890
CUPPS Support Charges										
41400 - Common Use Fees	785,942	579,581	(206,361)	(26)	114,723	7,966,015	7,662,091	(303,924)	(4)	1,148,627
Total CUPPS Support Charges	785,942	579,581	(206,361)	(26)	114,723	7,966,015	7,662,091	(303,924)	(4)	1,148,627
Other Aviation Revenue										
43100 - Fuel Franchise Fees	17,103	8,067	(9,036)	(53)	16,815	155,549	142,570	(12,979)	(8)	156,992
Total Other Aviation Revenue	17,103	8,067	(9,036)	(53)	16,815	155,549	142,570	(12,979)	(8)	156,992
Non-Airline Terminal Rents										
45010 - Terminal Rent - Non-Airline	178,782	208,909	30,127	17	177,743	1,800,632	2,043,070	242,438	13	1,807,660
Total Non-Airline Terminal Rents	178,782	208,909	30,127	17	177,743	1,800,632	2,043,070	242,438	13	1,807,660

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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	\$1,230,837	\$49,908	\$(1,180,929)	(96)	\$1,268,564	\$11,621,446	\$10,586,658	\$(1,034,788)	(9)	\$11,349,975
45112 - Terminal Concessions - Retail	645,364	32,281	(613,083)	(95)	716,203	6,506,740	6,085,260	(421,480)	(6)	6,679,017
45113 - Term Concessions - Other	251,288	401,667	150,380	60	319,952	2,432,544	3,475,478	1,042,934	43	2,379,353
45114 - Term Concessions Space Rents	80,803	81,716	913	1	78,832	808,028	841,402	33,374	4	788,325
45115 - Term Concessions Cost Recovery	155,588	1,355	(154,234)	(99)	125,341	1,444,116	1,322,003	(122,113)	(8)	1,273,993
45116 - Rec Distr Center Cost Recovery	138,008	576	(137,432)	(100)	134,322	1,379,145	1,216,838	(162,307)	(12)	1,336,127
45117 - Concessions Marketing Program	62,374	0	(62,374)	(100)	65,603	617,426	502,389	(115,037)	(19)	615,326
45120 - Rental car license fees	2,928,868	1,829,094	(1,099,774)	(38)	2,694,165	27,965,111	23,105,504	(4,859,607)	(17)	26,838,161
45121 - Rental Car Center Cost Recover	170,290	0	(170,290)	(100)	161,246	1,702,897	1,514,984	(187,913)	(11)	1,658,216
45130 - License Fees - Other	513,537	522,437	8,899	2	607,033	5,399,812	5,563,507	163,694	3	5,502,156
Total Concession Revenue	6,176,958	2,919,034	(3,257,924)	(53)	6,171,260	59,877,265	54,214,023	(5,663,242)	(9)	58,420,648
Parking and Ground Transportat										
45210 - Parking	3,751,079	458,067	(3,293,013)	(88)	3,872,055	35,558,501	34,775,230	(783,271)	(2)	38,139,224
45220 - AVI fees	1,688,313	424,505	(1,263,808)	(75)	1,430,660	16,131,973	13,567,850	(2,564,123)	(16)	13,006,025
45240 - Ground Transportation Pe	0	210	210	0	40,822	157,590	224,295	66,705	42	204,202
45250 - Citations	20,914	16,067	(4,846)	(23)	24,003	209,136	193,776	(15,360)	(7)	205,963
Total Parking and Ground Transportat	5,460,306	898,850	(4,561,456)	(84)	5,367,541	52,057,200	48,761,151	(3,296,049)	(6)	51,555,413
Ground Rentals										
45310 - Ground Rental Fixed - N	1,443,982	1,429,328	(14,653)	(1)	1,731,254	14,439,816	16,193,859	1,754,043	12	17,425,930
Total Ground Rentals	1,443,982	1,429,328	(14,653)	(1)	1,731,254	14,439,816	16,193,859	1,754,043	12	17,425,930
Grant Reimbursements										
45410 - TSA Reimbursements	24,000	24,800	800	3	24,000	243,200	244,000	800	0	243,200
45420 - Planning Grants	0	0	0	0	10,377	15,057	8,276	(6,781)	(45)	194,491
Total Grant Reimbursements	24,000	24,800	800	3	34,377	258,257	252,276	(5,981)	(2)	437,691

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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	\$18,926	\$3,901	\$(15,025)	(79)	\$21,402	\$189,260	\$168,241	\$(21,019)	(11)	\$219,001
45520 - Utilities Reimbursements	17,631	16,676	(954)	(5)	16,686	176,305	166,849	(9,456)	(5)	170,743
45530 - Miscellaneous Other Reve	4,274	(1,374)	(5,648)	(132)	9,811	42,740	143,930	101,190	237	215,348
45535 - Innovation Lab Revenue	0	0	0	0	500	0	600	600	0	1,000
45540 - Service Charges	7,314	29,900	22,586	309	1,625	73,139	239,244	166,105	227	441,617
45550 - Telecom Services	14,500	40,999	26,499	183	93,823	249,000	415,746	166,746	67	277,701
45570 - FBO Landing Fees	16,128	9,991	(6,137)	(38)	18,181	161,282	209,927	48,645	30	194,716
45580 - Equipment Rental	1,160	1,160	0	0	1,160	4,640	4,640	0	0	4,640
Total Other Operating Revenue	79,933	101,253	21,321	27	163,187	896,366	1,349,177	452,811	51	1,524,766
Total Operating Revenue	28,588,723	15,642,579	(12,946,144)	(45)	25,348,474	281,589,662	264,870,648	(16,719,015)	(6)	244,749,899
Personnel Expenses										
Salaries										
51110 - Salaries & Wages	2,957,441	2,473,749	483,691	16	2,363,790	31,142,721	25,812,316	5,330,405	17	24,744,028
51210 - Paid Time Off	29,167	157,791	(128,625)	(441)	233,739	291,667	2,950,941	(2,659,275)	(912)	2,878,634
51220 - Holiday Pay	0	59,504	(59,504)	0	54,426	0	699,340	(699,340)	0	660,346
51240 - Other Leave With Pay	0	84,000	(84,000)	0	3,215	0	171,043	(171,043)	0	90,740
51250 - Special Pay	0	8,962	(8,962)	0	9,564	0	200,241	(200,241)	0	230,313
Total Salaries	2,986,607	2,784,006	202,602	7	2,664,734	31,434,388	29,833,880	1,600,508	5	28,604,061
52110 - Overtime	65,537	23,800	41,737	64	65,306	696,924	691,827	5,097	1	673,732

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Benefits										
54110 - FICA Tax	\$231,132	\$205,225	\$25,907	11	\$200,044	\$2,356,460	\$2,171,969	\$184,492	8	\$2,095,624
54120 - Unemployment Insurance-S	0	0	0	0	0	0	11,385	(11,385)	0	10,526
54130 - Workers Compensation Ins	23,335	13,005	10,330	44	14,165	241,724	151,413	90,311	37	155,498
54135 - Workers Comp Incident Expense	0	25,188	(25,188)	0	9,420	0	102,394	(102,394)	0	1,953
54210 - Medical Insurance	439,164	378,541	60,623	14	364,251	4,201,154	3,839,086	362,068	9	3,464,977
54220 - Dental Insurance	27,510	26,491	1,019	4	26,888	272,150	269,519	2,631	1	257,537
54230 - Vision Insurance	3,518	3,236	282	8	3,169	34,788	33,064	1,724	5	32,302
54240 - Life Insurance	8,120	7,393	726	9	7,257	80,078	73,858	6,219	8	82,096
54250 - Short Term Disability	10,399	13,222	(2,823)	(27)	9,557	102,340	125,689	(23,349)	(23)	101,037
54310 - Retirement	768,609	760,525	8,085	1	718,020	7,890,382	7,843,798	46,585	1	7,433,182
54312 - Pension - GASB 68	0	0	0	0	0	0	2,057,058	(2,057,058)	0	455,924
54314 - OPEB - GASB 75	0	0	0	0	0	0	0	0	0	(185,435)
54315 - Retiree Health Benefits	14,284	13,615	668	5	12,950	611,988	127,765	484,223	79	582,309
54410 - Taxable Benefits	0	0	0	0	0	0	16,558	(16,558)	0	24,457
54430 - Accrued Vacation	0	123,873	(123,873)	0	82,841	0	276,996	(276,996)	0	248,850
54440 - Relocation	0	0	0	0	0	0	0	0	0	37,950
Total Benefits	1,526,071	1,570,315	(44,244)	(3)	1,448,563	15,791,064	17,100,551	(1,309,487)	(8)	14,798,787
Cap Labor/Burden/OH Recharge										
54510 - Capitalized Labor Recha	(427,595)	(244,224)	(183,372)	(43)	(86,343)	(4,337,202)	(2,575,721)	(1,761,482)	(41)	(1,047,969)
54515 - Capitalized Burden Rech	0	(107,952)	107,952	0	(41,484)	0	(1,129,082)	1,129,082	0	(467,252)
54599 - OH Contra	0	0	0	0	(234,597)	0	0	0	0	(2,258,096)
Total Cap Labor/Burden/OH Recharge	(427,595)	(352,175)	(75,420)	(18)	(362,424)	(4,337,202)	(3,704,803)	(632,400)	(15)	(3,773,317)
QHP Labor/Burden/OH Recharge										
54520 - QHP Labor Recharge	(44,039)	(20,932)	(23,107)	(52)	(21,875)	(473,049)	(242,626)	(230,423)	(49)	(263,955)
54525 - QHP Burden Recharge	0	(10,043)	10,043	0	(11,120)	0	(115,524)	115,524	0	(124,384)
54526 - QHP OH Contra Acct	0	(17,368)	17,368	0	(19,317)	0	(130,776)	130,776	0	(173,562)
Total QHP Labor/Burden/OH Recharge	(44,039)	(48,343)	4,304	10	(52,312)	(473,049)	(488,925)	15,876	3	(561,901)

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MM&JS Labor/Burden/OH Recharge										
54530 - MM & JS Labor Recharge	\$0	\$259	\$(259)	0	\$(787)	\$0	\$(13,731)	\$13,731	0	\$(8,475)
54531 - Joint Studies - Labor	0	0	0	0	0	0	0	0	0	2,102
54535 - MM & JS Burden Recharge	0	0	0	0	0	0	0	0	0	(743)
54536 - Maintenance-Burden	0	0	0	0	0	0	0	0	0	743
Total MM&JS Labor/Burden/OH Recharge	0	259	(259)	0	(787)	0	(13,731)	13,731	0	(6,373)
Total Personnel Expenses	4,106,581	3,977,860	128,721	3	3,763,081	43,112,125	43,418,800	(306,674)	(1)	39,734,990
Non-Personnel Expenses										
Contract Services										
61100 - Temporary Staffing	9,583	11,092	(1,509)	(16)	34,460	211,533	442,086	(230,553)	(109)	497,430
61110 - Auditing Services	417	(945)	1,362	327	0	119,167	142,610	(23,443)	(20)	102,900
61120 - Legal Services	50,000	37,556	12,444	25	4,741	595,000	198,587	396,413	67	435,719
61130 - Services - Professional	774,882	437,837	337,045	43	1,005,991	8,196,013	6,831,458	1,364,555	17	9,839,122
61150 - Outside Svs - Other	463,993	203,716	260,278	56	370,717	4,096,057	3,399,972	696,085	17	3,357,456
61160 - Services - Custodial	2,588,062	1,224,322	1,363,740	53	2,997,441	24,504,619	21,420,508	3,084,112	13	26,774,745
61190 - Receiving & Dist Cntr Services	144,379	141,147	3,232	2	140,218	1,442,811	1,409,272	33,539	2	1,403,142
61990 - OH Contra	0	0	0	0	(98,864)	0	0	0	0	(1,486,004)
Total Contract Services	4,031,317	2,054,725	1,976,592	49	4,454,705	39,165,201	33,844,492	5,320,708	14	40,924,510
Safety and Security										
61170 - Services - Fire, Police,	536,812	538,190	(1,378)	0	435,918	5,845,862	5,809,145	36,717	1	5,352,199
61180 - Services - SDUPD-Harbor	1,598,463	1,530,732	67,731	4	1,469,102	16,918,555	13,718,597	3,199,958	19	15,963,119
61185 - Guard Services	362,274	350,093	12,180	3	331,211	3,524,682	3,822,442	(297,760)	(8)	3,249,937
61188 - Other Safety & Security Serv	161,452	191,978	(30,527)	(19)	98,665	1,660,276	1,403,969	256,307	15	1,388,546
Total Safety and Security	2,659,000	2,610,994	48,007	2	2,334,896	27,949,375	24,754,153	3,195,222	11	25,953,802
Space Rental										
62100 - Rent	849,229	852,848	(3,619)	0	850,155	8,492,292	8,505,224	(12,932)	0	8,491,800
Total Space Rental	849,229	852,848	(3,619)	0	850,155	8,492,292	8,505,224	(12,932)	0	8,491,800

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Utilities										
63100 - Telephone & Other Commun	\$47,026	\$43,706	\$3,320	7	\$45,357	\$468,026	\$427,566	\$40,460	9	\$444,409
63110 - Utilities - Gas & Electr	970,300	787,542	182,758	19	866,024	10,242,640	9,534,877	707,763	7	9,722,042
63120 - Utilities - Water	122,174	41,297	80,877	66	86,844	1,181,835	932,733	249,102	21	1,051,739
63190 - OH Contra	0	0	0	0	0	0	0	0	0	(829)
Total Utilities	1,139,501	872,546	266,955	23	998,225	11,892,501	10,895,177	997,324	8	11,217,361
Maintenance										
64100 - Facilities Supplies	57,800	47,499	10,301	18	82,524	565,200	590,516	(25,316)	(4)	610,575
64110 - Maintenance - Annual R	951,965	625,717	326,247	34	715,360	8,297,783	7,832,161	465,622	6	7,867,863
64124 - Maintenance-Overhead	0	0	0	0	0	0	0	0	0	2,644
64125 - Major Maintenance - Mat	211,447	0	211,447	100	592,895	1,603,890	1,247,506	356,384	22	1,875,362
64140 - Refuse & Hazardous Waste	41,667	4,435	37,232	89	59,178	416,667	414,301	2,365	1	435,668
Total Maintenance	1,262,878	677,651	585,227	46	1,449,957	10,883,539	10,084,484	799,055	7	10,792,112
Equipment and Systems										
65100 - Equipment & Systems	19,642	50,889	(31,248)	(159)	56,485	224,966	286,865	(61,900)	(28)	279,309
65101 - OH Contra	0	0	0	0	(6,482)	0	0	0	0	(9,058)
Total Equipment and Systems	19,642	50,889	(31,248)	(159)	50,003	224,966	286,865	(61,900)	(28)	270,251
Materials and Supplies										
65110 - Office & Operating Suppl	45,915	49,603	(3,688)	(8)	74,666	334,616	391,389	(56,774)	(17)	371,070
65120 - Safety Equipment & Suppl	8,266	23,028	(14,761)	(179)	4,215	95,233	138,669	(43,436)	(46)	106,958
65130 - Tools - Small	4,000	553	3,447	86	2,424	37,800	24,307	13,493	36	14,674
65199 - OH Contra	0	0	0	0	(1,419)	0	0	0	0	(24,246)
Total Materials and Supplies	58,181	73,184	(15,002)	(26)	79,886	467,649	554,365	(86,716)	(19)	468,455
Insurance										
67170 - Insurance - Property	74,969	58,335	16,634	22	52,678	749,686	583,348	166,338	22	526,776
67171 - Insurance - Liability	13,008	13,599	(591)	(5)	11,825	130,075	135,988	(5,913)	(5)	118,250
67172 - Insurance - Public Offic	15,635	15,494	140	1	15,033	156,846	156,142	704	0	150,838
67173 - Insurance Miscellaneous	11,949	11,636	313	3	11,636	238,054	234,868	3,186	1	221,027
Total Insurance	115,559	99,063	16,496	14	91,172	1,274,660	1,110,344	164,316	13	1,016,891

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Employee Development and Suppo										
66120 - Awards - Service	\$1,992	\$28,578	\$(26,586)	(1,334)	\$3,388	\$74,564	\$71,703	\$2,861	4	\$63,301
66130 - Book & Periodicals	4,605	3,230	1,375	30	10,485	49,047	47,225	1,821	4	42,309
66220 - Permits/Certificates/Lic	1,419	50	1,369	96	8,544	124,704	80,417	44,288	36	99,450
66260 - Recruiting	1,417	3,175	(1,758)	(124)	3,193	21,085	24,605	(3,520)	(17)	11,713
66280 - Seminars & Training	41,304	11,342	29,962	73	27,832	343,860	260,528	83,332	24	272,354
66290 - Transportation	12,701	9,977	2,724	21	11,776	128,083	112,589	15,495	12	112,276
66299 - OH Contra	0	0	0	0	(1,413)	0	0	0	0	(24,953)
66305 - Travel-Employee Developm	23,668	10,934	12,733	54	15,714	213,000	213,299	(299)	0	178,107
66310 - Tuition	2,889	599	2,290	79	2,305	33,223	28,588	4,634	14	25,555
66320 - Uniforms	7,792	3,041	4,751	61	10,579	73,025	67,819	5,206	7	63,929
Total Employee Development and Suppo	97,787	70,926	26,861	27	92,403	1,060,590	906,772	153,817	15	844,041
Business Development										
66100 - Advertising	41,604	(37,515)	79,119	190	41,507	724,079	279,565	444,514	61	824,475
66110 - Allowance for Bad Debts	0	0	0	0	0	7,500	(888)	8,388	112	2,001
66200 - Memberships & Dues	25,256	13,668	11,587	46	25,921	374,280	337,088	37,192	10	371,429
66230 - Postage & Shipping	1,190	5,064	(3,874)	(326)	2,278	16,149	20,208	(4,058)	(25)	18,213
66240 - Promotional Activities	99,570	3,789	95,781	96	10,928	1,126,481	721,669	404,812	36	705,326
66250 - Promotional Materials	3,829	(69)	3,898	102	8,127	48,208	31,164	17,044	35	55,921
66300 - Travel-Business Developm	36,334	790	35,544	98	18,786	224,244	118,355	105,889	47	206,272
Total Business Development	207,782	(14,272)	222,054	107	107,546	2,520,941	1,507,161	1,013,781	40	2,183,636
Equipment Rentals and Repairs										
66140 - Computer Licenses & Agre	105,552	11,601	93,951	89	29,229	697,343	376,264	321,079	46	291,319
66150 - Equipment Rental/Leasing	39,629	20,619	19,010	48	37,485	268,043	209,872	58,172	22	257,668
66160 - Tenant Improvements	60,000	59,836	164	0	56,872	684,000	606,131	77,869	11	727,713
66270 - Repairs - Office Equipme	240,570	385,521	(144,951)	(60)	362,957	2,150,455	1,811,155	339,300	16	2,036,226
66279 - OH Contra	0	0	0	0	759	0	0	0	0	(112,859)
Total Equipment Rentals and Repairs	445,751	477,577	(31,826)	(7)	487,302	3,799,840	3,003,421	796,420	21	3,200,067
Total Non-Personnel Expenses	10,886,627	7,826,130	3,060,497	28	10,996,250	107,731,554	95,452,458	12,279,095	11	105,362,926
Total Departmental Expenses before	14,993,208	11,803,990	3,189,218	21	14,759,330	150,843,679	138,871,258	11,972,421	8	145,097,916

San Diego County Regional Airport Authority
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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	\$10,229,039	\$10,229,039	\$0	0	\$10,158,700	\$103,163,075	\$103,163,075	\$0	0	\$96,453,927
Total Depreciation and Amortization	10,229,039	10,229,039	0	0	10,158,700	103,163,075	103,163,075	0	0	96,453,927
Non-Operating Revenue/(Expense)										
Passenger Facility Charges										
71110 - Passenger Facility Chrg	3,840,112	(1,267,310)	(5,107,422)	(133)	4,304,188	40,500,555	33,520,812	(6,979,743)	(17)	40,449,428
Total Passenger Facility Charges	3,840,112	(1,267,310)	(5,107,422)	(133)	4,304,188	40,500,555	33,520,812	(6,979,743)	(17)	40,449,428
Customer Facility Charges										
71120 - Customer facility charges (Con	3,618,493	1,378,474	(2,240,019)	(62)	3,508,240	34,489,622	29,189,788	(5,299,834)	(15)	34,335,942
Total Customer Facility Charges	3,618,493	1,378,474	(2,240,019)	(62)	3,508,240	34,489,622	29,189,788	(5,299,834)	(15)	34,335,942
Quieter Home Program										
71212 - Quieter Home - Labor	(45,800)	(21,116)	24,684	54	(21,875)	(458,400)	(243,078)	215,322	47	(263,955)
71213 - Quieter Home - Burden	0	(10,043)	(10,043)	0	(11,120)	0	(115,524)	(115,524)	0	(124,384)
71214 - Quieter Home - Overhead	0	(17,368)	(17,368)	0	(19,317)	0	(128,858)	(128,858)	0	(173,562)
71215 - Quieter Home - Material	(478,850)	(606,935)	(128,085)	(27)	(947,417)	(13,510,459)	(11,982,947)	1,527,512	11	(11,412,884)
71216 - Quieter Home Program	419,720	599,797	180,077	43	750,197	11,175,087	9,956,895	(1,218,192)	(11)	9,411,307
71224 - Joint Studies Overhead	0	0	0	0	0	0	0	0	0	(164)
71225 - Joint Studies - Material	(3,700)	0	3,700	100	(3,688)	(94,200)	0	94,200	100	(94,424)
71226 - Contractor Overhead	0	0	0	0	0	0	0	0	0	192
Total Quieter Home Program	(108,630)	(55,665)	52,965	49	(253,220)	(2,887,972)	(2,513,512)	374,460	13	(2,657,874)
Interest Income										
71310 - Interest - Investments	1,438,817	967,208	(471,609)	(33)	1,053,015	13,224,679	10,058,368	(3,166,311)	(24)	7,846,932
71340 - Interest - Note Receivab	134,924	134,924	0	0	143,870	1,406,470	1,406,470	0	0	1,490,886
71350 - Interest - Other	0	(909)	(909)	0	0	0	(2,869)	(2,869)	0	(4,916)
71361 - Interest Income - 2010 Bonds	0	(72,165)	(72,165)	0	132,211	0	823,505	823,505	0	1,181,233
71363 - Interest Income - 2013 Bonds	0	56,337	56,337	0	94,394	0	673,803	673,803	0	723,120
71364 - Interest Income - 2017 Bond A	0	138,535	138,535	0	204,006	0	1,552,800	1,552,800	0	1,819,355
71365 - Interest Income - 2014 Bond A	0	58,347	58,347	0	94,720	0	704,707	704,707	0	773,366
71366 - Interest Income - 2019A Bond	0	351,256	351,256	0	0	0	1,301,401	1,301,401	0	0
Total Interest Income	1,573,741	1,633,534	59,792	4	1,722,215	14,631,149	16,518,185	1,887,036	13	13,829,975

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Interest income BAB's rebate										
71362 - BAB interest rebate	\$390,514	\$0	\$(390,514)	(100)	\$390,515	\$3,905,145	\$2,089,397	\$(1,815,748)	(46)	\$3,905,145
Total Interest income BAB's rebate	390,514	0	(390,514)	(100)	390,515	3,905,145	2,089,397	(1,815,748)	(46)	3,905,145
Interest Expense										
71411 - Interest Expense- 2010 Bonds	(2,439,900)	(1,250,395)	1,189,505	49	(2,481,737)	(24,398,999)	(18,847,975)	5,551,024	23	(24,817,374)
71412 - Interest Expense 2013 Bonds	(1,506,779)	(1,506,779)	0	0	(1,514,513)	(15,067,792)	(15,067,792)	0	0	(15,145,125)
71413 - Interest Expense 2014 Bond A	(1,335,732)	(1,335,732)	0	0	(1,349,970)	(13,357,324)	(13,357,324)	0	0	(13,499,705)
71414 - Interest Expense 2017 Bond A	(1,174,208)	(1,174,208)	0	0	(1,192,792)	(11,742,083)	(11,742,083)	0	0	(11,927,917)
71415 - Interest Exp 2019A Bond	(504,174)	(1,864,870)	(1,360,696)	(270)	0	(2,016,696)	(8,689,066)	(6,672,370)	(331)	0
71416 - Interest Expense 2020 Bond	0	(729,555)	(729,555)	0	0	0	(729,555)	(729,555)	0	0
71420 - Interest Expense-Variable Debt	(34,259)	(15,058)	19,201	56	(45,623)	(2,682,237)	(513,562)	2,168,675	81	(433,834)
71430 - LOC Fees - C/P	(25,221)	(38,445)	(13,224)	(52)	(26,209)	(117,699)	(439,794)	(322,095)	(274)	(436,588)
71450 - Trustee Fee Bonds	0	0	0	0	0	(17,933)	(3,270)	14,663	82	(3,270)
71451 - Program Fees - Variable Debt	(417)	0	417	100	0	(4,167)	0	4,167	100	0
71458 - Capitalized Interest	(715,735)	0	715,735	100	0	(2,862,939)	0	2,862,939	100	0
71460 - Interest Expense - Other	(250,000)	(560,297)	(310,297)	(124)	(1,800)	(4,398,103)	(2,391,799)	2,006,303	46	(13,235)
71461 - Interest Expense - Cap Leases	(50,059)	(50,059)	0	0	(52,067)	(508,281)	(508,281)	0	0	(527,687)
Total Interest Expense	(8,036,485)	(8,525,399)	(488,914)	(6)	(6,664,711)	(77,174,253)	(72,290,501)	4,883,752	6	(66,804,735)
Amortization										
69210 - Amortization - Premium	453,800	1,226,373	772,573	170	467,544	4,612,515	7,164,088	2,551,573	55	4,745,455
Total Amortization	453,800	1,226,373	772,573	170	467,544	4,612,515	7,164,088	2,551,573	55	4,745,455
Other Non-Operating Income (Expense)										
71510 - Legal Settlement Income	0	0	0	0	0	0	1,082,508	1,082,508	0	0
71520 - Fixed Asset Disposal-Gain	0	0	0	0	0	0	4,000	4,000	0	60,000
71521 - Fixed Asset Disposal-Loss	0	0	0	0	(239,291)	0	0	0	0	(239,291)
71530 - Gain/Loss On Investments	0	3,600,607	3,600,607	0	63,825	0	12,020,709	12,020,709	0	5,014,925
71540 - Discounts Earned	0	0	0	0	0	0	6,093	6,093	0	6,561
71610 - Legal Settlement Expense	0	0	0	0	0	0	(10,000)	(10,000)	0	0
71620 - Other non-operating revenue (e	0	2,613	2,613	0	11,587	0	355,975	355,975	0	76,887
71630 - Other Non-Operating Expe	0	(1)	(1)	0	(1)	0	(2)	(2)	0	(1)
73300 - DMJM and Auth OH Clearin	0	0	0	0	0	0	24,334	24,334	0	0
Total Other Non-Operating Income (Expense)	0	3,603,219	3,603,219	0	(163,880)	0	13,483,616	13,483,616	0	4,919,080
Total Non-Operating Revenue/(Expense)	1,731,546	(2,006,773)	(3,738,319)	(216)	(3,310,891)	18,076,761	27,161,873	9,085,112	50	(32,722,416)

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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	\$1,156,821	\$346,995	\$(809,826)	(70)	\$67,023	\$7,707,994	\$4,359,885	\$(3,348,109)	(43)	\$7,569,230
Total Capital Grant Contribution	1,156,821	346,995	(809,826)	(70)	67,023	7,707,994	4,359,885	(3,348,109)	(43)	7,569,230
Total Expenses Net of Non-Operating Revenue/ (Expense)	22,333,879	23,692,807	(1,358,928)	(6)	21,540,117	228,221,999	210,512,576	17,709,424	8	201,260,197
Net Income/(Loss)	6,254,843	(8,050,228)	(14,305,072)	(229)	3,808,357	53,367,663	54,358,072	990,409	2	43,489,701
Equipment Outlay										
73200 - Equipment Outlay Expendi	(25,000)	(114,371)	(89,371)	(357)	(243,727)	(621,055)	(369,666)	251,389	40	(392,651)
73299 - Capitalized Equipment Co	0	114,371	114,371	0	243,727	0	369,666	369,666	0	392,651
Total Equipment Outlay	(25,000)	0	25,000	100	0	(621,055)	0	621,055	100	0

Revised 05/20/2020

Review of the Unaudited Financial Statements for the Ten Months Ended April 30, 2020 and 2019



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S GO.

Presented by:

Scott Brickner

Chief Financial Officer

and

Kathy Kiefer

Senior Director, Finance and Asset Management

May 21, 2020

Market Commentary

Economic data is very weak but we believe financial market participants are looking through the data and expect conditions to improve in the second half of the year. First quarter GDP declined 4.8% and the decline in second quarter GDP is expected to be more severe. More than 36 million people have filed for unemployment since mid-March, though many of those jobs are expected to return when the economy begins to reopen. Financial market turbulence eased in April, which we believe was a result of the massive fiscal and monetary relief programs that were announced in late March and early April to support the economy and overall market liquidity. US Treasury yields were little changed in April, with the 10-year Treasury yield down three basis points to 0.64%. A global flight to quality continues to keep downward pressure on rates. The S&P 500 index increased 12.7% in April, but was down nearly 10% on a year-to-date basis. Second quarter economic data is expected to be dismal. We believe additional fiscal stimulus, beyond the \$2.7 trillion that has already been announced, may be necessary to foster a strong recovery.

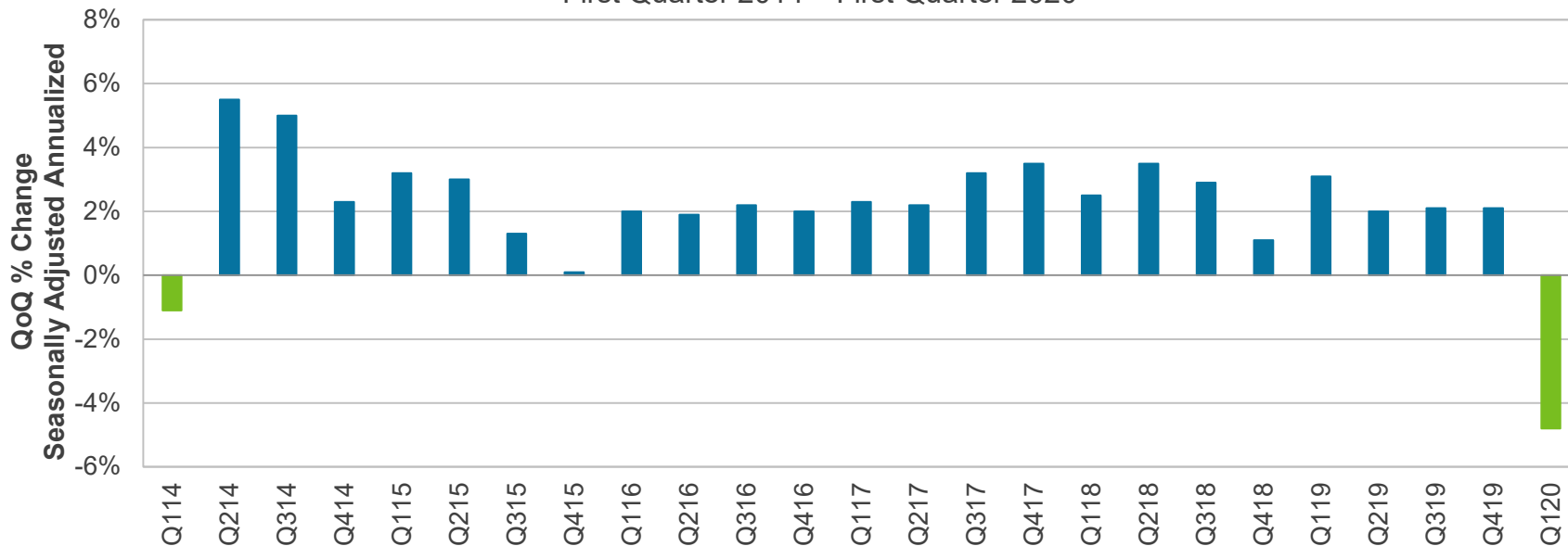
The Federal Open Market Committee (FOMC) kept monetary policy on hold at its April 28-29 meeting, as expected, with the fed funds target rate in the range of 0%-0.25%. The FOMC expects to keep that range unchanged until they are confident the economy has weathered the pandemic and is back on track to achieving their dual mandate of maximum employment and price stability. The FOMC pledged to use “its full range of tools to support the U.S. economy in this challenging time.” The Fed continues to purchase Treasury and agency mortgage-backed securities as needed to support smooth market functioning. They have also announced a range of lending programs in the last few months to help build confidence in the financial markets and support the flow of credit to households, businesses, and municipalities. The Fed indicated the pandemic will weigh heavily on the economy in the near-term and poses considerable risks to the outlook over the next year or so.

Treasury yields declined slightly in April. The yield on 2-year Treasuries declined five basis points to 0.20% (the lowest level since 2011) and the yield on 10-year Treasuries declined three basis points to 0.64%. Global economic weakness and the recent collapse in oil prices has put downward pressures on inflation expectations. An ongoing global demand for safe-haven assets has also kept a lid on Treasury rates.

First Quarter GDP

First quarter US gross domestic product (GDP) declined 4.8%. The decline was within the range of estimates but below the consensus forecast of -4.0%. The decline in consumer spending was much worse than expected, down 7.6% versus expectations of down 3.6%. Notably, the decline in second quarter 2020 GDP is expected to be much more severe. The Bloomberg median estimate for second quarter GDP is -34.0%, and consumer spending is expected to decline 36.4%. We believe the US economy was expanding at a moderate pace at the beginning of this year but entered a recession in March.

U.S. Gross Domestic Product (QoQ)
First Quarter 2014 – First Quarter 2020

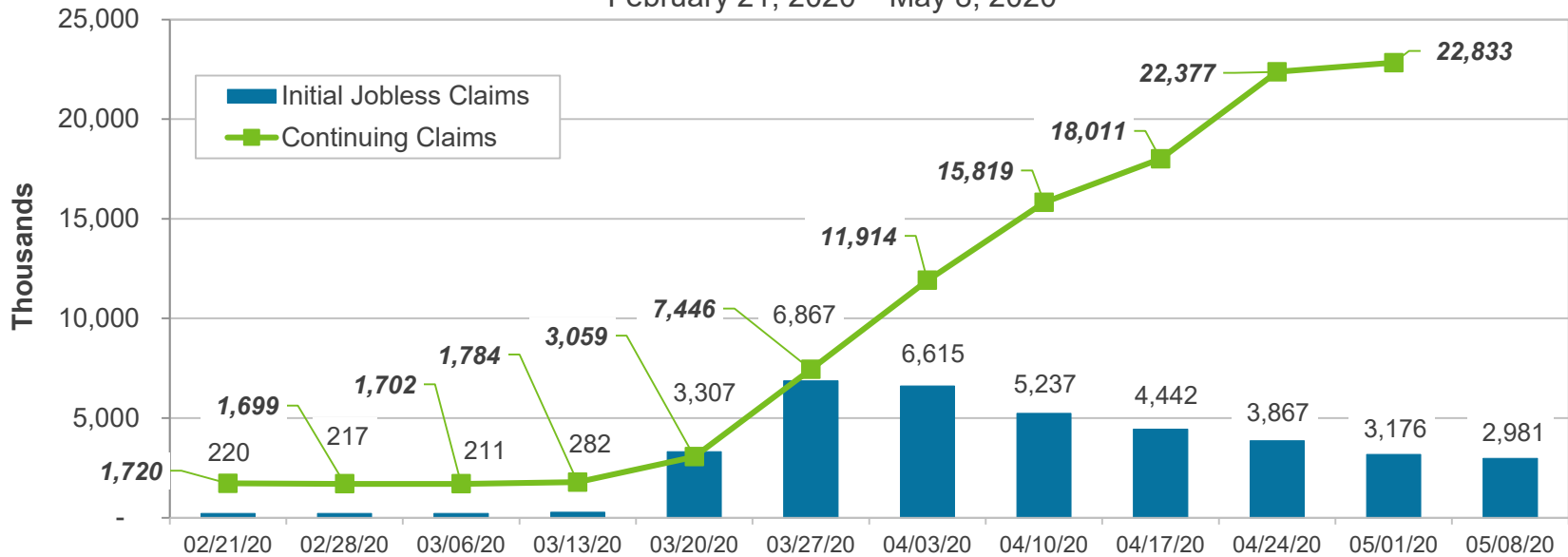


Initial Claims For Unemployment

Another 2.981 million people filed an initial claim for unemployment in the May 9 week, bringing the total number of initial jobless claims since mid-March to nearly 36.5 million. The level of continuing unemployment claims (where the data is lagged by one week) rose to over 22.8 million in the May 1 week, by far the highest on record.

Initial Jobless Claims and 4-Week Moving Average

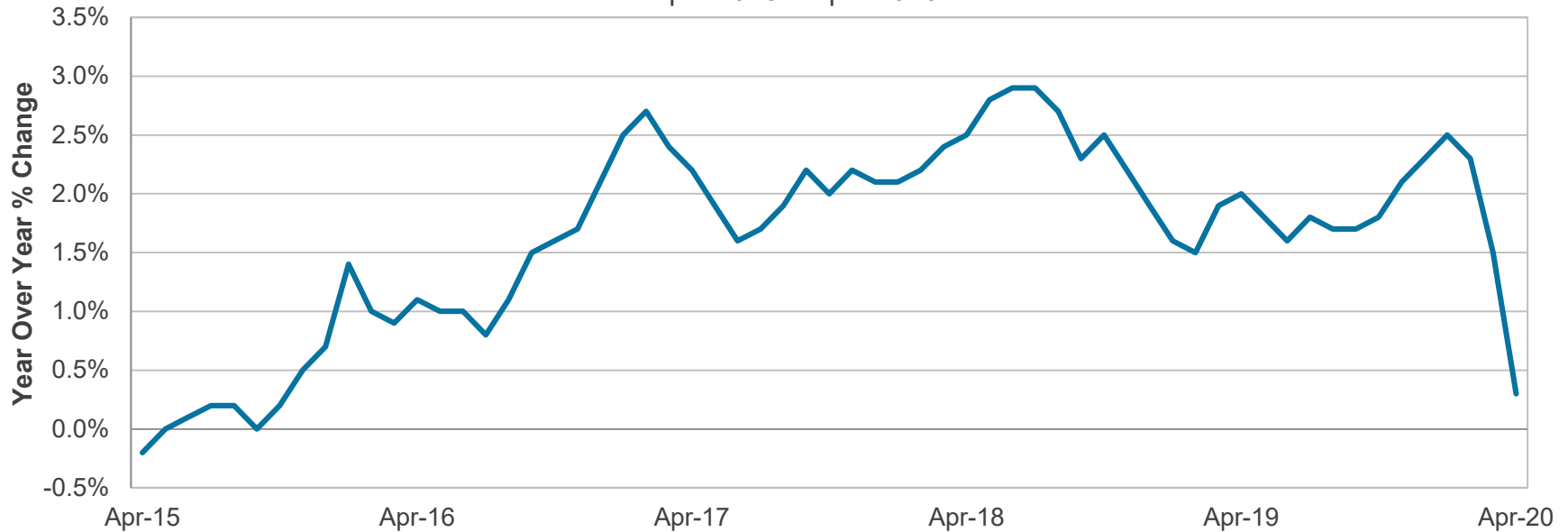
February 21, 2020 – May 8, 2020



Consumer Price Index

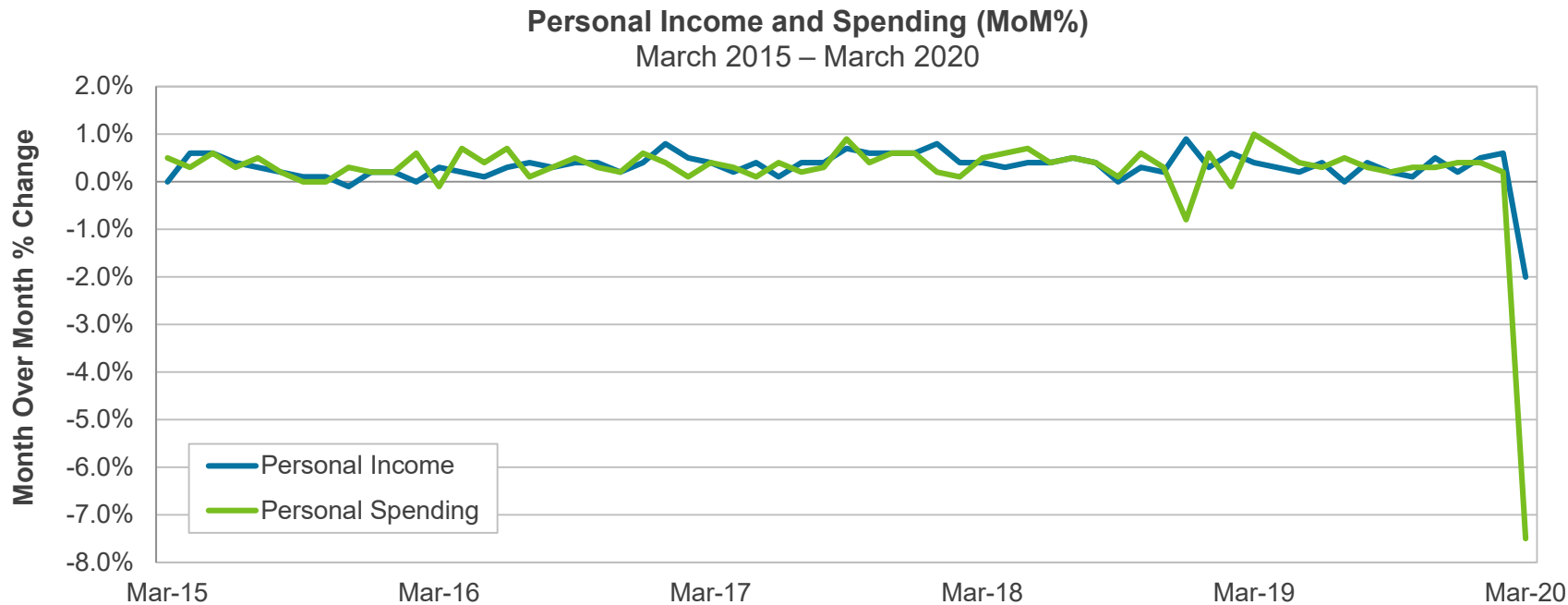
The Consumer Price Index (CPI) was up 0.3% year-over-year in April, down significantly from 1.5% in March. Core CPI (CPI less food and energy) was up just 1.4% year-over-year in April, down from 2.1% in March. On a month-over-month basis, CPI declined 0.8% in April and Core CPI declined 0.4%. Consumer pricing data indicate that the initial net effect of the pandemic has been deflationary.

Consumer Price Index (YoY%)
April 2015 – April 2020



Personal Income and Spending

Personal income fell 2.0% in March, and consumer spending plunged 7.5%, both weaker than expected. Income and spending were growing modestly leading up to the pandemic, but conditions have deteriorated.



Consumer Confidence Index

Consumer confidence declined precipitously in April, as anticipated, with the Consumer Confidence index dropping nearly 32 points to 85.9. However, 40% of the survey sample expect business conditions to improve in the next six months. Roughly 41% expect more jobs to become available, up from 16.9% in March. Meanwhile, a growing number of those surveyed expect their incomes to decline.

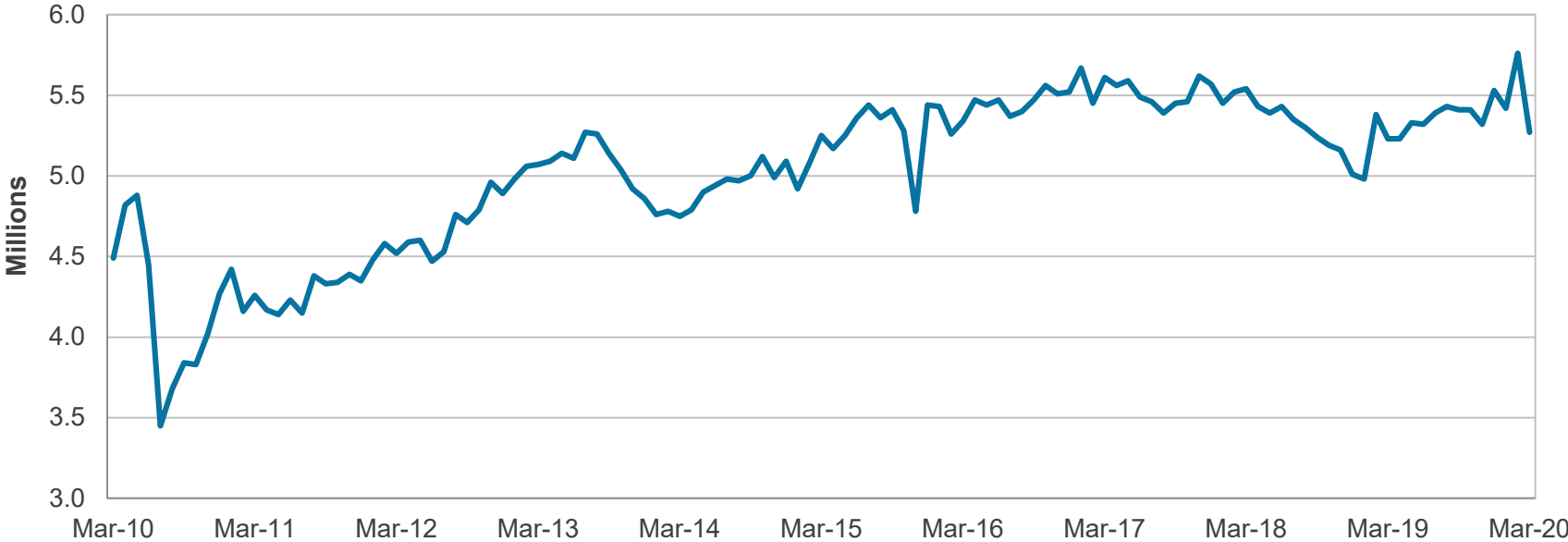
Consumer Confidence Index
April 2015 – April 2020



Existing Home Sales

Existing home sales declined 8.5% in March to a seasonally adjusted rate of 5.270 million units. On a year-over-year basis, sales of existing homes were roughly flat. The housing sector, which was gaining momentum and showing strength heading into the pandemic, has started to soften. Lending standards have tightened, and labor market weakness and social distancing restrictions are having a negative impact on the housing sector. However, the low rate environment continues to fuel refinancing activity. We believe low inventory may keep pricing relatively stable over the near-term.

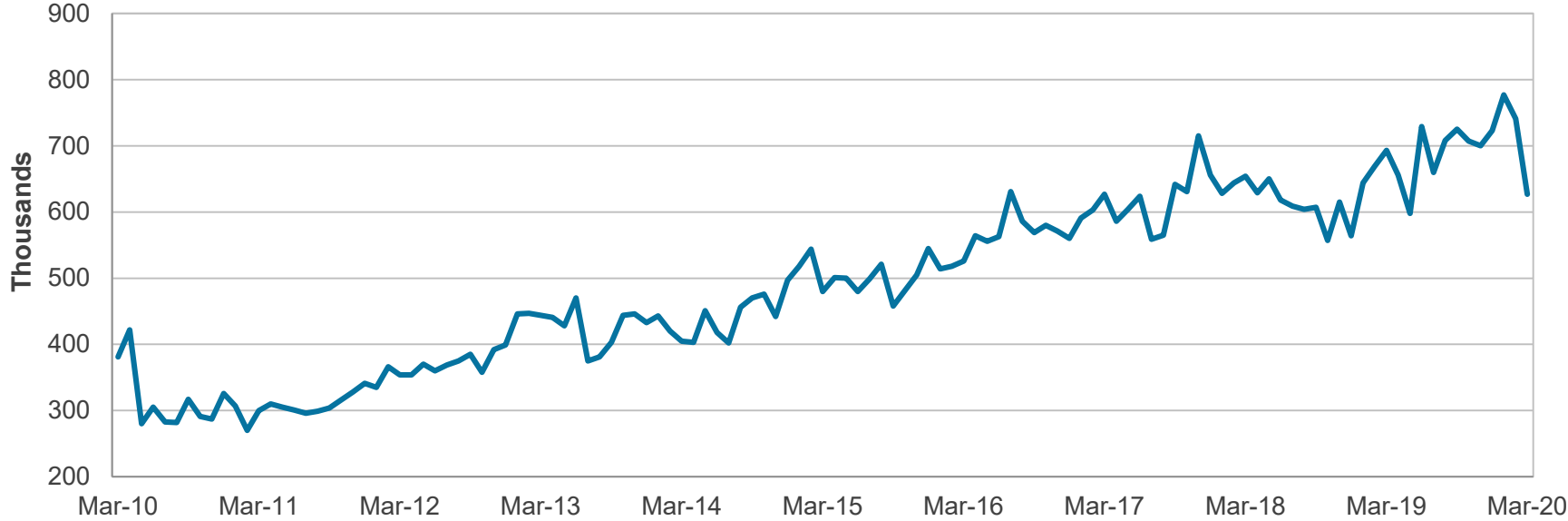
U.S. Existing Home Sales (MoM)
March 2010 – March 2020



New Home Sales

New home sales declined 15.4% in March to an annualized rate of 627,000 units. On a year-over-year basis, new home sales were down 9.5% in March.

U.S. New Home Sales
March 2010 – March 2020



Crude Oil Prices

U.S. West Texas Intermediate (WTI) crude settled at \$31.82 per barrel on May 18, above its one month average of \$21.16 but well below its one year average of \$48.96. The spot price of US WTI crude oil turned negative temporarily in April, reflecting the severe disparity in the supply and demand for oil. The extreme price collapse was also driven in part by the timing of futures contract expirations. Even though members of OPEC and their allies have agreed to cut production, the collapse in global oil demand has outpaced the curbs in production. In the US, onshore oil storage capacity is scarce and excess oil has been pushed onto floating tankers. The oil and gas industry has been one of the hardest hit sectors of the global economy as a result of the pandemic and subsequent shutdowns. Saudi Arabia, Russia and the US agreed in mid-April to lead a multinational coalition in oil production cuts beginning May 1. Under the agreement, oil producing countries are set to curtail world oil production by more than 10% in May and June. The production cuts will then taper off into 2022. Meanwhile, prices have started to edge higher as economies are slowly reopening and demand is picking up.

West Texas Intermediate Oil Price Per Barrel (WTI Spot)

May 18, 2015 – May 17, 2020



Jet Fuel Prices

Jet fuel (U.S. Gulf Coast Spot) closed at \$0.866 per gallon on May 18, which was above its one month average of \$0.595 but below its one year average of \$1.577. A deep plunge in global demand for jet fuel due to the coronavirus has put downward pressure on prices.

U.S. Gulf Coast 54 Grade Jet Fuel Spot Price

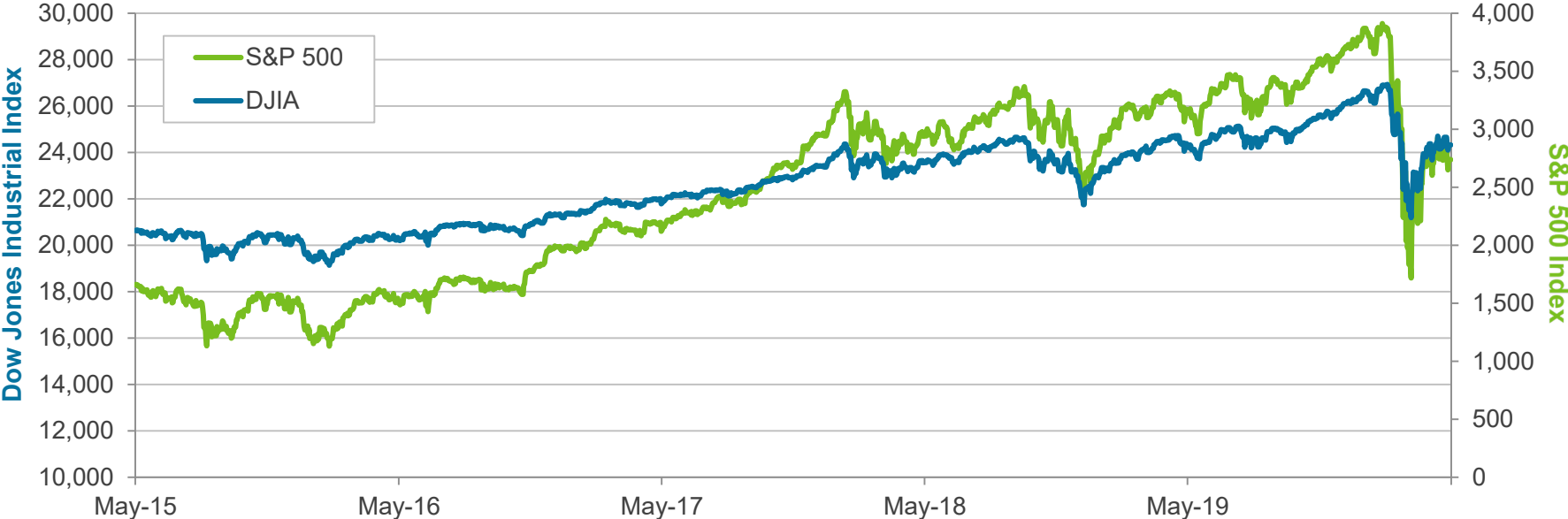
May 18, 2015 – May 17, 2020



U.S. Equity Markets

Year-to-date (as of May 18), the DJIA and S&P 500 indices are down about 13.8% and 8.6%, respectively. The DJIA and S&P 500 indices are up 32.3% and 32.0%, respectively, from the recent (March 23, 2020) low, supported by a large-scale fiscal and monetary response to the pandemic. We believe market participants are looking through the weak economic data and expect conditions to improve in the second half of the year. Equity markets are likely to remain volatile over the near- to intermediate-term.

Dow Jones Industrial Average (DJIA) and S&P 500 Indices
May 18, 2015 – May 17, 2020



Treasury Yield History

Treasury yields have declined. The yield on 5-year Treasuries has declined about 132 basis points year-to-date, and the yield on 2-year Treasuries has declined about 139 basis points.

2- and 5-year U.S. Treasury Yields

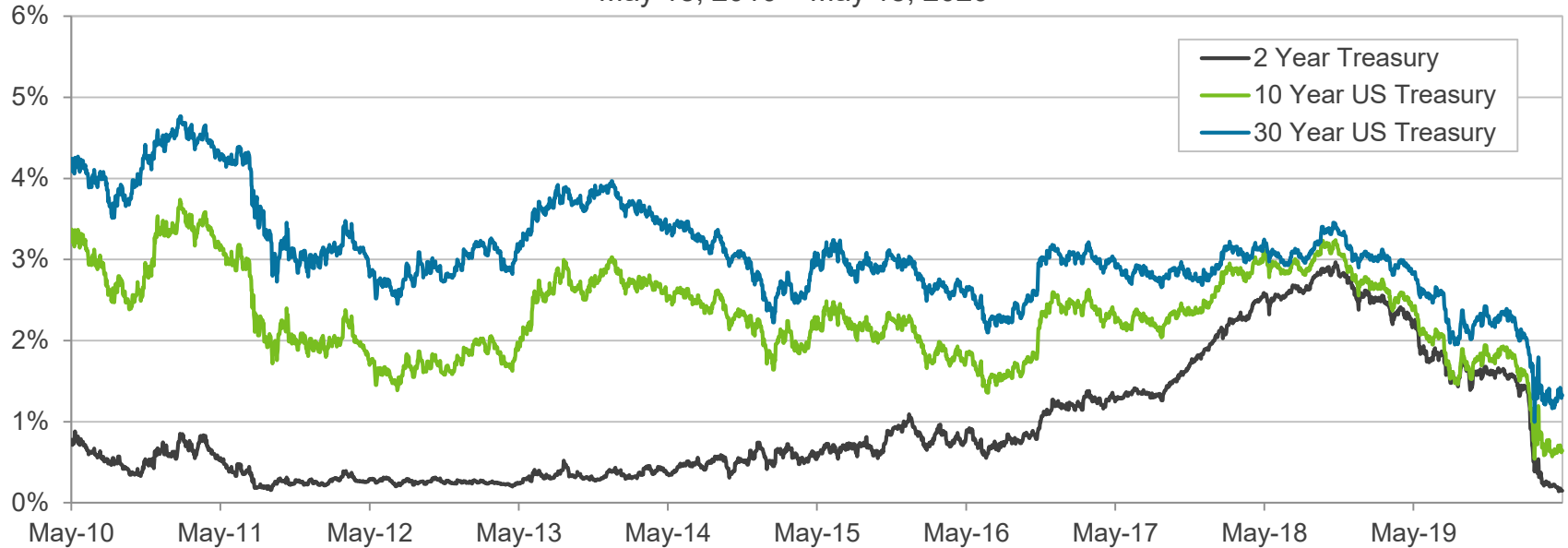
May 18, 2019 – May 20, 2020



Treasury Yield History

Treasury yields have declined meaningfully year-over-year. The 3-month T-bill yield is down roughly 227 basis points, the 2-Year Treasury yield is down nearly 202 basis points, and the 10-Year Treasury yield is down about 167 basis points. The year-over-year decline in Treasury yields reflects a decline in global economic growth and inflation expectations and rate cuts by the Fed within the last year.

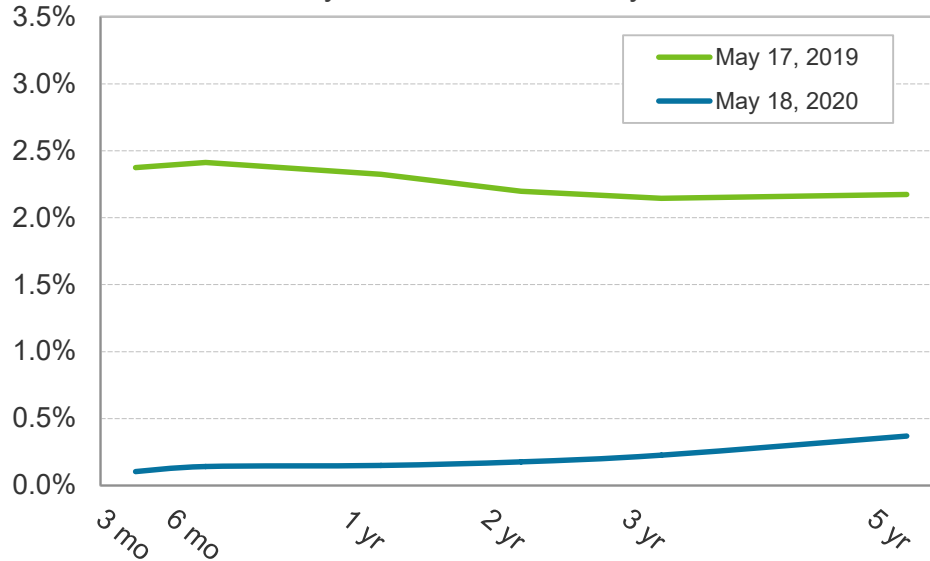
2-, 10- and 30-year U.S. Treasury Yields
May 18, 2010 – May 18, 2020



U.S. Treasury Yield Curve

Treasury yields are much lower on a year-over-year basis across the curve, but the curve is steeper relative to last year. The spread between the 2-year Treasury yield and the 10-year Treasury yield is currently 55 basis points, versus a spread of just 19 basis points one year ago.

U.S. Treasury Yield Curve
May 17, 2019 versus May 18, 2020

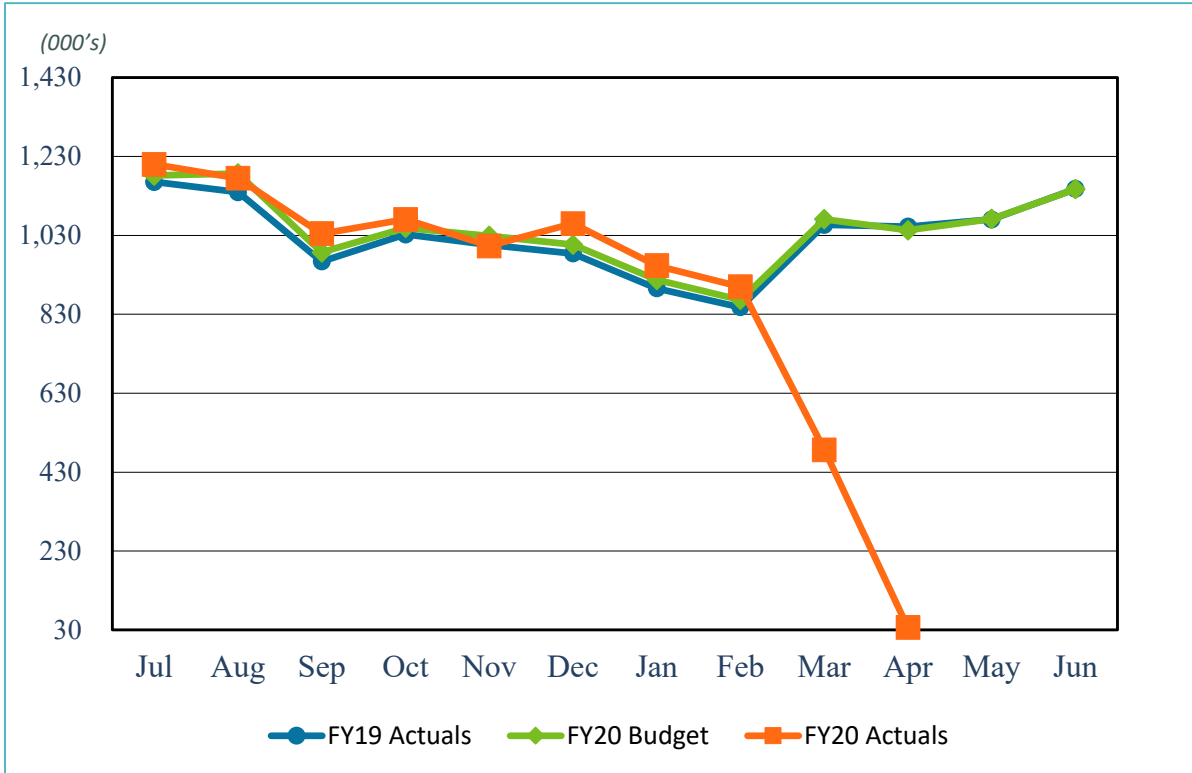


	5/17/2019	5/18/2020	Change
3-Mo.	2.37%	0.10%	(2.27%)
6-Mo.	2.41%	0.14%	(2.27%)
1-Yr.	2.33%	0.15%	(2.18%)
2-Yr.	2.20%	0.18%	(2.02%)
3-Yr.	2.14%	0.23%	(1.91%)
5-Yr.	2.17%	0.37%	(1.80%)
10-Yr.	2.39%	0.73%	(1.66%)
30-Yr.	2.83%	1.44%	(1.39%)



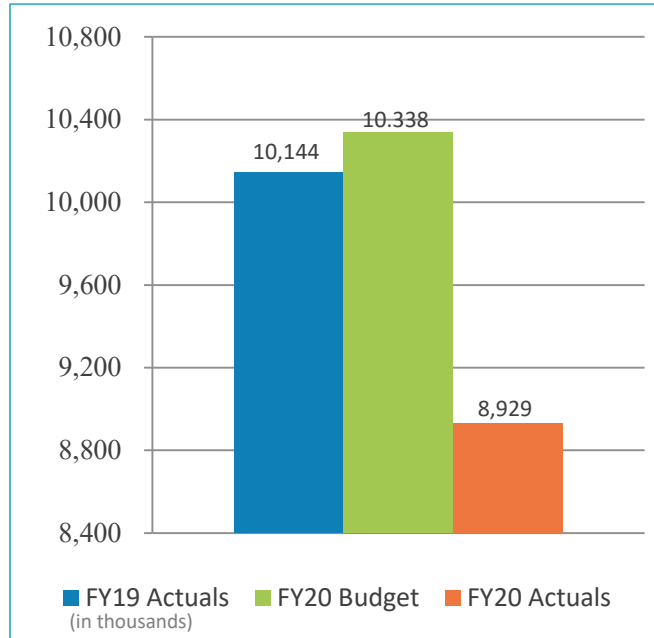
Financial Overview For the Ten Months Ended April 30, 2020 and 2019 (Unaudited)

Enplanements

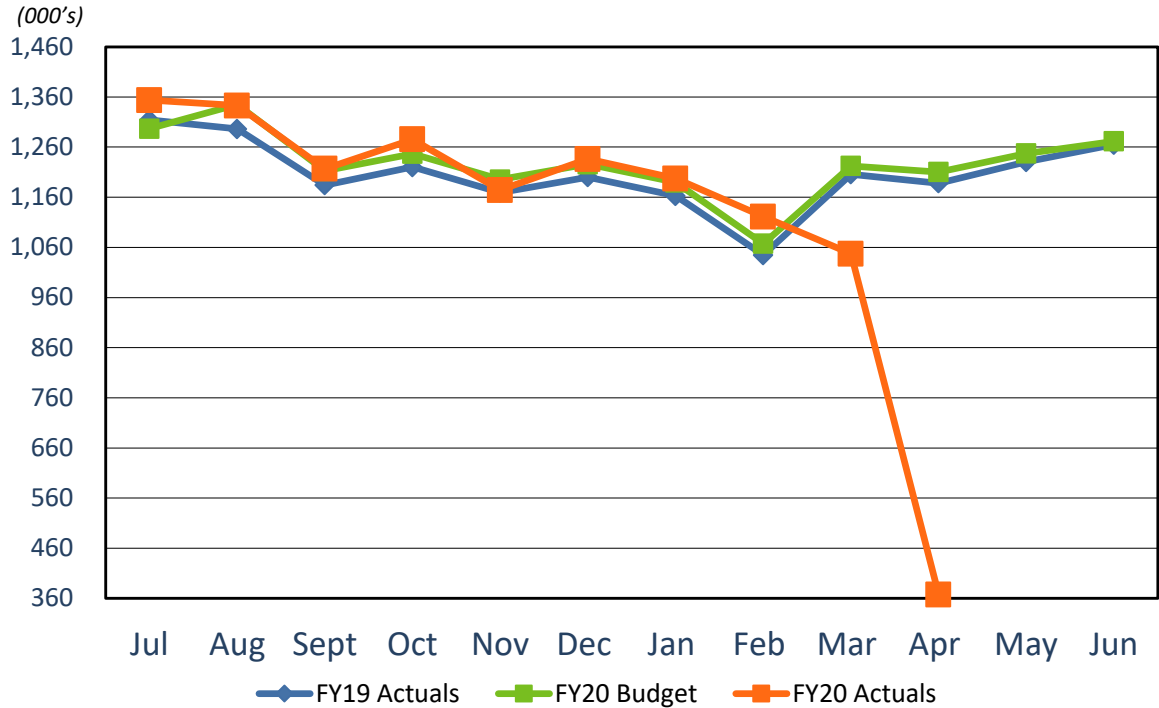


FY20 YTD Act Vs.
FY19 YTD Act
-12.0%

FY20 YTD Act Vs.
FY20 YTD Budget
-13.6%

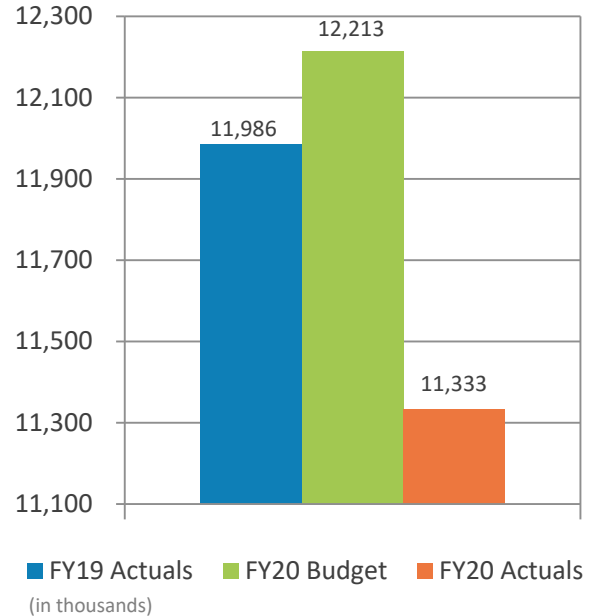


Gross Landing Weight Units (000 lbs)

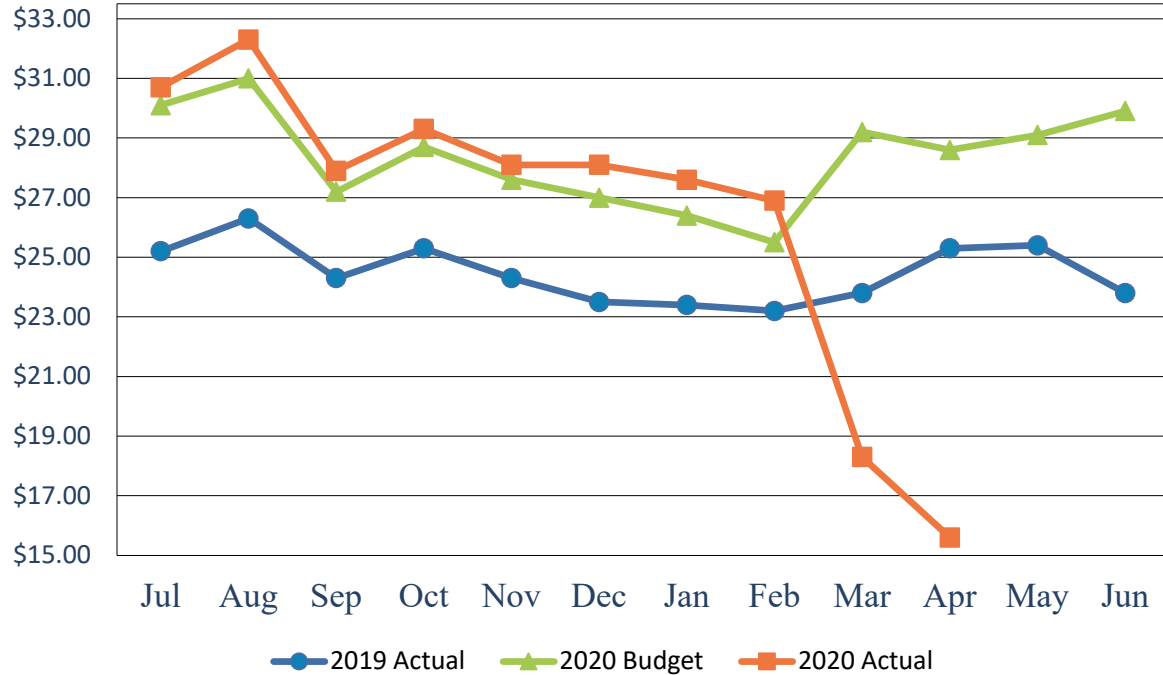


FY20 YTD Act Vs.
FY19 YTD Act
-5.4%

FY20 YTD Act Vs.
FY20 YTD Budget
-7.2%



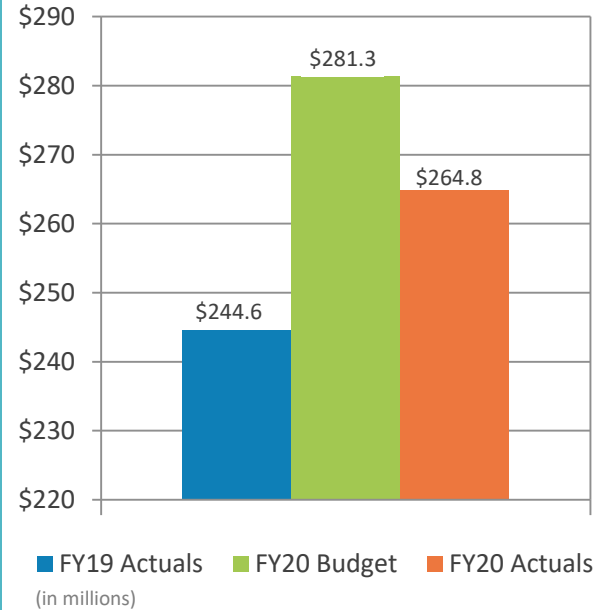
Total Operating Revenue (Unaudited)



(in millions)

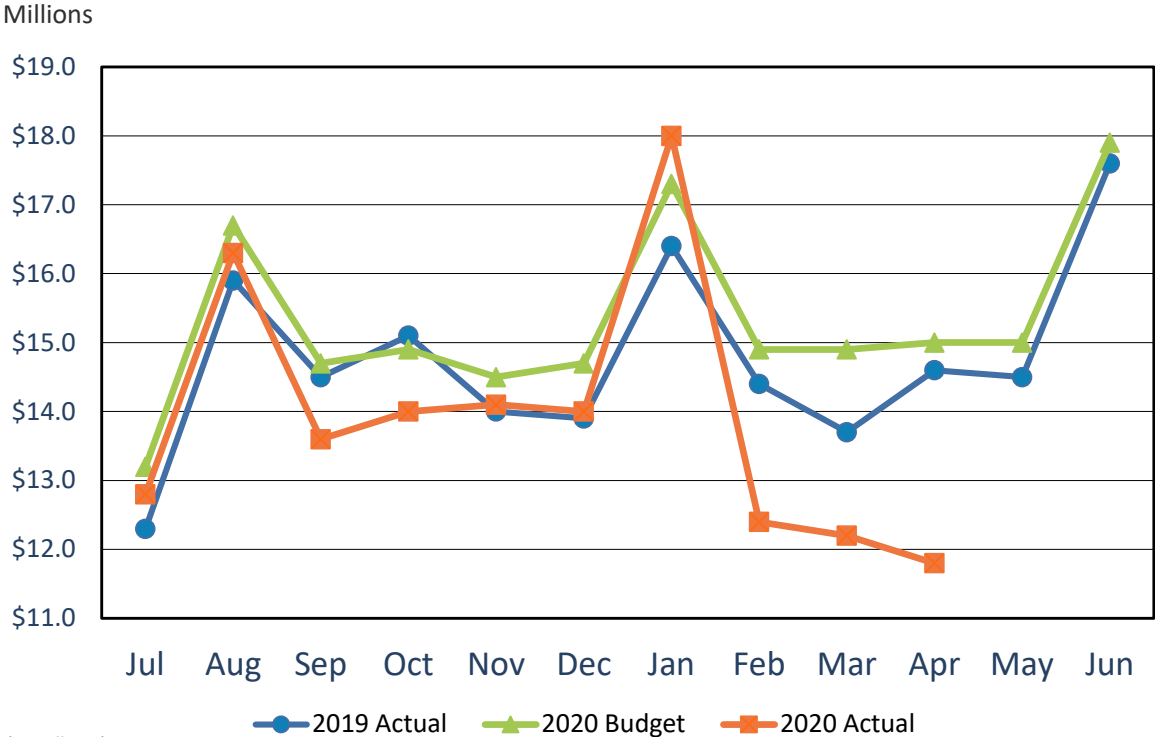
FY20 YTD Act Vs.
FY19 YTD Act
8.3%

FY20 YTD Act Vs.
FY20 YTD Budget
-5.9%



(in millions)

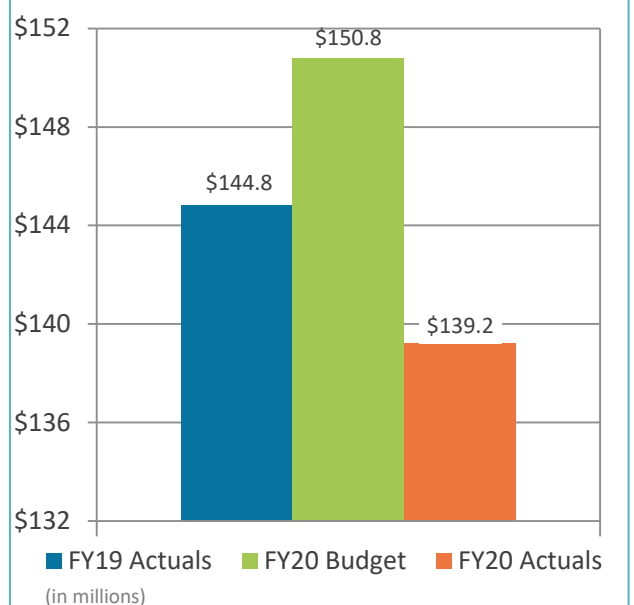
Total Operating Expenses (Unaudited)




(in millions)

FY20 YTD Act Vs.
FY19 YTD Act
3.9%

FY20 YTD Act Vs.
FY20 YTD Budget
7.7%



(in millions)



Revenue & Expenses (Unaudited) For the Month Ended April 30, 2020 and 2019

Operating Revenues

for the Month Ended April 30, 2020 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation	\$ 15,225	\$ 10,060	(5,164)	(34)%	\$ 11,703
Terminal concessions	2,564	568	(1,997)	(78)%	2,709
Car rental	3,099	1,829	(1,270)	(41)%	2,855
Parking	3,751	458	(3,293)	(88)%	3,872
Other operating	3,949	2,728	(1,222)	(31)%	4,209
Total operating revenues	\$ 28,589	\$ 15,643	\$ (12,946)	(45)%	\$ 25,348

Operating Expenses

for the Month Ended April 30, 2020 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Salaries and benefits	\$ 4,107	\$ 3,978	\$ 129	3%	\$ 3,763
Contractual services	4,031	2,055	1,977	49%	4,455
Safety and security	2,659	2,611	48	2%	2,335
Space rental	849	853	(4)	-	850
Utilities	1,140	873	267	23%	998
Maintenance	1,263	678	585	46%	1,450
Equipment and systems	20	51	(31)	4%	50
Materials and supplies	58	73	(15)	(26)%	80
Insurance	116	99	16	14%	91
Employee development and support	98	71	27	31%	92
Business development	208	(14)	222	107%	108
Equipment rental and repairs	446	478	(32)	(7)%	487
Total operating expenses	\$ 14,993	\$ 11,804	\$ 3,189	21%	\$ 14,759

Net Operating Income (Loss) Summary

for the Month Ended April 30, 2020 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 28,589	\$ 15,643	\$ (12,946)	(45)%	\$ 25,348
Total operating expenses	14,993	11,804	3,189	21%	14,759
Income from operations	13,596	3,839	(9,757)	(72)%	10,589
Depreciation	10,229	10,229	-	-	10,159
Operating income (loss)	\$ 3,366	\$ (6,390)	\$ (9,757)	(290)%	\$ 430

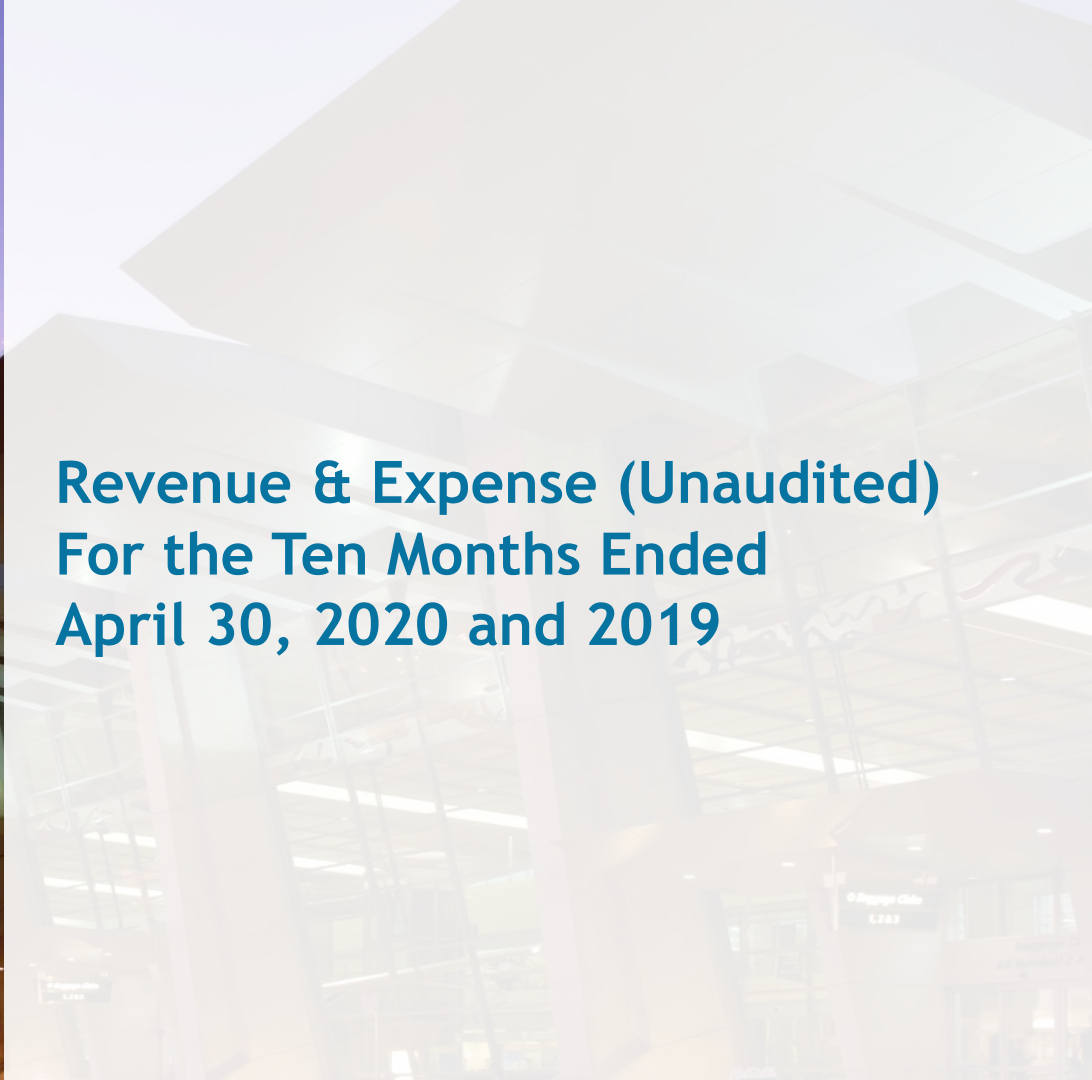
Nonoperating Revenues & Expenses

for the Month Ended April 30, 2020 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Passenger facility charges	\$ 3,840	\$ (1,267)	\$ (5,107)	(133)%	\$ 4,304
Customer facility charges (ConRAC Facility)	3,618	1,378	(2,240)	(62)%	3,508
Quieter home program, net	(109)	(56)	53	49%	(253)
Interest income	1,574	1,634	60	4%	1,722
Interest expense (net)	(7,192)	(7,299)	(107)	(1)%	(5,807)
Other nonoperating revenue (expense)	-	3,603	3,603	-	(164)
Nonoperating revenue, net	1,732	(2,007)	(3,738)	(216)%	3,310
Change in Net Position before grant contributions	5,098	(8,397)	(13,495)	(265)%	3,740
Capital grant contributions	1,157	347	(810)	(70)%	67
Change in Net Position	\$ 6,255	\$ (8,050)	\$ (14,305)	(229)%	\$ 3,807



Revenue & Expense (Unaudited) For the Ten Months Ended April 30, 2020 and 2019



Operating Revenues

for the Ten Months Ended April 30, 2020 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation	\$ 152,260	\$ 142,057	\$ (10,203)	(7)%	\$ 113,578
Terminal concessions	24,809	24,030	(779)	(3)%	24,422
Rental car	29,668	24,620	(5,048)	(17)%	28,496
Parking	35,559	34,775	(784)	(2)%	38,139
Other operating	39,294	39,388	94	-	40,114
Total operating revenues	\$ 281,590	\$ 264,870	\$ (16,720)	(6)%	\$ 244,749

Operating Expenses

for the Ten Months Ended April 30, 2020 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Salaries and benefits	\$ 43,112	\$ 43,419	\$ (307)	(1)%	\$ 39,735
Contractual services	39,165	33,844	5,321	14%	40,925
Safety and security	27,949	24,754	3,195	11%	25,954
Space rental	8,492	8,505	(13)	-	8,492
Utilities	11,893	10,895	998	8%	11,217
Maintenance	10,884	10,084	800	7%	10,792
Equipment and systems	225	287	(62)	(28)%	270
Materials and supplies	468	554	(86)	(18)%	468
Insurance	1,275	1,110	165	13%	1,017
Employee development and support	1,061	907	154	15%	844
Business development	2,521	1,507	1,014	40%	2,184
Equipment rental and repairs	3,800	3,003	797	21%	3,200
Total operating expenses	\$ 150,845	\$ 138,869	\$ 11,976	8%	\$ 145,098

Net Operating Income (Loss) Summary

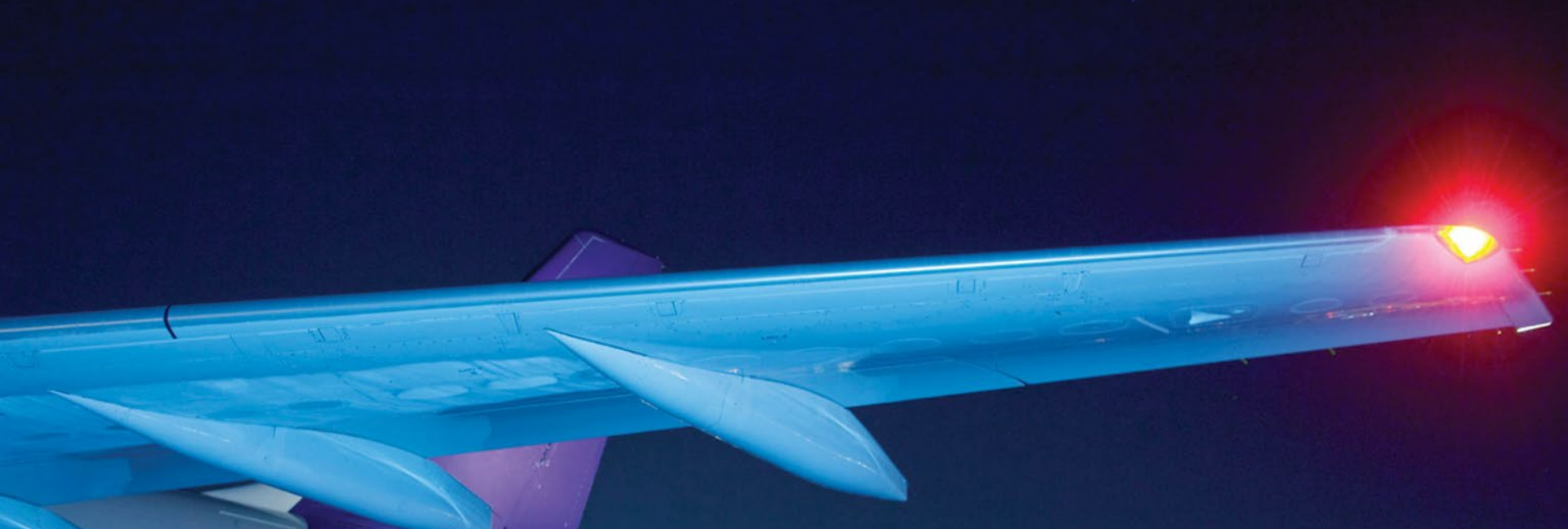
for the Ten Months Ended April 30, 2020 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
Total operating revenues	\$ 281,590	\$ 264,870	\$ (16,720)	(6)%	\$ 244,749
Total operating expenses	150,845	138,869	11,976	8%	145,098
Income from operations	130,745	126,001	(4,744)	(4)%	99,651
Depreciation	103,163	103,163	-	-	96,454
Operating income (loss)	\$ 27,582	\$ 22,838	\$ (4,744)	(17)%	\$ 3,197

Nonoperating Revenues & Expenses

for the Ten Months Ended April 30, 2020 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Passenger facility charges	\$ 40,501	\$ 33,521	\$ (6,980)	(17)%	\$ 40,449
Customer facility charges (Rental Car Center)	34,490	29,190	(5,300)	(15)%	34,336
Quieter Home Program, net	(2,888)	(2,514)	374	(13)%	(2,658)
Interest income	14,631	16,518	1,887	13%	13,830
Interest expense (net)	(68,657)	(63,037)	5,620	(8)%	(58,154)
Other nonoperating revenue (expense)	-	13,484	13,484	-	4,919
Nonoperating revenue, net	18,077	27,162	9,085	50%	32,722
Change in net position before grant contributions	45,659	50,000	4,341	10%	35,919
Capital grant contributions	7,708	4,360	(3,348)	(43)%	7,569
Change in net position	\$ 53,367	54,360	\$ 993	2%	\$ 43,488



**Statements of Net Position (Unaudited)
April 30, 2020 and 2019**

Statements of Net Position (Unaudited)

As of April 30, 2020 and 2019

(In Thousands)

	2020	2019
Assets and Deferred Outflows of Resources		
Current assets	\$ 128,196	\$ 162,911
Cash designated for capital projects and other	77,431	27,290
Restricted assets	643,023	448,770
Capital assets, net	1,775,455	1,724,189
Other assets	296,295	192,164
Deferred outflows of resources	24,593	24,775
Total assets and deferred outflows of resources	\$ 2,944,993	\$ 2,580,099

Statements of Net Position (Unaudited)

As of April 30, 2020 and 2019

(In Thousands)

	<u>2020</u>	<u>2019</u>
Liabilities and Deferred Inflows of Resources		
Current liabilities	\$ 76,923	\$ 63,613
Liabilities payable from restricted assets	58,432	49,021
Long term liabilities	1,890,956	1,607,129
Deferred inflows of resources	11,022	6,922
Total liabilities and deferred inflows of resources	\$ 2,037,333	\$ 1,726,685
Total net position	\$ 907,660	\$ 853,414



Questions?



SAN DIEGO
INTERNATIONAL AIRPORT
LET'S GO.

Investment Report

Period Ending
April 30, 2020

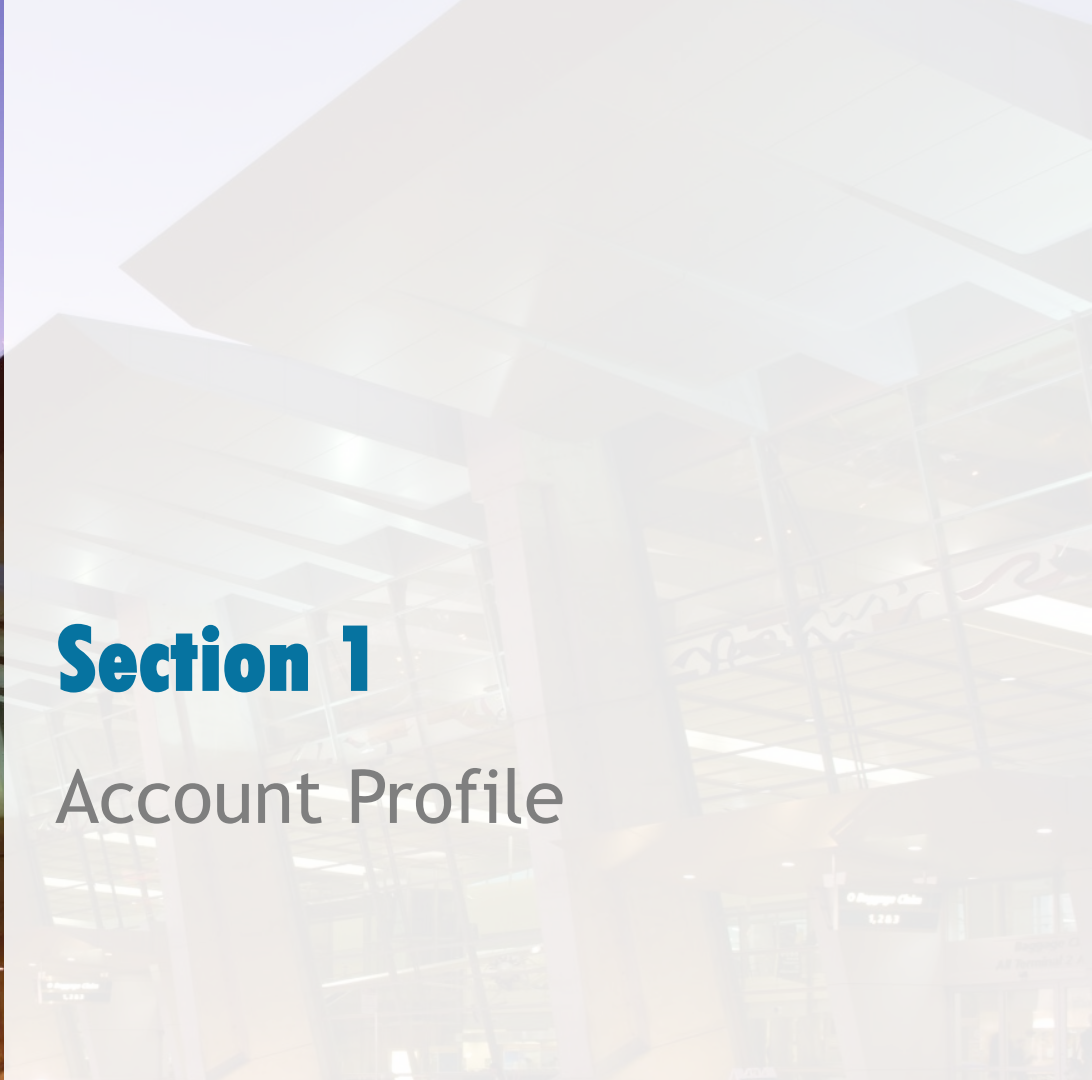
Presented by: Geoff Bryant
Manager Airport Finance

May 21, 2020



Section 1

Account Profile



Certification Page

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 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.
Vice President, Chief Financial Officer
San Diego County Regional Airport Authority

Objectives

Investment Objectives

The San Diego County Regional Airport Authority's investment objectives, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program. In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

Portfolio Characteristics

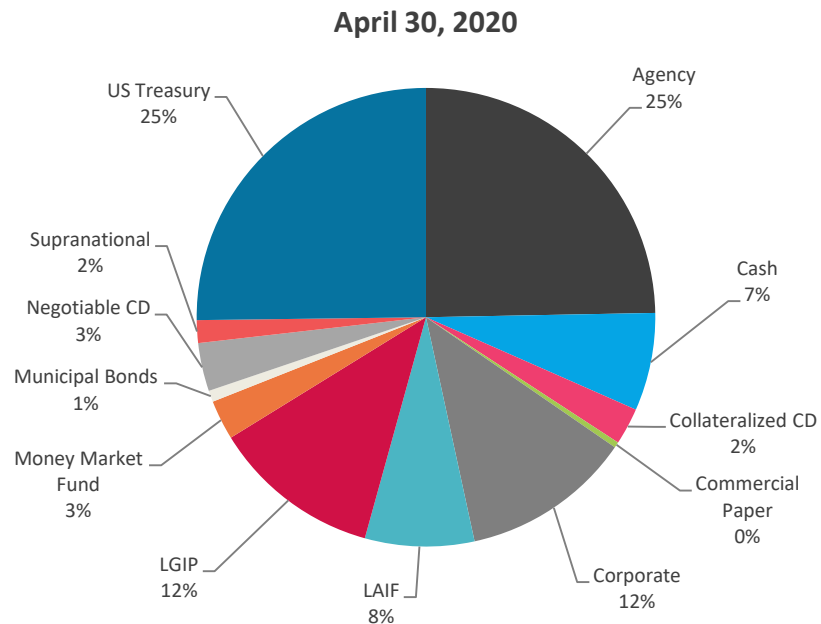
SDCRAA Consolidated

	4/30/2020	3/31/2020	Change
	Portfolio	Portfolio	Portfolio
Average Maturity (yrs)	1.46	1.53	(0.07)
Average Purchase Yield	1.80%	1.95%	(0.15%)
Average Market Yield	0.73%	1.00%	(0.27%)
Average Quality*	AA+/Aa1	AA+/Aa1	
Unrealized Gains/Losses	14,293,544	12,790,018	1,503,526
Total Market Value	628,214,454	620,740,748	7,473,706

*Portfolio is S&P and Moody's, respectively.

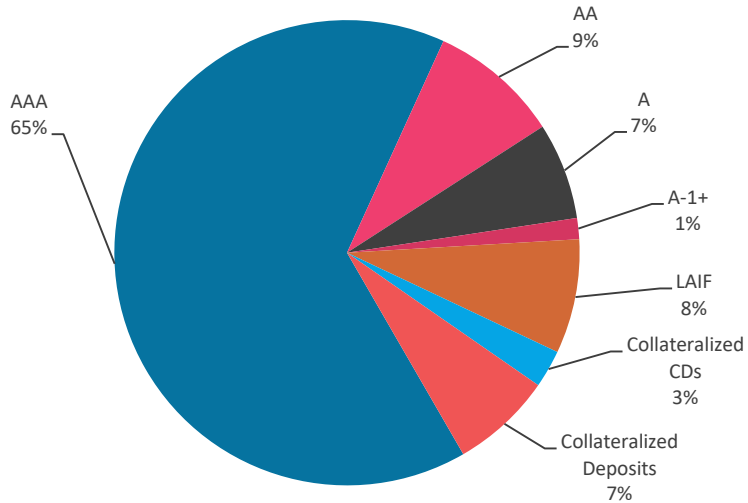
Sector Distribution

	April 30, 2020		March 31, 2020	
	Total Market Value	% of Portfolio	Total Market Value	% of Portfolio
Agency	155,011,871	24.7%	154,972,321	25.0%
Cash	43,350,024	6.9%	36,933,018	6.0%
Collateralized CD	16,189,473	2.6%	16,161,828	2.6%
Commercial Paper	2,488,313	0.4%	7,477,564	1.2%
Corporate	75,109,233	12.0%	73,431,393	11.8%
LAIF	49,031,803	7.7%	50,947,287	8.2%
LGIP	74,757,671	11.9%	73,942,821	11.9%
Money Market Fund	17,427,745	2.8%	8,942,690	1.4%
Municipal Bonds	5,096,067	0.8%	5,112,342	0.8%
Negotiable CD	21,679,014	3.4%	21,634,135	3.5%
Supranational	9,854,964	1.6%	12,871,635	2.1%
US Treasury	158,218,278	25.2%	158,313,716	25.5%
TOTAL	628,214,454	100.0%	620,740,748	100.0%



Quality & Maturity Distribution

April 30, 2020

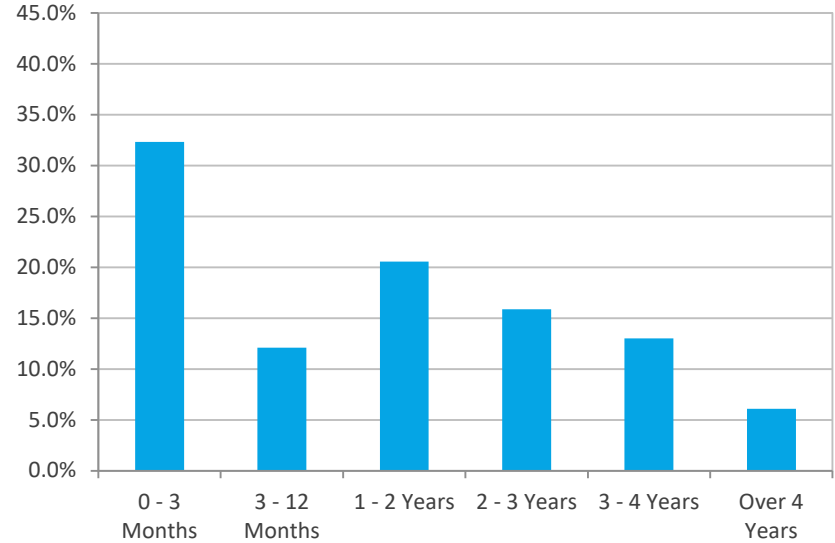


Notes:

Security ratings are based on the highest rating provided by Moody's, S&P and Fitch and is presented using the S&P ratings scale.

(1) Includes investments that have split ratings between S&P, Moody's and Fitch.

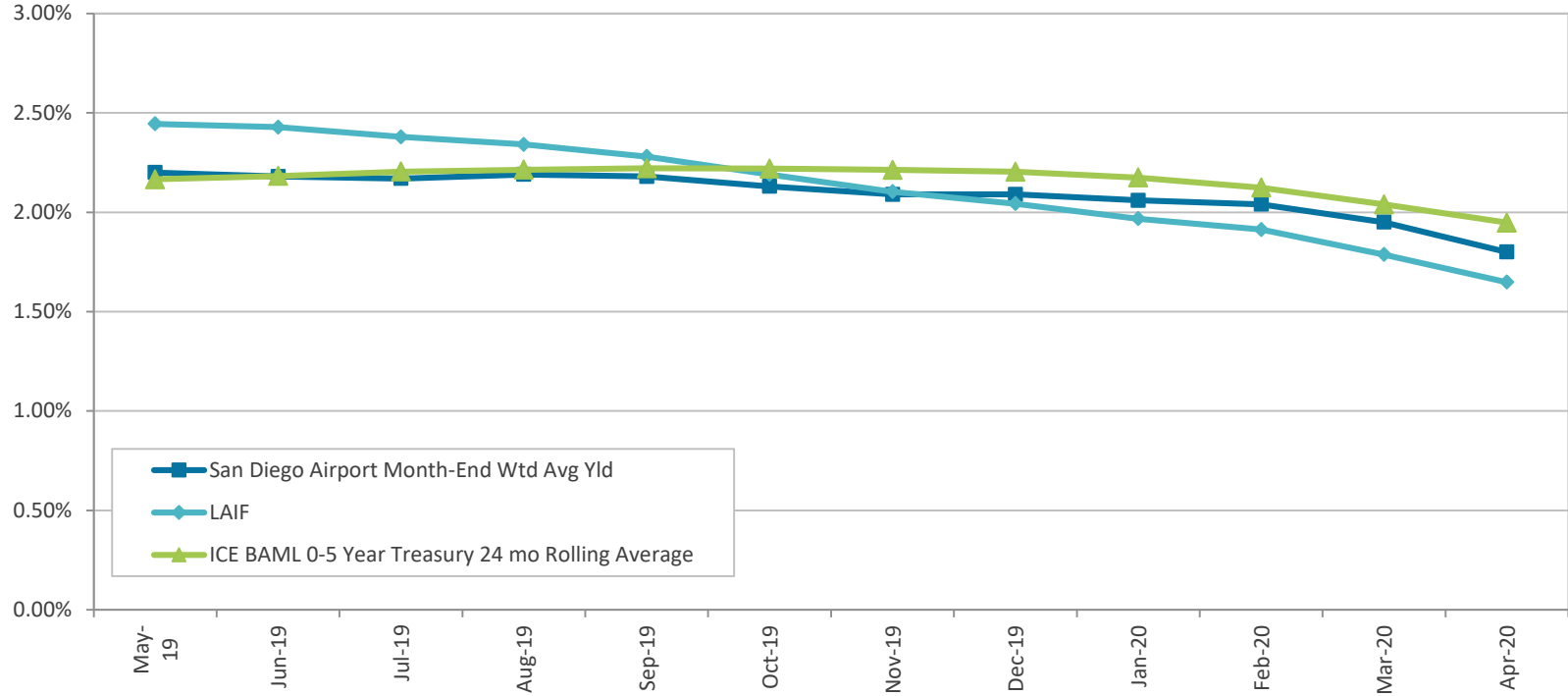
April 30, 2020



Notes:

(1) The 0-3 category includes investments held in LAIF, CalTrust, and the San Diego County Investment Pool.

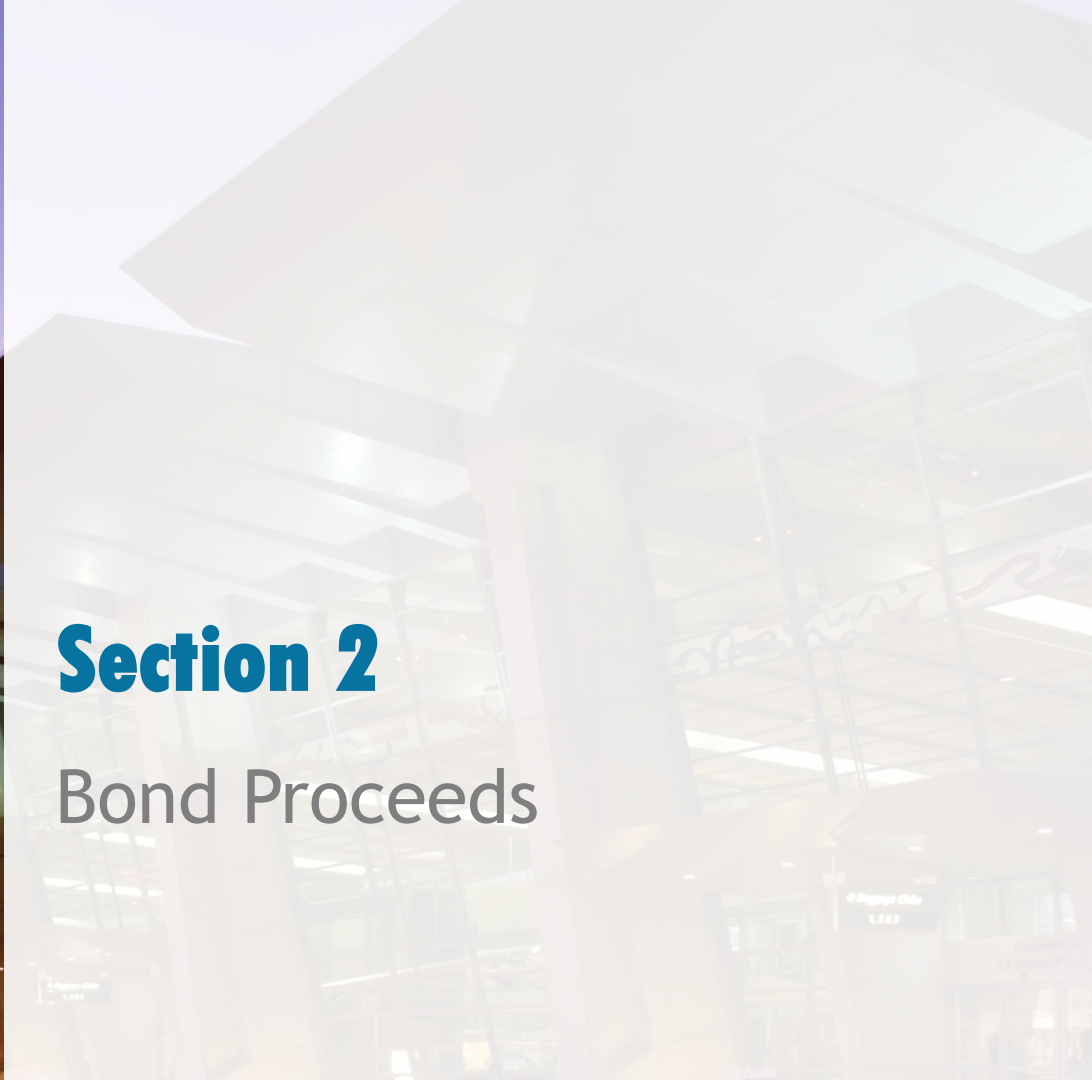
Investment Performance





Section 2

Bond Proceeds



Bond Proceeds

Summary of 2010, 2013, 2014, 2017, 2019 & 2020 Bond Proceeds ⁽¹⁾

As of April 30, 2020

(in thousands)

	2014 Special Facility Revenue Bond	2010, 2013, 2017, 2019 & 2020 General Airport Revenue Bonds	Total Bond Proceeds	Yield	Rating
Project Fund					
LAIF	-	140,028	140,028	1.47%	N/R
SDCIP	-	95,918	95,918	1.90%	AAAf
Money Market Fund	-	7,908	7,908	0.26%	AAAm
	-	243,854	243,854	1.25%	
Debt Service Reserve & Coverage Funds					
SDCIP	30,000	75,155	105,155	1.90%	AAAf
LAIF	-	10,937	10,937	1.47%	N/R
Torrey Pines Bank CD	-	22,096	22,096	1.10%	N/R
Money Market Fund	-	1,086	1,086	0.26%	
	30,000	109,274	139,274	1.73%	
Capitalized Interest Funds					
Money Market Fund	-	16,328	16,328	0.26%	AAAm
		16,328	16,328	0.26%	
Cost of Issuance					
Money Market Fund	-	224	224	0.26%	AAAm
		224	224	0.26%	
TOTAL	30,000	369,680	399,680	1.60%	

(1) Bond Proceeds are not included in deposit limits as applied to operating funds. SDCIP Yield as of March 31, 2020.

A low-angle photograph of a modern airport terminal building. The building features a complex, multi-tiered structure with large concrete overhangs and glass facades. The sky is bright and clear. A teal-colored overlay with a geometric pattern is positioned in the upper left quadrant, containing the text "Questions?".

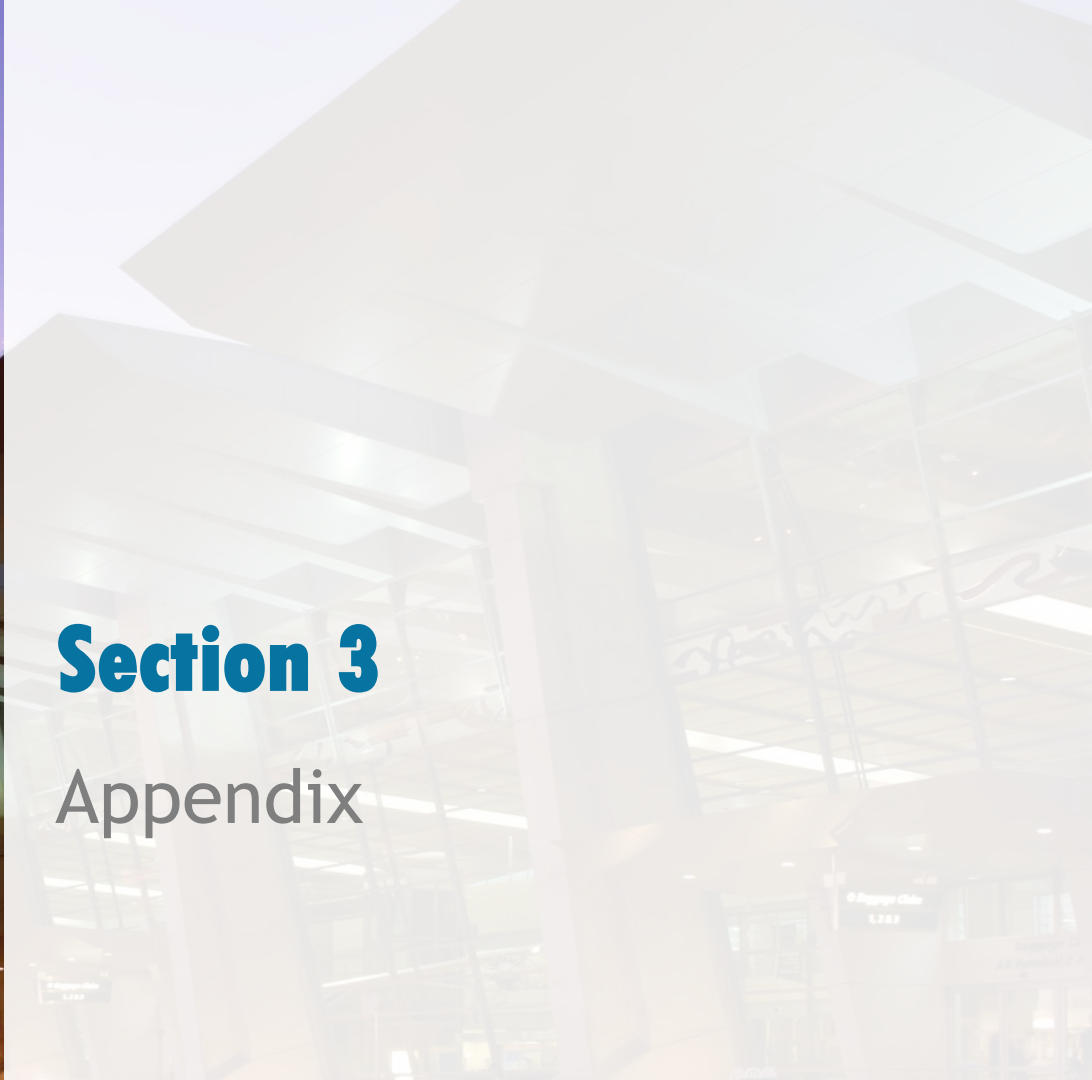
Questions?

● Ticketing
U S Airways



Section 3

Appendix



Compliance

April 30, 2020

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by SDCRAA. Chandler relies on SDCRAA to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
Treasury Issues	No Limit	Complies
Agency Issues	No Limit	Complies
Supranationals	"AA" rated or better by a Nationally Recognized Statistical Rating Organization ("NRSRO"); 30% maximum; 10% max per issuer; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development ("IBRD"), the International Finance Corporation ("IFC") or the Inter-American Development Bank ("IADB")	Complies
Municipal Issues	"A" rated or better by a NRSRO; 20% maximum; 5% max per issuer	Complies
Banker's Acceptances	"A-1" rated or equivalent or highest category by a NRSRO; 40% maximum; 5% max per bank; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or equivalent by a NRSRO; or "A" rated issuer or equivalent by a NRSRO, if any long-term debt; 25% maximum; 5% max per issuer (combined with any other securities from that issuer); 270 days max maturity; Entity organized and operating in the U.S. as a general corporation and has total assets >\$500 million; or Entity is organized within the U.S. as a special purpose corporation, trust, or limited liability company and has credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.	Complies
Negotiable Certificates of Deposit ("NCD")	"A" rated issuer or better by a NRSRO; 30% maximum; 5% max per issuer (combined with any other securities from that issuer); Issued by nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank.	Complies
Time Deposits/Certificates of Deposit/ Bank Deposit	Bank Deposits, including, demand deposit accounts, savings accounts, market rate accounts, and time certificates of deposits ("TCD") in financial institutions located in California. 20% maximum; 5% max per TCD issuer in excess of FDIC limit (combined with other securities from that issuer); 3 years max maturity; Financial institutions with net worth of \$10 million and total assets of \$50 million; Deposits in each bank limited to 5% max of the total assets of bank; To be eligible to receive Authority deposits, financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities; Bank Deposits are required to be collateralized as specified by Cal. Gov. Code §53630 et seq.; Collateralization may be waived for any portion that is covered by FDIC	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 20% maximum; 5% max per issuer (combined with any other securities from that issuer); Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S.	Complies
Money Market Funds	Highest rating or "AAA" rated by two NRSROs; or SEC registered investment adviser with assets under management in excess of \$500 million and experience greater than 5 years; 20% maximum; 10% per fund; 5% max of total fund balance	Complies
Repurchase Agreements	"A" rated or better by a NRSRO; 1 year max maturity; U.S. Treasury or Federal Agency collateral only	Complies
Local Agency Investment Fund (LAIF)	Max program limit for LAIF; Pursuant to California Gov. Code Section 16429.1	Complies
San Diego County Investment Pool (SDCIP)	Max program limit for LAIF	Complies
Local Government Investment Pool (LGIP)	Max program limit for LAIF	Complies
Prohibited	Inverse floaters, Range notes, Interest-only strips from mortgaged backed securities; Common stocks; Zero interest accrual securities	Complies
Average Maturity	3 years	Complies
Maximum maturity	5 years	Complies

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending April 30, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
313370US5	FHLB Note 2.875% Due 09/11/2020	5,000,000.00	10/30/2018 2.90%	4,997,450.00	100.96 0.24%	5,047,950.00 19,965.28	0.81% 50,500.00	Aaa / AA+ AAA	0.37 0.36
3135G0U84	FNMA Note 2.875% Due 10/30/2020	5,000,000.00	10/30/2018 2.91%	4,996,750.00	101.32 0.24%	5,065,875.00 399.31	0.81% 69,125.00	Aaa / AA+ AAA	0.50 0.50
313371U79	FHLB Note 3.125% Due 12/11/2020	4,500,000.00	11/29/2018 2.86%	4,523,220.00	101.50 0.67%	4,567,572.00 54,687.50	0.74% 44,352.00	Aaa / AA+ AAA	0.62 0.60
3130A1W95	FHLB Note 2.250% Due 06/11/2021	7,500,000.00	07/19/2019 1.87%	7,552,725.00	102.36 0.12%	7,677,345.00 65,625.00	1.23% 124,620.00	Aaa / AA+ AAA	1.12 1.10
313378JP7	FHLB Note 2.375% Due 09/10/2021	7,500,000.00	08/27/2019 1.57%	7,620,375.00	102.77 0.34%	7,707,570.00 25,234.38	1.23% 87,195.00	Aaa / AA+ AAA	1.36 1.34
3130AF5B9	FHLB Note 3.000% Due 10/12/2021	4,500,000.00	10/22/2018 3.05%	4,493,385.00	103.99 0.24%	4,679,604.00 7,125.00	0.75% 186,219.00	Aaa / AA+ NR	1.45 1.43
313376C94	FHLB Note 2.625% Due 12/10/2021	5,000,000.00	01/28/2020 1.52%	5,101,350.00	103.78 0.27%	5,188,960.00 51,406.25	0.83% 87,610.00	Aaa / AA+ AAA	1.61 1.57
3133ELHR8	FFCB Note 1.600% Due 01/21/2022	7,500,000.00	02/03/2020 1.41%	7,527,300.00	102.22 0.31%	7,666,785.00 33,333.33	1.23% 139,485.00	Aaa / AA+ AAA	1.73 1.70
3130AEBM1	FHLB Note 2.750% Due 06/10/2022	7,150,000.00	Various 2.82%	7,131,662.00	105.30 0.23%	7,528,864.20 77,011.46	1.21% 397,202.20	Aaa / AA+ NR	2.11 2.04
3135G0W33	FNMA Note 1.375% Due 09/06/2022	5,000,000.00	09/06/2019 1.55%	4,974,800.00	102.59 0.27%	5,129,355.00 10,503.47	0.82% 154,555.00	Aaa / AA+ AAA	2.35 2.31
313383WD9	FHLB Note 3.125% Due 09/09/2022	4,000,000.00	09/27/2018 3.00%	4,019,040.00	106.52 0.35%	4,260,724.00 18,055.56	0.68% 241,684.00	Aaa / AA+ AAA	2.36 2.28

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending April 30, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0T78	FNMA Note 2.000% Due 10/05/2022	7,500,000.00	03/02/2020 0.86%	7,717,875.00	104.04 0.33%	7,802,797.50 10,833.33	1.24% 84,922.50	Aaa / AA+ AAA	2.43 2.38
3130A3KM5	FHLB Note 2.500% Due 12/09/2022	6,000,000.00	08/16/2018 2.81%	5,924,640.00	105.55 0.36%	6,333,276.00 59,166.67	1.02% 408,636.00	Aaa / AA+ NR	2.61 2.52
313383QR5	FHLB Note 3.250% Due 06/09/2023	4,900,000.00	09/11/2018 2.97%	4,959,045.00	108.86 0.38%	5,333,968.50 62,815.28	0.86% 374,923.50	Aaa / AA+ NR	3.11 2.95
3133EJUS6	FFCB Note 2.875% Due 07/17/2023	6,000,000.00	02/07/2019 2.56%	6,078,480.00	107.68 0.47%	6,460,632.00 49,833.33	1.04% 382,152.00	Aaa / AA+ AAA	3.21 3.07
3133EKZK5	FFCB Note 1.600% Due 08/14/2023	7,000,000.00	08/19/2019 1.55%	7,012,460.00	103.67 0.48%	7,256,564.00 23,955.56	1.16% 244,104.00	Aaa / AA+ AAA	3.29 3.20
313383YJ4	FHLB Note 3.375% Due 09/08/2023	7,000,000.00	Various 2.65%	7,219,535.00	109.94 0.39%	7,695,625.00 34,781.25	1.23% 476,090.00	Aaa / AA+ NR	3.36 3.19
3130A0F70	FHLB Note 3.375% Due 12/08/2023	6,850,000.00	Various 2.75%	7,045,064.00	110.70 0.38%	7,582,991.10 91,832.81	1.22% 537,927.10	Aaa / AA+ AAA	3.61 3.39
3130AB3H7	FHLB Note 2.375% Due 03/08/2024	6,800,000.00	Various 2.36%	6,805,744.00	107.07 0.52%	7,280,624.00 23,776.39	1.16% 474,880.00	Aaa / AA+ NR	3.86 3.69
3133EKNX0	FFCB Note 2.160% Due 06/03/2024	5,000,000.00	07/19/2019 1.89%	5,062,250.00	106.34 0.59%	5,316,840.00 44,400.00	0.85% 254,590.00	Aaa / AA+ AAA	4.10 3.90
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	8,000,000.00	06/12/2019 2.00%	8,331,920.00	109.47 0.55%	8,757,440.00 87,527.78	1.41% 425,520.00	Aaa / AA+ NR	4.13 3.88
3135G0V75	FNMA Note 1.750% Due 07/02/2024	7,350,000.00	07/19/2019 1.87%	7,310,236.50	105.16 0.50%	7,729,142.40 42,517.71	1.24% 418,905.90	Aaa / AA+ AAA	4.18 4.01

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0W66	FNMA Note 1.625% Due 10/15/2024	5,000,000.00	12/03/2019 1.64%	4,997,100.00	104.68 0.56%	5,233,800.00 3,611.11	0.83% 236,700.00	Aaa / AA+ AAA	4.46 4.31
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	6,500,000.00	03/04/2020 0.85%	6,703,710.00	104.44 0.56%	6,788,314.00 20,854.17	1.08% 84,604.00	Aaa / NR AAA	4.79 4.61
TOTAL Agency		146,550,000.00	2.12%	148,106,116.50	0.39%	154,092,618.70 919,251.93	24.67% 5,986,502.20	Aaa / AA+ Aaa	2.71 2.60

Cash									
PP2118V\$8	EastWest Bank Deposit Account	108,699.49	Various 0.55%	108,699.49	1.00 0.55%	108,699.49 0.00	0.02% 0.00	NR / NR NR	0.00 0.00
PP2118V\$9	U.S. Bank Checking Account	10,960,210.45	Various 0.00%	10,960,210.45	1.00 0.00%	10,960,210.45 0.00	1.74% 0.00	NR / NR NR	0.00 0.00
PP2118\$00	U.S. Bank Checking Account	59,196.79	Various 0.00%	59,196.79	1.00 0.00%	59,196.79 0.00	0.01% 0.00	NR / NR NR	0.00 0.00
PP2118V\$7	EastWest Bank Deposit Account	32,221,916.80	Various 0.55%	32,221,916.80	1.00 0.55%	32,221,916.80 0.00	5.13% 0.00	NR / NR NR	0.00 0.00
TOTAL Cash		43,350,023.53	0.41%	43,350,023.53	0.41%	43,350,023.53 0.00	6.90% 0.00	NR / NR NR	0.00 0.00

Collateralized CD									
PP2118\$10	EastWest Bank Collateralized CD 2.200% Due 07/07/2021	10,901,444.31	Various 2.23%	10,881,876.83	91.75 2.23%	10,881,876.83 657.08	1.73% 0.00	NR / NR NR	1.19 1.08

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PP2118\$04	EastWest Bank Collateralized CD 1.800% Due 10/24/2021	5,312,898.13	Various 1.80%	5,305,079.89	87.62 1.80%	5,305,079.89 1,859.51	0.84% 0.00	NR / NR NR	1.48 1.41
TOTAL Collateralized CD		16,214,342.44	2.09%	16,186,956.72	2.09%	16,186,956.72 2,516.59	2.58% 0.00	NR / NR NR	1.28 1.19

Commercial Paper

62479LHB4	MUFG Bank Ltd Discount CP 1.650% Due 08/11/2020	2,500,000.00	02/03/2020 1.69%	2,488,312.50	99.53 1.69%	2,488,312.50 0.00	0.40% 0.00	P-1 / A-1 NR	0.28 0.28
TOTAL Commercial Paper		2,500,000.00	1.69%	2,488,312.50	1.69%	2,488,312.50 0.00	0.40% 0.00	P-1 / A-1 NR	0.28 0.28

Corporate

00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.300% Due 11/03/2020	2,000,000.00	07/23/2019 2.25%	2,001,260.00	100.52 1.06%	2,010,460.00 22,744.44	0.32% 9,200.00	A3 / A A	0.51 0.42
17275RBD3	Cisco Systems Note 2.200% Due 02/28/2021	4,000,000.00	08/27/2019 1.79%	4,024,120.00	101.26 0.67%	4,050,344.00 15,400.00	0.65% 26,224.00	A1 / AA- NR	0.83 0.82
69371RN93	Paccar Financial Corp Note 2.800% Due 03/01/2021	1,000,000.00	04/03/2018 2.90%	997,270.00	101.28 1.26%	1,012,756.00 4,666.67	0.16% 15,486.00	A1 / A+ NR	0.84 0.82
911312BPO	UPS Note 2.050% Due 04/01/2021	2,280,000.00	11/14/2017 2.10%	2,276,397.60	101.02 0.93%	2,303,278.80 3,895.00	0.37% 26,881.20	A2 / A NR	0.92 0.91

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369550BE7	General Dynamics Corp Note 3.000% Due 05/11/2021	3,000,000.00	06/11/2018 3.14%	2,988,090.00	102.04 1.01%	3,061,134.00 42,500.00	0.49% 73,044.00	A2 / A NR	1.03 1.00
02665WBF7	American Honda Finance Note 1.650% Due 07/12/2021	2,000,000.00	07/02/2018 3.13%	1,915,520.00	99.92 1.71%	1,998,490.00 9,991.67	0.32% 82,970.00	A3 / A NR	1.20 1.18
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.550% Due 08/08/2021	3,000,000.00	09/15/2017 1.96%	2,954,280.00	101.22 0.52%	3,036,558.00 10,720.83	0.49% 82,278.00	Aaa / AAA AA+	1.27 1.18
69371RP42	Paccar Financial Corp Note 3.150% Due 08/09/2021	3,000,000.00	08/16/2018 3.09%	3,005,220.00	102.59 1.10%	3,077,742.00 21,525.00	0.49% 72,522.00	A1 / A+ NR	1.28 1.25
74005PAZ7	Praxair Note 3.000% Due 09/01/2021	3,300,000.00	Various 2.45%	3,335,280.00	101.70 1.71%	3,356,139.60 16,500.00	0.54% 20,859.60	A2 / A NR	1.34 1.30
69353REY0	PNC Bank Callable Note Cont 11/09/2021 2.550% Due 12/09/2021	2,000,000.00	07/13/2018 3.28%	1,953,160.00	102.33 1.00%	2,046,684.00 20,116.67	0.33% 93,524.00	A2 / A A+	1.61 1.48
459200JQ5	IBM Corp Note 2.500% Due 01/27/2022	2,000,000.00	08/16/2018 3.12%	1,960,160.20	102.63 0.97%	2,052,574.01 13,055.55	0.33% 92,413.81	A2 / A NR	1.75 1.70
037833AY6	Apple Inc Note 2.150% Due 02/09/2022	4,000,000.00	09/15/2017 2.10%	4,008,680.00	102.61 0.67%	4,104,264.00 19,588.89	0.66% 95,584.00	Aa1 / AA+ NR	1.78 1.74
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.450% Due 02/15/2022	1,000,000.00	06/11/2018 3.18%	974,800.00	101.90 1.20%	1,018,976.00 5,172.22	0.16% 44,176.00	A2 / A NR	1.80 1.51
69353RFB9	PNC Bank Callable Note Cont 1/18/2022 2.625% Due 02/17/2022	2,000,000.00	06/11/2018 3.35%	1,950,240.00	102.31 1.26%	2,046,200.00 10,791.67	0.33% 95,960.00	A2 / A A+	1.80 1.67
68389XB00	Oracle Corp Callable Note Cont 3/15/2022 2.500% Due 05/15/2022	3,000,000.00	07/02/2018 3.24%	2,920,290.00	102.89 0.94%	3,086,811.00 34,583.33	0.50% 166,521.00	A3 / A+ A-	2.04 1.81
00440EAU1	Chubb INA Holdings Inc Callable Note Cont 9/3/2022 2.875% Due 11/03/2022	2,000,000.00	09/27/2018 3.47%	1,955,180.00	104.11 1.09%	2,082,260.00 28,430.56	0.34% 127,080.00	A3 / A A	2.51 2.24

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24422EUA5	John Deere Capital Corp Note 2.700% Due 01/06/2023	3,500,000.00	Various 3.22%	3,422,355.00	103.72 1.28%	3,630,245.50 30,187.50	0.58% 207,890.50	A2 / A A	2.69 2.57
89236TELS	Toyota Motor Credit Corp Note 2.700% Due 01/11/2023	2,000,000.00	07/13/2018 3.34%	1,946,860.00	103.60 1.34%	2,071,980.00 16,500.00	0.33% 125,120.00	A1 / AA- A+	2.70 2.58
44932HAH6	IBM Credit Corp Note 3.000% Due 02/06/2023	2,000,000.00	09/11/2018 3.34%	1,972,280.00	105.42 1.01%	2,108,404.00 14,166.67	0.34% 136,124.00	A2 / A NR	2.77 2.65
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.750% Due 03/15/2023	2,000,000.00	07/13/2018 3.20%	1,961,020.00	105.89 0.55%	2,117,860.00 7,027.78	0.34% 156,840.00	Aa2 / AA A+	2.87 2.62
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	2,000,000.00	07/19/2019 2.13%	2,019,760.00	104.83 0.77%	2,096,516.00 23,733.33	0.34% 76,756.00	Aa1 / AA+ NR	3.01 2.88
58933YAF2	Merck & Co Note 2.800% Due 05/18/2023	3,000,000.00	07/22/2019 2.11%	3,075,480.00	106.63 0.60%	3,198,840.00 38,033.33	0.52% 123,360.00	A1 / AA- A+	3.05 2.91
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	2,000,000.00	09/27/2018 3.31%	2,008,020.00	107.97 0.77%	2,159,358.00 23,611.11	0.35% 151,338.00	Aa2 / AA AA	3.16 2.91
02665WCJ8	American Honda Finance Note 3.450% Due 07/14/2023	2,000,000.00	09/11/2018 3.42%	2,002,420.00	103.54 2.30%	2,070,714.00 20,508.33	0.33% 68,294.00	A3 / A NR	3.21 3.00
06406FAD5	Bank of NY Mellon Corp Callable Note Cont 6/16/2023 2.200% Due 08/16/2023	4,000,000.00	Various 2.22%	3,996,200.00	102.50 1.38%	4,100,092.00 18,333.34	0.66% 103,892.00	A1 / A AA-	3.30 3.01
857477AM5	State Street Bank Note 3.700% Due 11/20/2023	2,000,000.00	08/19/2019 2.06%	2,132,940.00	109.06 1.10%	2,181,142.00 33,094.44	0.35% 48,202.00	A1 / A AA-	3.56 3.31
89236TFS9	Toyota Motor Credit Corp Note 3.350% Due 01/08/2024	2,000,000.00	02/07/2019 3.07%	2,025,380.00	106.26 1.60%	2,125,130.00 21,030.56	0.34% 99,750.00	A1 / AA- A+	3.69 3.45
91159HHV5	US Bancorp Callable Note Cont 1/5/2024 3.375% Due 02/05/2024	2,000,000.00	02/07/2019 3.19%	2,017,220.00	107.41 1.31%	2,148,220.00 16,125.00	0.34% 131,000.00	A1 / A+ AA-	3.77 3.45

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438516BW5	Honeywell Intl Callable Note Cont 7/15/2024 2.300% Due 08/15/2024	4,000,000.00	12/03/2019 1.96%	4,059,840.00	104.87 1.11%	4,194,604.00 19,422.22	0.67% 134,764.00	A2 / A A	4.30 4.00
TOTAL Corporate		72,080,000.00	2.70%	71,859,722.80	1.08%	74,547,776.91 561,456.11	11.96% 2,688,054.11	A1 / A+ A+	2.26 2.12

LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	48,964,589.66	Various 1.47%	48,964,589.66	1.00 1.47%	48,964,589.66 67,213.21	7.80% 0.00	NR / NR NR	0.00 0.00
TOTAL LAIF		48,964,589.66	1.47%	48,964,589.66	1.47%	48,964,589.66 67,213.21	7.80% 0.00	NR / NR NR	0.00 0.00

Local Gov Investment Pool									
90SDCP\$00	County of San Diego Pooled Investment Pool	58,472,414.00	Various 1.90%	58,472,414.00	1.00 1.90%	58,472,414.00 0.00	9.31% 0.00	NR / NR AAA	0.00 0.00
09CATR\$04	CalTrust Short Term Fund	1,615,600.89	Various 1.23%	16,173,425.14	10.08 1.23%	16,285,256.98 0.00	2.59% 111,831.84	NR / AA NR	0.00 0.00
TOTAL Local Gov Investment Pool		60,088,014.89	1.75%	74,645,839.14	1.75%	74,757,670.98 0.00	11.90% 111,831.84	NR / AA Aaa	0.00 0.00

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Money Market Fund FI									
262006307	Dreyfus Gov't Cash Management Money Market Fund	17,427,744.66	Various 0.01%	17,427,744.66	1.00 0.01%	17,427,744.66 0.00	2.77% 0.00	Aaa / AAA NR	0.00 0.00
TOTAL Money Market Fund FI		17,427,744.66	0.01%	17,427,744.66	0.01%	17,427,744.66 0.00	2.77% 0.00	Aaa / AAA NR	0.00 0.00
Municipal Bonds									
649791PP9	New York St Taxable-GO 2.010% Due 02/15/2024	5,000,000.00	10/29/2019 2.01%	5,000,000.00	101.50 1.60%	5,074,850.00 21,216.67	0.81% 74,850.00	Aa1 / AA+ AA+	3.80 3.63
TOTAL Municipal Bonds		5,000,000.00	2.01%	5,000,000.00	1.60%	5,074,850.00 21,216.67	0.81% 74,850.00	Aa1 / AA+ AA+	3.80 3.63
Negotiable CD									
06367BED7	Bank of Montreal Chicago Yankee CD 1.890% Due 05/21/2020	8,500,000.00	12/23/2019 1.89%	8,500,000.00	100.00 1.89%	8,500,000.00 57,566.25	1.36% 0.00	P-1 / A-1 F-1+	0.06 0.06
89114NBZ7	Toronto Dominion Bank NY Yankee CD 1.850% Due 06/03/2020	5,000,000.00	12/03/2019 1.85%	5,000,000.00	100.00 1.85%	5,000,000.00 38,284.72	0.80% 0.00	P-1 / A-1+ F-1+	0.09 0.09
90333V2N9	US Bank National Association Negotiable CD 0.840% Due 09/01/2020	4,000,000.00	03/04/2020 0.84%	4,000,000.00	100.00 0.84%	4,000,000.00 5,413.33	0.64% 0.00	P-1 / A-1+ F-1+	0.34 0.34

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87019U6D6	Swedbank Inc Negotiable CD 2.270% Due 11/16/2020	4,000,000.00	11/17/2017 2.27%	4,000,000.00	100.89 0.66%	4,035,628.00 42,121.11	0.65% 35,628.00	Aa2 / AA- AA-	0.55 0.55
TOTAL Negotiable CD		21,500,000.00	1.76%	21,500,000.00	1.46%	21,535,628.00 143,385.41	3.45% 35,628.00	Aaa / AA+ Aaa	0.21 0.21

Supranational									
45950KCM0	International Finance Corp Note 2.250% Due 01/25/2021	2,125,000.00	02/13/2018 2.43%	2,113,992.50	101.27 0.52%	2,151,966.25 12,750.00	0.34% 37,973.75	Aaa / AAA NR	0.74 0.73
4581X0CV8	Inter-American Dev Bank Note 1.250% Due 09/14/2021	2,500,000.00	04/03/2018 2.66%	2,385,100.00	101.21 0.37%	2,530,217.50 4,079.86	0.40% 145,117.50	Aaa / NR NR	1.38 1.36
459058FY4	Intl. Bank Recon & Development Note 2.000% Due 01/26/2022	3,000,000.00	03/16/2018 2.73%	2,920,650.00	102.85 0.36%	3,085,410.00 15,833.33	0.49% 164,760.00	Aaa / NR AAA	1.74 1.71
4581X0CN6	Inter-American Dev Bank Note 1.750% Due 04/14/2022	2,000,000.00	09/27/2018 3.03%	1,914,620.00	102.65 0.39%	2,053,054.00 1,652.78	0.33% 138,434.00	Aaa / AAA AAA	1.96 1.93
TOTAL Supranational		9,625,000.00	2.71%	9,334,362.50	0.40%	9,820,647.75 34,315.97	1.57% 486,285.25	Aaa / AAA Aaa	1.47 1.45

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US Treasury									
912828XE5	US Treasury Note 1.500% Due 05/31/2020	5,000,000.00	05/11/2017 1.58%	4,987,695.31	100.11 0.14%	5,005,735.00 31,352.46	0.80% 18,039.69	Aaa / AA+ AAA	0.08 0.08
912828XM7	US Treasury Note 1.625% Due 07/31/2020	5,400,000.00	07/28/2017 1.56%	5,410,968.75	100.38 0.12%	5,420,579.40 21,937.50	0.87% 9,610.65	Aaa / AA+ AAA	0.25 0.25
912828Q2	US Treasury Note 1.500% Due 08/15/2020	5,875,000.00	03/02/2020 1.08%	5,886,015.63	100.41 0.09%	5,899,328.38 18,399.73	0.94% 13,312.75	Aaa / AA+ AAA	0.29 0.29
912828G3	US Treasury Note 1.750% Due 11/15/2020	7,700,000.00	11/20/2017 1.83%	7,683,156.25	100.88 0.12%	7,767,975.60 62,192.31	1.25% 84,819.35	Aaa / AA+ AAA	0.55 0.54
912828P87	US Treasury Note 1.125% Due 02/28/2021	8,500,000.00	10/13/2017 1.73%	8,331,992.19	100.81 0.15%	8,569,062.50 16,110.73	1.37% 237,070.31	Aaa / AA+ AAA	0.83 0.83
912828Q37	US Treasury Note 1.250% Due 03/31/2021	3,500,000.00	10/25/2017 1.84%	3,431,230.47	101.01 0.15%	3,535,273.00 3,705.60	0.56% 104,042.53	Aaa / AA+ AAA	0.92 0.91
912828WG1	US Treasury Note 2.250% Due 04/30/2021	7,700,000.00	11/20/2017 1.90%	7,789,632.81	102.09 0.15%	7,861,222.60 470.79	1.25% 71,589.79	Aaa / AA+ AAA	1.00 0.99
912828S76	US Treasury Note 1.125% Due 07/31/2021	5,600,000.00	09/26/2019 1.72%	5,540,281.25	101.20 0.16%	5,667,373.60 15,750.00	0.90% 127,092.35	Aaa / AA+ AAA	1.25 1.24
912828D72	US Treasury Note 2.000% Due 08/31/2021	8,500,000.00	10/13/2017 1.81%	8,560,761.72	102.45 0.16%	8,708,513.50 28,641.30	1.39% 147,751.78	Aaa / AA+ AAA	1.34 1.32
912828T67	US Treasury Note 1.250% Due 10/31/2021	7,700,000.00	11/20/2017 1.96%	7,492,761.72	101.60 0.18%	7,823,022.90 261.55	1.25% 330,261.18	Aaa / AA+ AAA	1.50 1.49
912828U65	US Treasury Note 1.750% Due 11/30/2021	7,500,000.00	09/06/2019 1.55%	7,533,105.47	102.43 0.21%	7,682,227.50 54,866.80	1.23% 149,122.03	Aaa / AA+ AAA	1.59 1.56

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending April 30, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828U81	US Treasury Note 2.000% Due 12/31/2021	5,000,000.00	12/16/2019 1.66%	5,034,375.00	102.98 0.21%	5,148,830.00 33,516.48	0.82% 114,455.00	Aaa / AA+ AAA	1.67 1.64
912828W89	US Treasury Note 1.875% Due 03/31/2022	8,000,000.00	12/23/2019 1.67%	8,035,937.50	103.19 0.21%	8,255,000.00 12,704.92	1.32% 219,062.50	Aaa / AA+ AAA	1.92 1.89
912828WZ9	US Treasury Note 1.750% Due 04/30/2022	2,750,000.00	11/17/2017 2.00%	2,720,781.25	103.09 0.20%	2,835,079.50 131.49	0.45% 114,298.25	Aaa / AA+ AAA	2.00 1.97
912828SV3	US Treasury Note 1.750% Due 05/15/2022	8,200,000.00	12/05/2017 2.09%	8,080,843.75	103.14 0.21%	8,457,849.00 66,230.77	1.36% 377,005.25	Aaa / AA+ AAA	2.04 2.00
912828XW5	US Treasury Note 1.750% Due 06/30/2022	8,200,000.00	12/05/2017 2.13%	8,063,546.88	103.33 0.21%	8,472,904.20 48,096.15	1.36% 409,357.32	Aaa / AA+ AAA	2.17 2.12
9128282P4	US Treasury Note 1.875% Due 07/31/2022	8,000,000.00	12/23/2019 1.68%	8,039,375.00	103.73 0.21%	8,298,752.00 37,500.00	1.33% 259,377.00	Aaa / AA+ AAA	2.25 2.21
912828L24	US Treasury Note 1.875% Due 08/31/2022	8,200,000.00	12/05/2017 2.14%	8,101,984.38	103.86 0.22%	8,516,151.00 25,903.53	1.36% 414,166.62	Aaa / AA+ AAA	2.34 2.29
912828L57	US Treasury Note 1.750% Due 09/30/2022	10,500,000.00	01/19/2018 2.39%	10,204,277.34	103.68 0.22%	10,886,778.00 15,563.52	1.74% 682,500.66	Aaa / AA+ AAA	2.42 2.37
912828M80	US Treasury Note 2.000% Due 11/30/2022	8,000,000.00	12/16/2019 1.66%	8,079,062.50	104.54 0.24%	8,363,440.00 66,885.25	1.34% 284,377.50	Aaa / AA+ AAA	2.59 2.51
912828R69	US Treasury Note 1.625% Due 05/31/2023	8,000,000.00	12/23/2019 1.70%	7,978,750.00	104.19 0.26%	8,335,000.00 54,344.26	1.34% 356,250.00	Aaa / AA+ AAA	3.08 3.00

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending April 30, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828V80	US Treasury Note 2.250% Due 01/31/2024	5,650,000.00	Various 2.14%	5,675,003.91	107.29 0.30%	6,061,834.15 31,781.25	0.97% 386,830.24	Aaa / AA+ AAA	3.76 3.60
TOTAL US Treasury		153,475,000.00	1.83%	152,661,539.08	0.19%	157,571,931.83 646,346.39	25.19% 4,910,392.75	Aaa / AA+ Aaa	1.71 1.68
TOTAL PORTFOLIO		596,774,715.18	1.81%	611,525,207.09	0.73%	625,818,751.24 2,395,702.28	100.00% 14,293,544.15	Aa1 / AA+ Aaa	1.46 1.41
TOTAL MARKET VALUE PLUS ACCRUALS						628,214,453.52			

Transactions Ledger

SDCRAA Consolidated - Account #10566

April 1, 2020 through April 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Maturity	04/21/2020	459058FZ1	3,000,000.00	Intl. Bank Recon & Development Note 1.875% Due: 04/21/2020	100.000		3,000,000.00	0.00	3,000,000.00	-20,550.00
Maturity	04/29/2020	62479LDV4	5,000,000.00	MUFG Bank Ltd Discount CP 1.88% Due: 04/29/2020	99.295		5,000,000.00	0.00	5,000,000.00	0.00
	Subtotal		8,000,000.00				8,000,000.00	0.00	8,000,000.00	-20,550.00
Security Withdrawal	04/27/2020	90LAIF\$00	2,000,000.00	Local Agency Investment Fund State Pool	1.000		2,000,000.00	0.00	2,000,000.00	0.00
	Subtotal		2,000,000.00				2,000,000.00	0.00	2,000,000.00	0.00
TOTAL DISPOSITIONS			10,000,000.00				10,000,000.00	0.00	10,000,000.00	-20,550.00

Transactions Ledger for Bonds

SDCRAA Consolidated Bond Reserves - Account #10592

April 1, 2020 through April 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/01/2020	31846V336	3,683,551.00	First American Government Obligation Funds	1.000	0.43%	3,683,551.00	0.00	3,683,551.00	0.00
Purchase	04/01/2020	38142B872	4,787,905.00	Goldman Sachs Financial Square Treasury Solutions Fund	1.000	0.25%	4,787,905.00	0.00	4,787,905.00	0.00
Purchase	04/07/2020	31846V336	1,042,741.00	First American Government Obligation Funds	1.000	0.43%	1,042,741.00	0.00	1,042,741.00	0.00
Purchase	04/22/2020	31846V336	4,720,966.00	First American Government Obligation Funds	1.000	0.43%	4,720,966.00	0.00	4,720,966.00	0.00
	Subtotal		14,235,163.00				14,235,163.00	0.00	14,235,163.00	0.00
TOTAL AQUSITIONS			14,235,163.00				14,235,163.00	0.00	14,235,163.00	0.00
DISPOSITIONS										
Sale	04/07/2020	90SDCP\$00	1,042,741.00	County of San Diego Pooled Investment Pool	1.000	1.98%	1,042,741.00	0.00	1,042,741.00	0.00
Sale	04/22/2020	90SDCP\$00	4,720,966.00	County of San Diego Pooled Investment Pool	1.000	1.98%	4,720,966.00	0.00	4,720,966.00	0.00
	Subtotal		5,763,707.00				5,763,707.00	0.00	5,763,707.00	0.00

Transactions Ledger for Bonds

SDCRAA Consolidated Bond Reserves - Account #10592

April 1, 2020 through April 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp	Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Security Withdrawal	04/01/2020	31846V336	3,683,551.00	First American Government Obligation Funds	1.000			3,683,551.00	0.00	3,683,551.00	0.00
Security Withdrawal	04/01/2020	31846V336	743,658.00	First American Government Obligation Funds	1.000			743,658.00	0.00	743,658.00	0.00
Security Withdrawal	04/01/2020	31846V336	225,960.00	First American Government Obligation Funds	1.000			225,960.00	0.00	225,960.00	0.00
Security Withdrawal	04/01/2020	90SDCP\$00	3,683,551.00	County of San Diego Pooled Investment Pool	1.000			3,683,551.00	0.00	3,683,551.00	0.00
Security Withdrawal	04/01/2020	90SDCP\$00	4,787,905.00	County of San Diego Pooled Investment Pool	1.000			4,787,905.00	0.00	4,787,905.00	0.00
Security Withdrawal	04/06/2020	31846V336	252,748.00	First American Government Obligation Funds	1.000			252,748.00	0.00	252,748.00	0.00
Security Withdrawal	04/06/2020	31846V336	3,060,724.00	First American Government Obligation Funds	1.000			3,060,724.00	0.00	3,060,724.00	0.00
Security Withdrawal	04/06/2020	31846V336	864,711.00	First American Government Obligation Funds	1.000			864,711.00	0.00	864,711.00	0.00
Security Withdrawal	04/07/2020	31846V336	1,042,741.00	First American Government Obligation Funds	1.000			1,042,741.00	0.00	1,042,741.00	0.00
Security Withdrawal	04/07/2020	90SDCP\$00	2,520,630.00	County of San Diego Pooled Investment Pool	1.000			2,520,630.00	0.00	2,520,630.00	0.00
Security Withdrawal	04/07/2020	90SDCP\$00	1,915,318.00	County of San Diego Pooled Investment Pool	1.000			1,915,318.00	0.00	1,915,318.00	0.00

Transactions Ledger for Bonds

SDCRAA Consolidated Bond Reserves - Account #10592

April 1, 2020 through April 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Security Withdrawal	04/08/2020	38142B872	396,351.44	Goldman Sachs Financial Square Treasury Solutions Fund	1.000		396,351.44	0.00	396,351.44	0.00
Security Withdrawal	04/08/2020	38142B872	3,305,053.58	Goldman Sachs Financial Square Treasury Solutions Fund	1.000		3,305,053.58	0.00	3,305,053.58	0.00
Security Withdrawal	04/16/2020	31846V336	2,870,200.00	First American Government Obligation Funds	1.000		2,870,200.00	0.00	2,870,200.00	0.00
Security Withdrawal	04/16/2020	90SDCP\$00	1,087,698.00	County of San Diego Pooled Investment Pool	1.000		1,087,698.00	0.00	1,087,698.00	0.00
Security Withdrawal	04/17/2020	31846V336	281,721.00	First American Government Obligation Funds	1.000		281,721.00	0.00	281,721.00	0.00
Security Withdrawal	04/17/2020	31846V336	4,290,704.00	First American Government Obligation Funds	1.000		4,290,704.00	0.00	4,290,704.00	0.00
Security Withdrawal	04/21/2020	90SDCP\$00	451,468.00	County of San Diego Pooled Investment Pool	1.000		451,468.00	0.00	451,468.00	0.00
Security Withdrawal	04/22/2020	31846V336	5,197,542.00	First American Government Obligation Funds	1.000		5,197,542.00	0.00	5,197,542.00	0.00
	Subtotal		40,662,235.02				40,662,235.02	0.00	40,662,235.02	0.00
TOTAL DISPOSITIONS			46,425,942.02				46,425,942.02	0.00	46,425,942.02	0.00

Important Disclosures

2020 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE permits use of the ICE indices and related data on an "as is" basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Benchmark Disclosures

ICE BAML 0-5 Yr US Treasury Index

The ICE BAML 0-5 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publicly issued by the US government in its domestic market with maturities less than three years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than five years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. (Index: GVQA. Please visit www.mlindex.ml.com for more information)

FINANCE COMMITTEE

Meeting Date: **MAY 21, 2020**

Subject:

Annual Review of Authority Policy 4.40 – Debt Issuance and Management

Recommendation:

Forward this item to the Board with a recommendation to approve amendments to Authority Policy 4.40 - Guidelines for Debt Issuance and Management.

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;

The Vice President/CFO shall be responsible for ensuring the Policy is current and will review the Policy annually, at a minimum.

Current events and the impacts of the COVID-19 pandemic are unprecedented. Target debt affordability indicators for the Authority were established prior to the impacts of the COVID-19 virus. The near term goal (FY2020 and 2021) is to meet rate covenants and to maintain liquidity. Policy updates acknowledge that the Authority will utilize CARES Act grants to pay debt service in FY 2020 and FY 2021 and that the Authority will seek to ensure liquidity targets are not compromised.

The per-EPAX targets established in the Policy will be revisited once future traffic levels are understood. Consequently, staff recommends a COVID-19 statement pertaining to the EPAX Policy Targets to acknowledge that enplanement levels have fallen and are suspending the \$150 Debt per enplanement target in FY 2020 and FY 2021.

Page 2 of 2

In light of the current economic environment the Policy also clarifies that the Authority may choose to voluntarily make Secondary Market Disclosure to the Municipal Securities Rulemaking Board public access web site (EMMA).

Other recommended changes to the policy are minor clarifications and language corrections.

Fiscal Impact:

There is no fiscal impact as a result of the updates to Policy 4.40 Guidelines for Debt Issuance and Management.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

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.

C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

SCOTT BRICKNER
VICE PRESIDENT/CFO

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/CFO: The Vice President/CFO, 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; (ii) 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 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/CFO 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 will be considered, guided by the use of target debt capacity indicators for measuring the affordability of additional borrowing.

The following are the target debt affordability indicators for the Authority established prior to the unprecedented impacts of the COVID-19 virus and related economic downturn on the worldwide aviation industry in general as well as the Authority. While the Authority will regularly reviews and may re-evaluates certain targets from time to time, particularly as the long-term master plan requirements may be defined, it is unclear at this time the impacts of the COVID-19 related downturn on long-term demand for air travel and future traffic levels at the Airport. It is possible, under certain scenarios, that traffic activity may not fully recover to prior levels and that certain industry credit medians, including those related to liquidity, leverage and airline rates, may be materially impacted as a result. For FY 2020 and FY 2021, the main debt policy target for the Authority will be compliance with its rate covenants for its outstanding bonds. Given the unprecedented declines in passenger traffic expected for the fourth quarter of FY 2020 and for FY 2021, enplanement based targets will be suspended as the Authority focuses to meet rate covenants, optimize its liquidity and maintain reasonable rates and charges.

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 Aaggregate Aannual 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.

2) Annual Debt Service Coverage Target

The Authority has established debt service coverage target for its Bonds and Subordinate Obligations (in aggregate) 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 minimum Debt Service Coverage target for Aggregate Debt Service is:

- 1.40x, where PFCs used to pay debt service and the Federal Interest Subsidy, if any, 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 and Other Debt Services

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

The impacts of the COVID-19 virus and resulting economic repercussions will materially impact passenger traffic forecasts. It is, therefore, anticipated that during Fiscal Year 2020 and 2021 the Authority will utilize available CARES Act grants to pay portions of Debt Service.

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 CPE targets.

The impacts of the COVID-19 virus and resulting economic repercussions may materially impact long-term passenger traffic forecasts. If this occurs, the lower level of enplanements may require adjustments to future CPE levels compared to historical medians.

5) Debt Per Enplaned Passenger – Target (excluding Special Facility Financing)

As the Authority advances the definition and scope of the planned Airport Development Program, ~~and the~~ debt (excluding special facility financing) per enplaned passenger (“EPAX”) target will be established that is compatible with the Airport Development Plan of Finance.

The target will be established with reference to 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 enplaned passenger goal of no more than \$150.

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

The impacts of the COVID-19 virus and resulting economic repercussions have caused a dramatic decline in passenger levels, as such FY 2020 and FY 2021 EPAX targets are temporarily suspended. Long-term passenger traffic forecasts may also be materially impacted, if this occurs, the lower level of enplanements may require adjustments to future debt per enplanement levels compared to historical medians.

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 600 days of budgeted operating and maintenance expenses for the current fiscal year.

The impacts of the COVID-19 virus and resulting economic repercussions may materially impact rating agency and investor perceptions of the volatility of airport revenue bond credits. If this occurs, the Authority may need to increase liquidity targets compared to historical medians.

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. The Authority will maintain ratings from at least two of the leading rating agencies for its Senior Lien Airport Revenue Bonds and seek to maintain a rating in the A1/ A+ category.

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 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 [to pay debt service on Bonds and Subordinate Obligations that financed PFC eligible projects.](#)

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, including equipment, 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 or other lending entity to meet certain of its financing needs. A direct loan is made directly with a financial institution or other lending entity 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/CFO 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/CFO 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/CFO 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/CFO 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/CFO 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/CFO 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/CFO 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.

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.

Under current Internal Revenue Code provisions, only a current refunding of tax-exempt bonds is permitted using the proceeds of on-a-tax-exempt bondsasis. A current refunding requires issuing refunding bonds no earlier than ninety (90) days prior to the bond's optional redemption date. An Advance Refunding of tax-exempt bonds is permitted using the proceeds of taxable bonds.

Given the limitations on refunding outstanding tax-exempt bonds, careful attention will be given to pricing considerations and the impact early optional redemption provisions have on pricing.

The following considerations apply when the Authority considers refunding opportunities:

1) Monitor Potential Savings:

The Vice President/CFO 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 minimum guidelines:

<i>Years from the date of first call to Maturity Date of the Bonds</i>	Years to the first Call Date		
	After the First Call Date to Up to 90 Days Before	90 Days to 3 Years Before the First Call Date	More than 3 Years Before the First Call Date
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%

For advance refunding or current refunding utilizing forward delivery bonds, the Authority will also evaluate the efficiency of the refunding opportunity as well as the breakeven analyses of the opportunity relative to a hypothetical current refunding.

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, FRNs and Revolving Credit Facilities.

1) Purposes of Variable Rate Debt

The Vice President/CFO 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 and Revolving Credit Facilities 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, Commercial Paper, FRNs and Revolving Credit Facilities 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/CFO 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/CFO 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/CFO 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/CFO 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/CFO 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/CFO 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/CFO 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, 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;

(I) Bankruptcy, insolvency, receivership or similar event of the obligated person;

(J) Default, event of acceleration, termination event, modification or terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

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.

- (K) 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; and
 - (G) Appointment of a successor or additional trustee or the change of name of a trustee; or
 - (H) Incurrence of a Financial Obligation or the Authority, or agreement to covenants, events of default, remedies, priority rights, of other similar terms of a Financial Obligation of the Authority, any of which affect security holders;
 - (I) Any applicable revision to rule 15c2-12 adopted by the SEC.

SECTION XIII. RATINGS AGENCIES AND INVESTOR RELATIONS

The Vice President/CFO 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/CFO 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, and in certain circumstances involving significant events affecting

the Authority, make voluntary Secondary Market Disclosure pursuant to an EMMA (Electronic Municipal Market Access) filing.

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/CFO 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/CFO shall propose such changes to the President/CEO. Upon President/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 Internal Revenue Code Provisions no tax exempt bonds may be advance refunded on a tax-exempt basis.

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: Interest on tax-exempt private activity bonds (held by individuals, issued after January 1, 2018 is generally subject to the Alternative Minimum Tax (“AMT”) as a specific item of tax preference: provided however certain new money private activity bonds previously issued during the AMT “waiver” period authorized by the American Recovery and Reinvestment Act of 2009 can be current refunded and exempt from AMT.

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 whose name is noted on the bond register.

Bond Insurance: Insurance which provides an additional guarantee of 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) is assigned to the insured bonds and a lower cost of funds may be attained.

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, 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 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.

Financial Obligation: shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities (as defined in the securities Act, as amended) as to which final official statement (as define in the rule) has been provided to the MSRB consistent with the Rule.

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.

Other Debt Service: Any debt obligation of Authority other than Bonds and Special Facility Financing, including commercial paper, other indebtedness of Authority, and all other related requirements.

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.

Revolving Credit Facility: An agreement between a financial institution and the Authority that provides the Authority with the flexibility to drawdown, repay and redraw loans. Loans advanced under the revolving Credit Facility have a variable interest rate.

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 No. 2020-_____ dated _____, 2020.]

[Amended by Resolution No. 2019-0056 dated May 30, 2019.]

[Amended by Resolution No. 2019-0034 dated April 4, 2019.]

[Amended by Resolution No. 2018-0133 dated December 6, 2018.]

[Amended by Resolution No. 2017-0050 dated June 1, 2017.]

[Amended by Resolution No. 2015-0042 dated May 21, 2015.]

[Amended by Resolution No. 2014-0050 dated June 5, 2014.]

[Amended by Resolution No. 2013-0048 dated June 6, 2013.]

[Amended by Resolution No. 2012-0060 dated June 7, 2012.]

[Amended by Resolution No. 2011-0078 dated July 7, 2011.]

[Adopted by Resolution. No. 2010-0046 dated May 6, 2010.]

ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40

DEBT ISSUANCE AND MANAGEMENT POLICY



SAN DIEGO
INTERNATIONAL AIRPORT
LET'S **GO.**

Presented by:
John Dillon,
Director, Financial Management

May 21, 2020

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-COVID-19

Section (IV) Debt Affordability Targets.

- Current debt affordability targets were established prior to the unprecedented effects of the COVID-19 virus
- It is currently unclear what impacts of the COVID-19 related downturn will have long-term demand for air travel
- Certain industry credit medians may be materially impacted as a result
- For FY 2020 and FY 2021, the main debt policy target for the Authority will be compliance with its rate covenants and optimizing liquidity
- Enplanement based targets temporarily suspended

Debt Policy Amendments

Section (IV) (2) Targets for Annual Debt Service Coverage

Added COVID-19 Language to state the Authority's intention to utilize CARE act grant to pay portions of Debt service in FY 2020 and FY 2021

“The impacts of the COVID-19 virus and resulting economic repercussions will materially impact passenger traffic forecasts. It is, therefore, anticipated that during Fiscal 2020 and 2021 the Authority will utilize available CARE Act grants to pay portions of Debt Service”

Debt Policy Amendments

Section (IV)(4) Airline Costs Per Enplaned (CPE) Passenger Target :

Added COVID-19 Language.

“The impacts of the COVID-19 virus and resulting economic repercussions may materially impact long-term passenger traffic forecasts. If this occurs, the lower level of enplanements may require adjustments to future CPE levels compared to historical medians”

Debt Policy Amendments

Section (IV) (5) Debt per Enplanement Target

Added COVID-19 language temporarily suspending target until long term passenger trends are better understood

“The impacts of the COVID-19 virus and resulting economic repercussions have caused a dramatic decline in passenger levels, as such FY 2020 and FY 2021 EPAX targets are temporarily suspended. Long-term passenger traffic forecasts may also be materially impacted, if this occurs, the lower level of enplanements may require adjustments to future debt per enplanement levels compared to historical medians.”

Debt Policy Amendments

Section (IV) (6) Liquidity Target

Added COVID 19 language to signify liquidity importance during current crisis :

“The impacts of the COVID-19 virus and resulting economic repercussions may materially impact rating agency and investor perceptions of the volatility of airport revenue bond credits. If this occurs, airport may need to increase liquidity targets compared to historical medians.”

Debt Policy Amendments

Section XIII. Ratings agencies and investor relations

Clarification that the Authority may choose to voluntarily make Secondary Market Disclosure to the Municipal Securities Rulemaking Board public access web site (EMMA).

“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, **and in certain circumstances involving significant events affecting the Authority, make voluntary Secondary Market Disclosure pursuant to an EMMA (Electronic Municipal Market Access) filing.**”

Action Requested

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

Questions?



FINANCE COMMITTEE

Meeting Date: **MAY 21, 2020**

Subject:

Annual Review of Authority Policy 4.20 - Guidelines for Prudent Investments and Delegation of Authority to Invest and Manage Authority Funds to the Vice President, Chief Financial Officer

Recommendation:

Forward to Board with a recommendation to delegate authority to invest and manage Authority funds to the Vice President, Chief Financial Officer.

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. During the Current COVID-19 pandemic and resulting economic fallout the investment policy has helped ensure the Authority maintains healthy liquidity and preserves investment security.

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, no changes to Policy 4.20 are recommended.

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.

Page 2 of 2

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, Chief Financial Officer 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, CHIEF FINANCIAL OFFICER

ANNUAL REVIEW 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, Chief Financial Officer



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

Presented by:

Geoff Bryant,
Manager, Airport Finance

May 21, 2020

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
 - Pertinent during current COVID-19 crisis.
- 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 – 2020 Updates

- Annual Review of Investment Policy undertaken by Staff, Investment Advisors and Financial Advisors has found no amendments are currently required.

Delegation of Investment Authority

- The board delegates the authority to invest and manage funds to the Vice President, Chief Financial Officer
- This delegation is on a fiscal year basis and subject to renewal by the Board

Action Requested

- Forward Delegation of authority to invest and manage Authority funds to the Vice President, Chief Financial Officer to Board for approval

Questions?



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Item 7

Board Members

C. April Boling
Chairman

Catherine Blakespear
Greg Cox
Mark Kersey
Robert T. Lloyd
Paul McNamara
Paul Robinson
Johanna S. Schiavoni
Mark B. West

Ex-Officio Board Members

Gustavo Dallarda
Col. Charles B. Dockery
Gayle Miller

President / CEO

Kimberly J. Becker

DRAFT **BOARD MEETING** **AGENDA**

Thursday, June 4, 2020
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building
3225 N. Harbor Drive
San Diego, California 92101

This meeting of the Board of the San Diego County Regional Airport Authority Board will be conducted pursuant to the provisions of California Executive Order N-29-20 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Board members will be participating in the meeting electronically. In accordance with the Executive Order, there will be no members of the public in attendance at the Board Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting.

In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Comment on Agenda Items must be submitted to the Authority Clerk at clerk@san.org and indicate the agenda item number you wish to submit your comment for. Comments on specific agenda items may be submitted up until the Chair calls the item. If you indicate in your email that you would like your comment to be read at the meeting, your submitted public comment will be read into the record for 3 minutes or in accordance with the time period established by the Chair. All public comments received up until the time the item is called will be submitted into the written record for the relevant item.

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REQUESTS FOR ACCESSIBILITY MODIFICATIONS OR ACCOMMODATIONS

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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 Board Services 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 Board Services/Authority Clerk Department.

CALL TO ORDER:

ROLL CALL:

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 1-16):

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:

RECOMMENDATION: Approve the minutes of the April 16, 2020 special and May 7, 2020 regular meetings.

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:

RECOMMENDATION: Accept the reports and pre-approve Board Member attendance at other meetings, trainings and events not covered by the current resolution.

(Board Services: Tony R. Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 8, 2020 THROUGH MAY 10, 2020 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 8, 2020 THROUGH MAY 10, 2020:

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

- 4. JUNE 2020 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2020-00___, approving the June 2020 Legislative Report.
(Government Relations: Matt Harris, Director)
- 5. GRANT AN EASEMENT FOR WATER SERVICE TO THE CITY OF SAN DIEGO:**
RECOMMENDATION: Adopt Resolution No. 2020-00___, authorizing the President/CEO to negotiate and execute an easement for water service with the City of San Diego in support of the Airline Support Building.
(Revenue Generation & Partnership Development: Jim DeCock, Acting Director)
- 6. APPROVE REAPPOINTMENTS TO THE ARTS ADVISORY COMMITTEE:**
RECOMMENDATION: Adopt Resolution No. 2020-00___, approving the reappointment of Jennifer Easton and Cris Scorza to the Arts Advisory Committee.
(Customer Experience & Innovation: Chris Chalupsky, Senior Manager, Arts Program)
- 7. CONTINUE THE DECLARATION OF A LOCAL EMERGENCY IN RESPONSE TO THE SERIOUS AND IMMINENT THREAT OF THE NOVEL CORONAVIRUS (COVID-19):**
RECOMMENDATION: Adopt Resolution Number 2020-00___, confirming the need to continue the Declaration of a Local Emergency.
(Legal: Amy Gonzalez, General Counsel)

CLAIMS

- 8. REJECT THE CLAIM OF SHIRLEY HORTON:**
RECOMMENDATION: Adopt Resolution No. 2020-00___, rejecting the claim of Shirley Horton.
(Legal: Amy Gonzalez, General Counsel)
- 9. REJECT THE CLAIM OF PRISCILLA ALLEN:**
RECOMMENDATION: Adopt Resolution No. 2020-00___, rejecting the claim of Priscilla Allen.
(Legal: Amy Gonzalez, General Counsel)
- 10. REJECT THE CLAIM OF GIUSEPPE TERRANOVA:**
RECOMMENDATION: Adopt Resolution No. 2020-00___, rejecting the claim of Giuseppe Terranova.
(Legal: Amy Gonzalez, General Counsel)

COMMITTEE RECOMMENDATIONS

- 11. FISCAL YEAR 2020 THIRD QUARTER REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
(Audit: Lee Parravano, Chief Auditor)
- 12. REVISION TO THE FISCAL YEAR 2020 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board Adopt Resolution No. 2020-00___, approving the revised audit plan.
(Audit: Lee Parravano, Chief Auditor)
- 13. FISCAL YEAR 2021 RISK ASSESSMENT AND PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board Adopt Resolution No. 2020-00___, approving the proposed audit plan.
(Audit: Lee Parravano, Chief Auditor)
- 14. ANNUAL REVIEW OF AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:**
RECOMMENDATION: Adopt Resolution No. 2020-00___, approving amendments to Authority Policy 4.40 - Guidelines for Debt Issuance and Management.
(Financial Management: John Dillon, Director)
- 15. ANNUAL REVIEW OF AUTHORITY POLICY 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, CHIEF FINANCIAL OFFICER:**
RECOMMENDATION: Adopt Resolution No. 2020-00___, accepting the review of Authority Policy 4.20 - Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Chief Financial Officer.
(Financial Management: John Dillon, Director)

CONTRACTS AND AGREEMENTS

- 16. RESCIND RESOLUTION NO. 2020-0056, AND APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH WORLDPAY, LLC FOR MERCHANT CREDIT CARD SERVICES:**
RECOMMENDATION: Rescind Resolution No. 2020-0056, and Adopt Resolution No. 2020-00___, approving and authorizing the President/CEO to Negotiate and Execute an Agreement with Worldpay, LLC for Merchant Credit Card Services.
(Financial Management: John Dillon, Director)

CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

17. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2021, THE CAPITAL PROGRAM FOR FISCAL YEAR 2021-2025, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2022:

RECOMMENDATION: Adopt Resolution No. 2020-00__, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2021, the Capital Program for Fiscal Years 2021-2025, and conceptually approving the Operating Budget for Fiscal Year 2021.

(Financial Management: John Dillon, Director)

CLOSED SESSION:

18. 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

19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: Future DB International, Inc. v. San Diego County Regional Airport Authority, et al.

San Diego Superior Court Case No. 37-2018-00001531-CU-CR-CTL

20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: Park Assist LLC v. San Diego County Regional Airport Authority, et al.

United States District Court Case No. 18 CV2068 LAB MDD

21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: M.W. Vasquez Construction Co. Inc. v. San Diego County Regional Airport Authority, et al.

San Diego Superior Court Case No. 37-2019-000215

22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: Quiet Skies San Diego v. San Diego County Regional Airport Authority

San Diego Superior Court Case No. 37-2020-00007998-CU-TT-CTL

- 23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 2
- 24. 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
- 25. 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
- 26. 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: 1
- 27. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Order No. WQ 2019-0005-DWQ by the State Water Resources Control Board pertaining to PFAS
Number of potential cases: 1
- 28. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Approximately 7.5 acres of land located on the north side of the San Diego International Airport property, north-east of Taxiway C
Agency Negotiators: Scott Brickner, John Dillon, Hampton Brown, Eric Podnieks
Negotiating Parties: AFCO, Chuck Stipancic
Under Negotiation: price and terms of payment
- 29. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Airline Operating and Lease Agreement-San Diego International Airport
Agency Negotiators: Kim Becker, Scott Brickner, John Dillon, Kathy Kiefer, Amy Gonzalez
Negotiating Parties: Air Canada, Alaska Airlines, Allegiant Airlines, American Airlines, AmeriFlight, Atlas Air, British Airways, Delta Airlines, Edelweiss, FedEx, Frontier Airlines, JetBlue Airlines, Lufthansa, Southwest Airlines, Spirit, Sun Country, Japan Airlines, United Airlines, UPS, West Air, West Jet
Hawaiian Airlines
Under Negotiation: Price and Terms of Payment

- 30. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Food & Beverage and Retail Concession Leases - San Diego International Airport
Agency Negotiators: Kim Becker, Scott Brickner, Hampton Brown, Jim DeCock
Negotiating Parties: SSP American Inc., HG-CV Epicure Martinez San Diego, Mission Yogurt Inc., Host International, Inc., PGC-PCI San Diego, Paradies-San Diego LLC, ZoomSystems Inc., InMotion Entertainment Group, LLC, SFS Beauty CA, LLC, SFS Investors JV, Spa Didicus, Inc., Stellar Partners, Inc,
Under Negotiation: Price and Terms of Payment
- 31. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: 3355 ADMIRAL BOLAND WAY, SAN DIEGO CA 92101
Agency Negotiators: Kim Becker, Scott Brickner, Hampton Brown, Lisa Poitras
Negotiating Parties: Avis Budget Rental Car LLC; Enterprise Rent-A-Car Company of Los Angeles, LLC; The Hertz Corporation, Fox Rent-A-Car, Inc.; Nevada Lease and Rentals, Inc. dba Payless Car Rental System; Sixt Rent A Car LLC; Advantage Opco, LLC dba Advantage Rent A Car
Under Negotiation: Price and Terms of Payment
- 32. CONFERENCE WITH LABOR NEGOTIATORS:**
(Cal. Gov. Code section 54957.6)
Agency designated representatives: Angela Shafer-Payne, Lola Barnes, Greg Halsey, Rod Betts
Employee organization: California Teamsters Local 911
- 33. THREAT TO PUBLIC SERVICES OR FACILITIES:**
Consultation with: General Counsel and President/CEO

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 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.
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- 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.
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SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Item 8

Revised 05/20/2020

DRAFT **AIRPORT LAND USE COMMISSION** **AGENDA**

Thursday, June 4, 2020
9:00 AM or immediately following the Board Meeting

San Diego International Airport
SDCRAA Administration Building
Board Room
3225 N. Harbor Drive
San Diego, California 92101

Board Members

C. April Boling
Chairman

Catherine Blakespear
Greg Cox
Mark Kersey
Robert T. Lloyd
Paul McNamara
Paul Robinson
Johanna S. Schiavoni
Mark B. West

Ex-Officio Board Members

Gustavo Dallarda
Col. Charles B. Dockery
Gayle Miller

President / CEO

Kimberly J. Becker

This meeting of the Board of the San Diego County Regional Airport Authority Board will be conducted pursuant to the provisions of California Executive Order N-29-20 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Board members will be participating in the meeting electronically. In accordance with the Executive Order, there will be no members of the public in attendance at the Board Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting.

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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 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.

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CALL TO ORDER:

ROLL CALL:

NON-AGENDA PUBLIC COMMENT:

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CONSENT AGENDA (Items 1-2):

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:

RECOMMENDATION: Approve the minutes of the May 7, 2020 meeting.

CONSISTENCY DETERMINATIONS

- 2. REPORT OF DETERMINATIONS OF CONSISTENCY WITH AIRPORT LAND USE COMPATIBILITY PLANS: SAN DIEGO INTERNATIONAL AIRPORT 530 42ND STREET, CITY OF SAN DIEGO, 321 IVY STREET AND 2100 & 2102 4TH AVENUE, CITY OF SAN DIEGO, AND 1332-1334 BANCROFT STREET, CITY OF SAN DIEGO; MARINE CORPS AIR STATION MIRAMAR & MONTGOMERY-GIBBS EXECUTIVE AIRPORT KEARNY MESA COMMUNITY PLAN, CITY OF SAN DIEGO; MCCLELLAN-PALOMAR AIRPORT ZONING CODE AMENDMENT ON DENSITY BONUSES, CITY OF CARLSBAD, AND ZONING CODE AMENDMENT ON ACCESSORY DWELLING UNITS, CITY OF CARLSBAD:**

RECOMMENDATION: Receive the report.

(Planning & Environmental Affairs: Ralph Redman)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

COMMISSION COMMENT:

ADJOURNMENT:

**Policy for Public Participation in Board, Airport Land Use Commission (ALUC),
and Committee Meetings (Public Comment)**

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Revised 05/18/2020

**San Diego County Regional Airport Authority
FY 2021 Proposed Budget &
FY 2022 Proposed Conceptual Budget**



SAN DIEGO
INTERNATIONAL AIRPORT

LET'S **GO.**

Budget Workshop

May 21, 2020

Agenda

1. COVID-19 Financial Impact
2. Economic, Industry and Credit Overview
3. Budget Process
4. Budget Overview
 - Revenue
 - Expense
5. Capital Program Budget
6. Plan of Finance FY 2021-2025
7. Conclusion

COVID-19 Financial Impact

- Passenger volumes at SAN have plummeted to historic lows as a result of COVID-19 pandemic
- March, 2020 enplanements are lower by 54% vs. March, 2019
- Preliminary activity data indicates significant continuous declines at SAN:
 - April forecasted to be 95% lower than prior year
 - May-to-date down 94% vs 2019
- Significant reductions in non-airline revenue, Passenger Facility Charges (PFCs) and Customer Facility Charges (CFCs)
- Financial Resilience Plan measures have been implemented
- The Authority was awarded \$91.2M of CARES Act Grant
- Staff reviewing Operating Expense Forecast, Cash Forecast and Capital Plan to ensure reasonable financial performance maintained (as measured by debt service coverage, liquidity and airline cost per enplanement)
- The Authority has offered payment deferrals and waivers to its tenants



Economic, Industry and Credit Overview



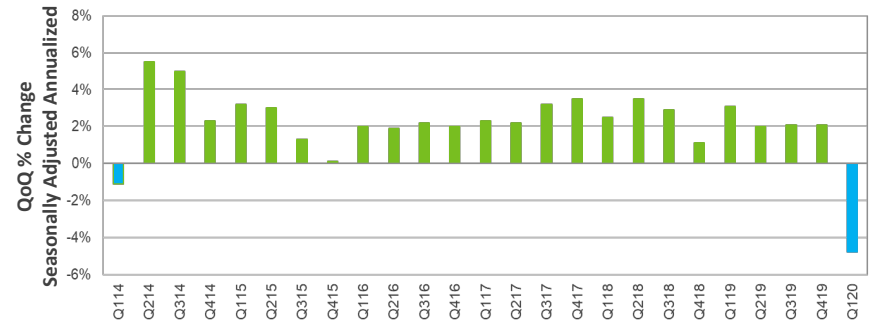
SAN DIEGO
INTERNATIONAL AIRPORT.

LET'S GO.

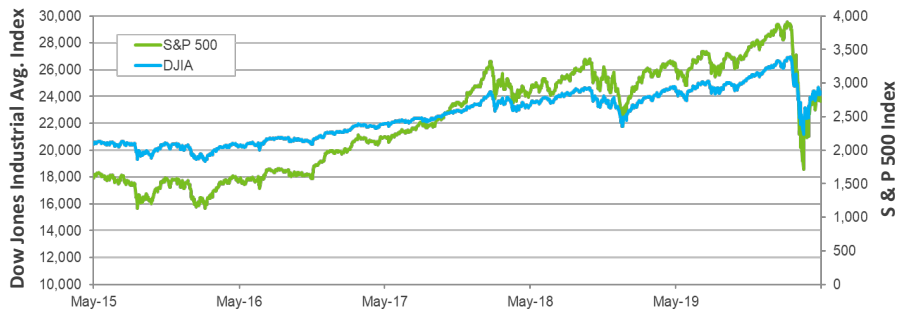
US Economy Growth

- Main economic indicators declined:
 - 1st Quarter of 2020 U.S. GDP declined 4.8%
 - As of April 2020, U.S. unemployment increased to 14.7%, the highest since Great Depression
 - San Diego unemployment is up 4.1% for March 2020 from 3.5% last year
 - YTD as of May 7th, equity markets are down:
 - DJIA: 16.3%
 - S&P 500: 10.8%

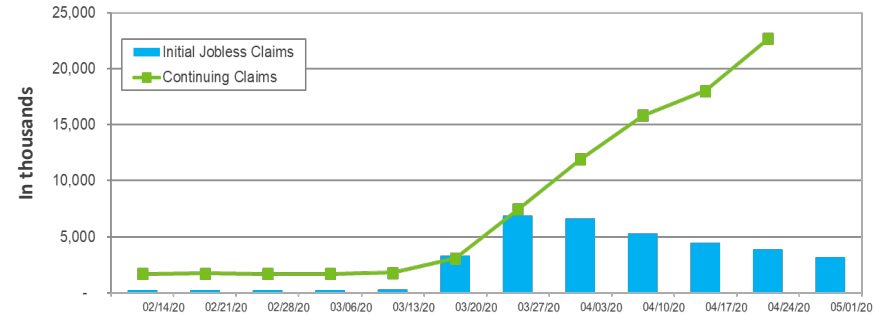
U.S. Gross Domestic Product



Dow Jones Industrial Avg. and S&P 500 Indices



U.S. Unemployment Rates



Source – Bloomberg

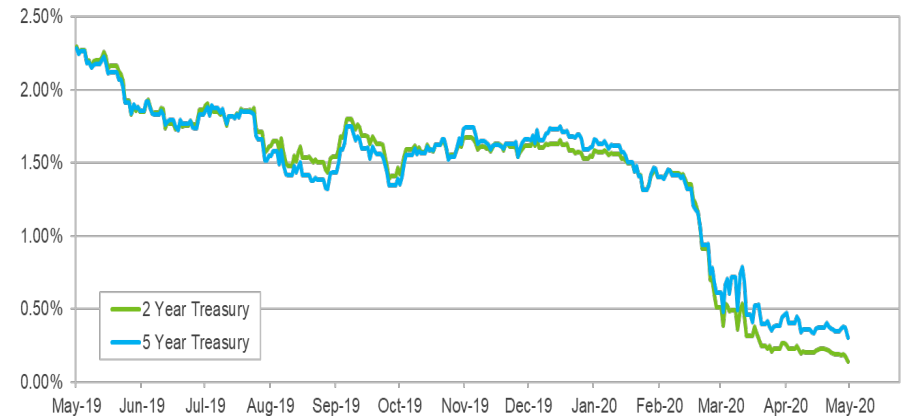
Oil Prices & Interest Rates decreased

- Current oil price settled in the \$23+/- range per barrel, well below its 12-month average of \$49.99
- Treasury yields have declined. The yield on 5-year Treasuries has declined about 139 basis points year-to-date, and the yield on 2-year Treasuries has declined about 143 basis points.

WTI Crude Oil Price (Per Barrel)



U.S. Treasury Yields



Airline Industry Overview

- In Calendar Year (CY) 2019, all major U.S. airlines reporting to date have recorded a profit despite the significant loss of revenues due to the effects of MAX grounding
- As of the end of Q1 2020, due to COVID-19 pandemic passengers throughput was down 93% from the same time last year. Passenger traffic continued to fall by about 95% in April 2020.
- Passenger traffic is declining much faster than airlines can cut capacity, with capacity cut about 56% and traffic down 93-95%
- The year-over-year change in net bookings (sales transactions minus refunds) became negative in late February, and is currently down over 100%
- Domestic U.S. flights are carrying 23 passengers on average in the first week of May, down from 85-100 passengers pre-COVID-19

Airline Industry Overview

- Federal Government Support – CARES Act: \$25 billion in Payroll Support Program grants and loans and up to \$25 billion available for loans to U.S. airlines
- Airlines are focused on reducing cash burn and enhancing their liquidity – actions include capacity cuts, consolidating airport facilities, negotiating with vendors, and raising funds via capital markets
- Incremental liquidity raised post-COVID 19: ¹

American: \$11.6B

Southwest: \$14.4B

Delta: \$19.5B

United: \$13.5B

- Q1 2020 Net Profit (excluding special items): ²

American: (\$1.1B)

Southwest: (\$0.8B)

Delta: (\$0.3B)

United: (\$0.6B)

Rating Agencies US Airports Outlook

Moody's, Fitch, and S&P – Negative

Key drivers:

- Government-imposed travel restrictions and sharp airline capacity reductions dramatically reduce air traffic volumes
- Financial pressures facing airlines in the US and abroad could impair ability to its share of full cost recovery obligations under existing airline leases
- Weakened economic conditions may temper leisure travel; business travel may also be curtailed
- Liquidity risk may emerge for those airports using funds to offset declines in airline and non-aeronautical revenues as traffic reductions persist
- The unprecedented requests for assistance from the federal government by both the air carriers and the airports are indicative of the mutual strains suffered in the aviation industry and demonstrate a clear signal of the present financial pressures

SDCRAA Strong Credit

Fitch: AA- Senior and A+ Subordinate ratings with a negative outlook

S&P: A+ and A Subordinate ratings with a negative outlook; A rating for special facility bonds with a negative outlook



Budget Process



Budget Process



Expense Budget

- Review current expenses
- Discuss future needs
- Consider alternative methods and solutions
- Identify risks and opportunities
- *COVID-19 impact: FY 21 budget was align with financial resilience plan implementation*



Revenue Budget

- Review current non airline revenue trends
- Forecast future enplanements and landed weight growth
- Meet with internal business partners to evaluate future trends
- Review expense budget, amortization and debt service allocations to calculate airlines rates, fees and charges
- *Evaluate COVID-19 impacts revenue*



Capital Budget

- Annual validation of current CIP
- Planning for future needs (new CIP projects)
- Project cost estimation and evaluation of funding sources
- Business Case analysis
- *COVID-19 impact: Deferral of non-regulatory and non-essential projects*



Financial Metrics Review

- Cost per Enplaned Passenger (CPE)
- Debt Service Coverage
- Debt per Enplaned Passenger
- Days Cash on Hand (DCOH)

Review and prioritize for consistency with Strategic Plan



Budget Overview





Revenue Budget Overview



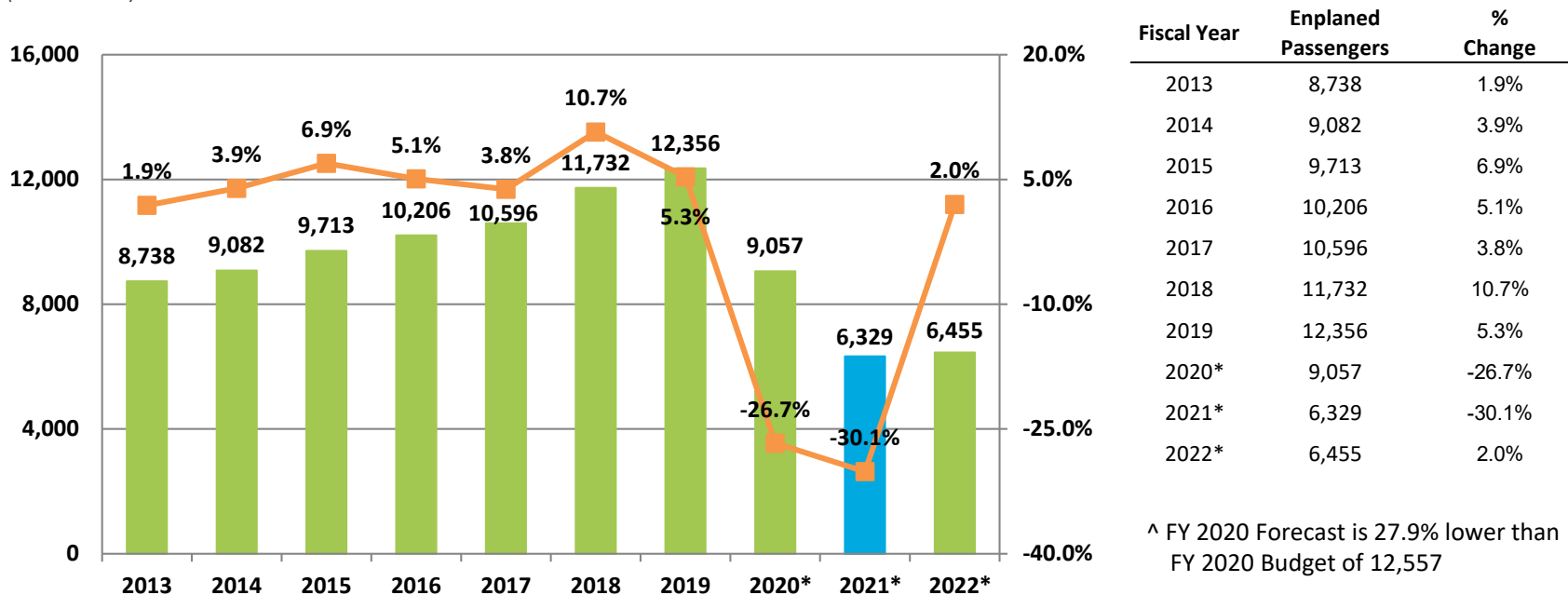
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Annual Enplaned Passenger Traffic

- FY 2021 Proposed Budget of 6.3M, 30.1% decrease vs. FY 2020 Forecast of 9.1M
- FY 2022 Proposed Conceptual Budget of 6.5M, 2% increase vs. FY 2021 Budget of 6.3M

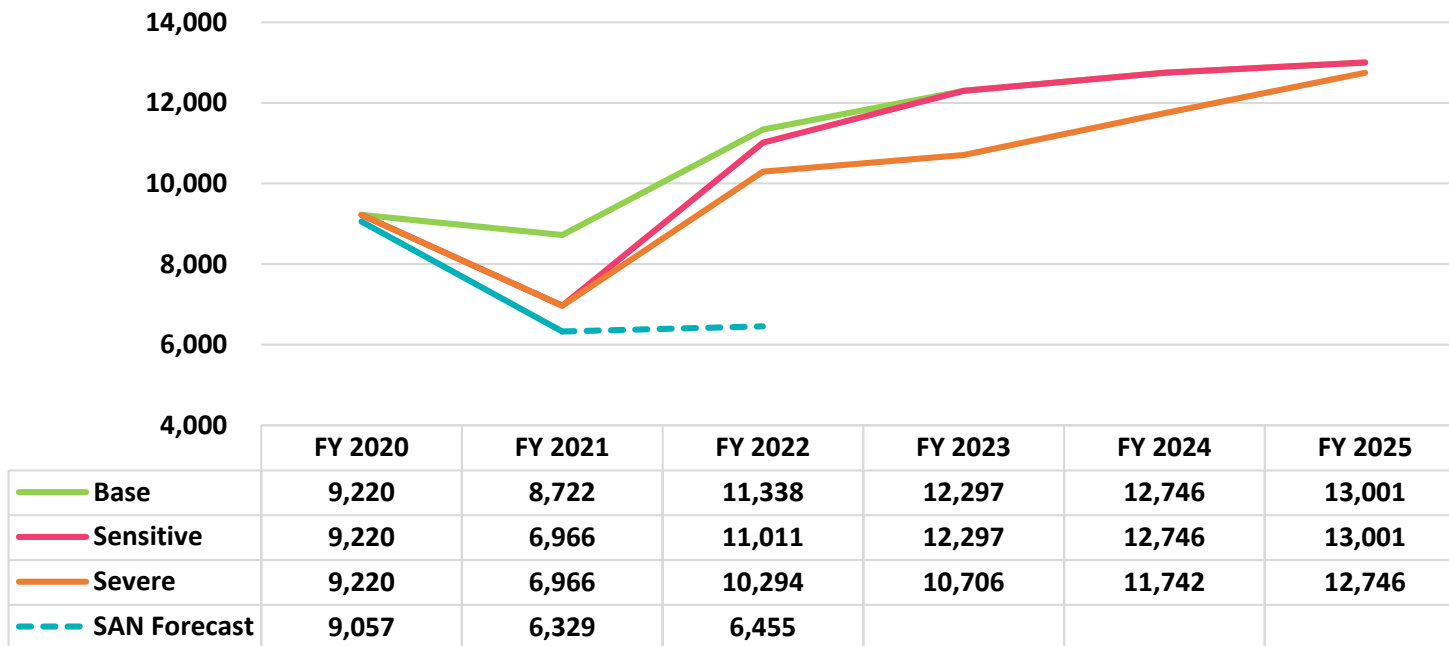
(in thousands)



^ FY 2020 Forecast is 27.9% lower than FY 2020 Budget of 12,557

Fitch Enplanement Forecast Scenarios

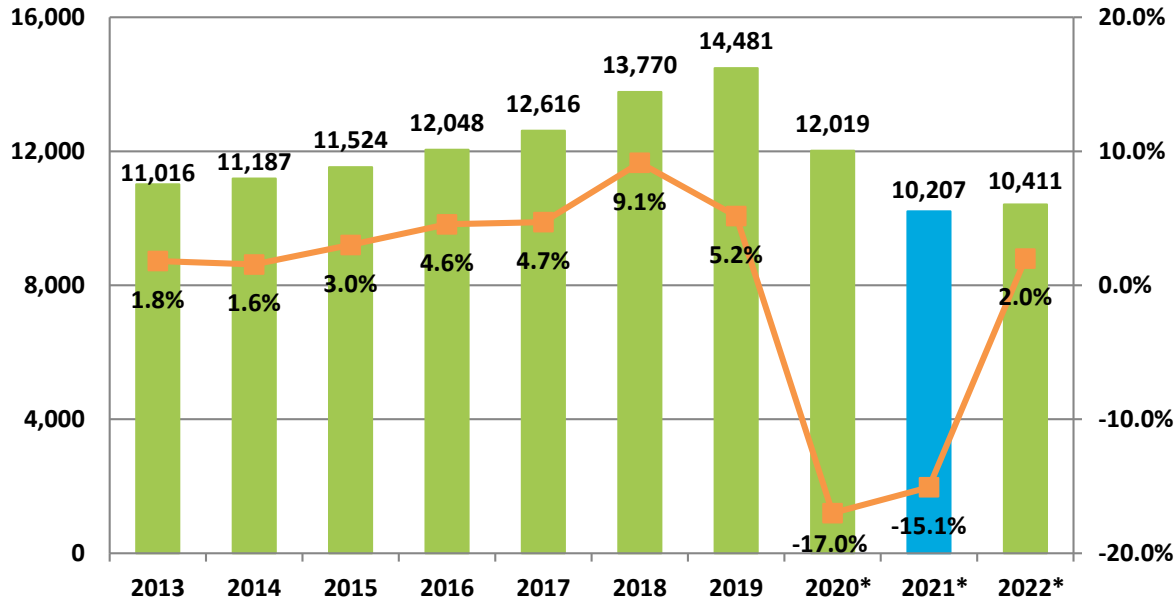
(in thousands)



Landed Weight

- FY 2021 Proposed Budget of 10.2M, 15.1% decrease vs. FY 2020 Forecast of 12.0M
- FY 2022 Proposed Conceptual Budget of 10.4M, 2.0% increase vs. FY 2021 Budget of 10.2M

(in millions)



Fiscal Year	Landed Weight In million lbs.	% Change
2013	11,016	1.8%
2014	11,187	1.6%
2015	11,524	3.0%
2016	12,048	4.6%
2017	12,616	4.7%
2018	13,770	9.1%
2019	14,481	5.2%
2020*	12,019	-17.0%
2021*	10,207	-15.1%
2022*	10,411	2.0%

^ FY 2020 Forecast is 18.4% lower than FY 2020 Budget of 14,732

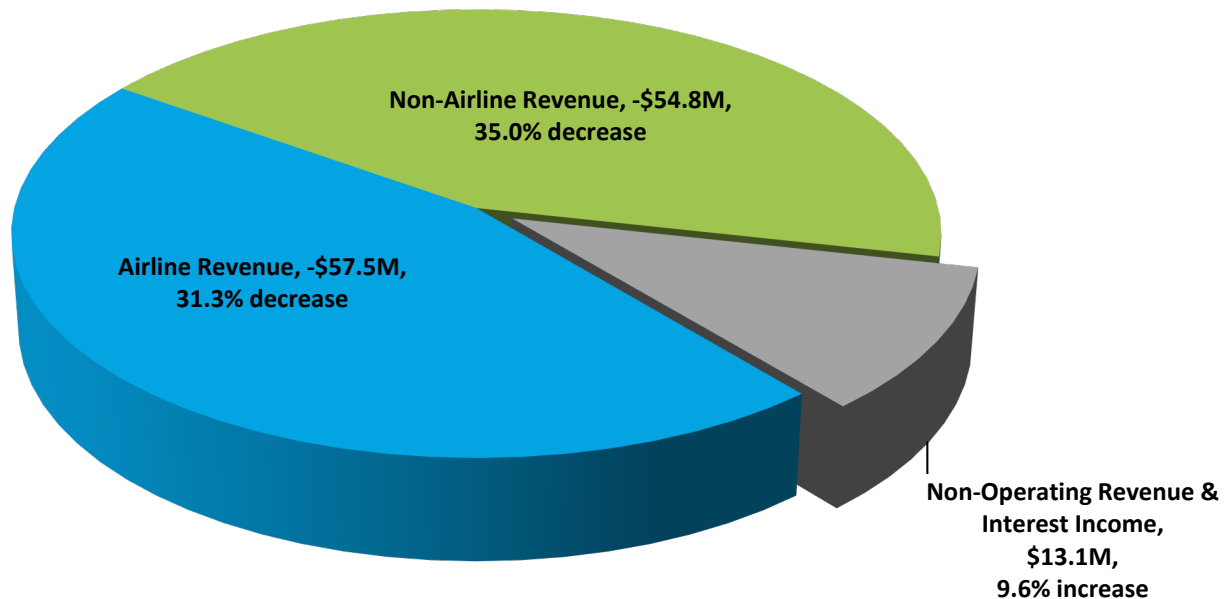
FY 2021 – FY 2022 Revenue Budget Summary

(in thousands)

	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
Operating Revenue								
Airline Revenue								
Landing Fees	\$ 32,848	\$ 47,170	\$ 29,815	\$ (17,355)	-36.8%	\$ 52,876	\$ 23,061	77.3%
Aircraft Parking Fees	3,471	11,839	7,454	(4,385)	-37.0%	13,219	5,765	77.3%
Building Rentals	96,438	115,057	81,836	(33,222)	-28.9%	118,853	37,017	45.2%
Common Use Fees	1,408	9,688	7,230	(2,459)	-25.4%	9,822	2,592	35.9%
Other Aviation Revenue	188	185	91	(93)	-50.4%	93	2	2.0%
Total Airline Revenue	134,354	183,939	126,426	(57,514)	-31.3%	194,864	68,438	54.1%
Non-Airline Revenue								
Terminal Rent Non-Airline	2,163	2,158	2,515	357	16.5%	2,520	5	0.2%
Terminal Concessions	30,102	30,211	21,237	(8,973)	-29.7%	27,155	5,918	27.9%
Rental Car License Fees	34,305	35,676	22,718	(12,958)	-36.3%	28,883	6,165	27.1%
License Fees - Other	6,850	6,531	3,535	(2,996)	-45.9%	3,961	426	12.0%
Parking Revenue	46,585	43,010	22,454	(20,556)	-47.8%	22,148	(306)	-1.4%
Ground Transportation Permits and Citations	16,233	20,312	9,662	(10,650)	-52.4%	11,045	1,383	14.3%
Ground Rentals	20,647	17,328	18,350	1,022	5.9%	20,628	2,279	12.4%
Grant Reimbursements	450	307	296	(11)	-3.6%	296	-	0.0%
Other Operating Revenue	1,990	1,055	1,070	15	1.4%	1,080	11	1.0%
Total Non-Airline Revenue	159,325	156,588	101,836	(54,752)	-35.0%	117,716	15,880	15.6%
Total Operating Revenue	293,679	340,527	228,262	(112,266)	-33.0%	312,580	84,318	36.9%
Interest Income	16,812	17,835	7,582	(10,253)	-57.5%	11,708	4,126	54.4%
Non-Operating Revenue								
Passenger Facility Charges	49,198	49,629	24,170	(25,459)	-51.3%	24,654	483	2.0%
Customer Facility Charges	41,919	41,509	20,739	(20,771)	-50.0%	21,153	415	2.0%
Quieter Home Program	11,550	11,981	12,181	200	1.7%	12,101	(80)	-0.7%
BAB Interest Rebate	4,686	4,686	-	(4,686)	-100.0%	-	-	0.0%
CARES Act Grant	-	-	73,813	73,813	0.0%	-	(73,813)	-100.0%
Capital Grant Contributions	8,213	10,642	10,912	270	2.5%	18,219	7,306	67.0%
Other Non Operating Revenue	8,211	(10)	(10)	-	0.0%	(10)	-	0.0%
Total Non-Operating Revenue	123,777	118,439	141,805	23,367	19.7%	76,117	(65,688)	-46.3%
Total Revenue	\$ 434,268	\$ 476,801	\$ 377,649	\$ (99,152)	-20.8%	\$ 400,405	\$ 22,756	6.0%

FY 2021 Budget Revenue Decrease vs. FY 2020 Budget

-\$99.2M (-20.8%)



Total FY 2021 Budget is \$377.6M

FY 2021 Revenue Budget Summary

(in thousands)

	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 vs FY20 Budget	% Change
Operating Revenue					
Airline Revenue					
Landing Fees	\$ 32,848	\$ 47,170	\$ 29,815	\$ (17,355)	-36.8%
Aircraft Parking Fees	3,471	11,839	7,454	(4,385)	-37.0%
Building Rentals	96,438	115,057	81,836	(33,222)	-28.9%
Common Use Fees	1,408	9,688	7,230	(2,459)	-25.4%
Other Aviation Revenue	188	185	91	(93)	-50.4%
Total Airline Revenue	134,354	183,939	126,426	(57,514)	-31.3%

- **Landing Fees:** due to decreases in airfield operations expenses, debt service and amortization of cash funded projects, as well as deferral of Major Maintenance Fund (MMF)
- **Aircraft Parking Fees:** due to decreases in airfield operations expenses, debt service and amortization of cash funded projects, as well as deferral of MMF
- **Building Rentals:** due to decreases in terminal operations expenses, debt service and amortization of cash funded projects, as well as deferral of MMF
- **Common Use:** due to decrease in terminal rental rate and common use maintenance

FY 2021 Revenue Budget Summary

(in thousands)

	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 vs FY20 Budget	% Change
Operating Revenue					
Non-Airline Revenue					
Terminal Rent Non-Airline	2,163	2,158	2,515	357	16.5%
Terminal Concessions	30,102	30,211	21,237	(8,973)	-29.7%
Rental Car License Fees	34,305	35,676	22,718	(12,958)	-36.3%
License Fees - Other	6,850	6,531	3,535	(2,996)	-45.9%
Parking Revenue	46,585	43,010	22,454	(20,556)	-47.8%
Ground Transportation Permits and Citations	16,233	20,312	9,662	(10,650)	-52.4%
Ground Rentals	20,647	17,328	18,350	1,022	5.9%
Grant Reimbursements	450	307	296	(11)	-3.6%
Other Operating Revenue	1,990	1,055	1,070	15	1.4%
Total Non-Airline Revenue	159,325	156,588	101,836	(54,752)	-35.0%

- **Terminal Concessions:** reflecting reduced enplanements and recent Board-approved waivers through September
- **Rental Car License Fees:** reflecting reduced enplanements and recent Board-approved waivers through September
- **License Fees – Other:** due to decrease in enplanements
- **Parking Revenue:** due to decrease in enplanements and closure of Harbor Drive lot and valet
- **Ground Transportation Revenue:** due to decrease in enplanements
- **Ground Rentals:** due to new cargo carrier agreement signed in FY20

FY 2021 Revenue Budget Summary

<i>(in thousands)</i>	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 vs FY20 Budget	% Change
Interest Income	16,812	17,835	7,582	(10,253)	-57.5%
Non-Operating Revenue					
Passenger Facility Charges	49,198	49,629	24,170	(25,459)	-51.3%
Customer Facility Charges	41,919	41,509	20,739	(20,771)	-50.0%
Quieter Home Program	11,550	11,981	12,181	200	1.7%
BAB Interest Rebate	4,686	4,686	-	(4,686)	-100.0%
CARES Act Grant	-	-	73,813	73,813	0.0%
Capital Grant Contributions	8,213	10,642	10,912	270	2.5%
Other Non Operating Revenue	8,211	(10)	(10)	-	0.0%
Total Non-Operating Revenue	123,777	118,439	141,805	23,367	19.7%
Total Revenue	\$ 434,268	\$ 476,801	\$ 377,649	\$ (99,152)	-20.8%

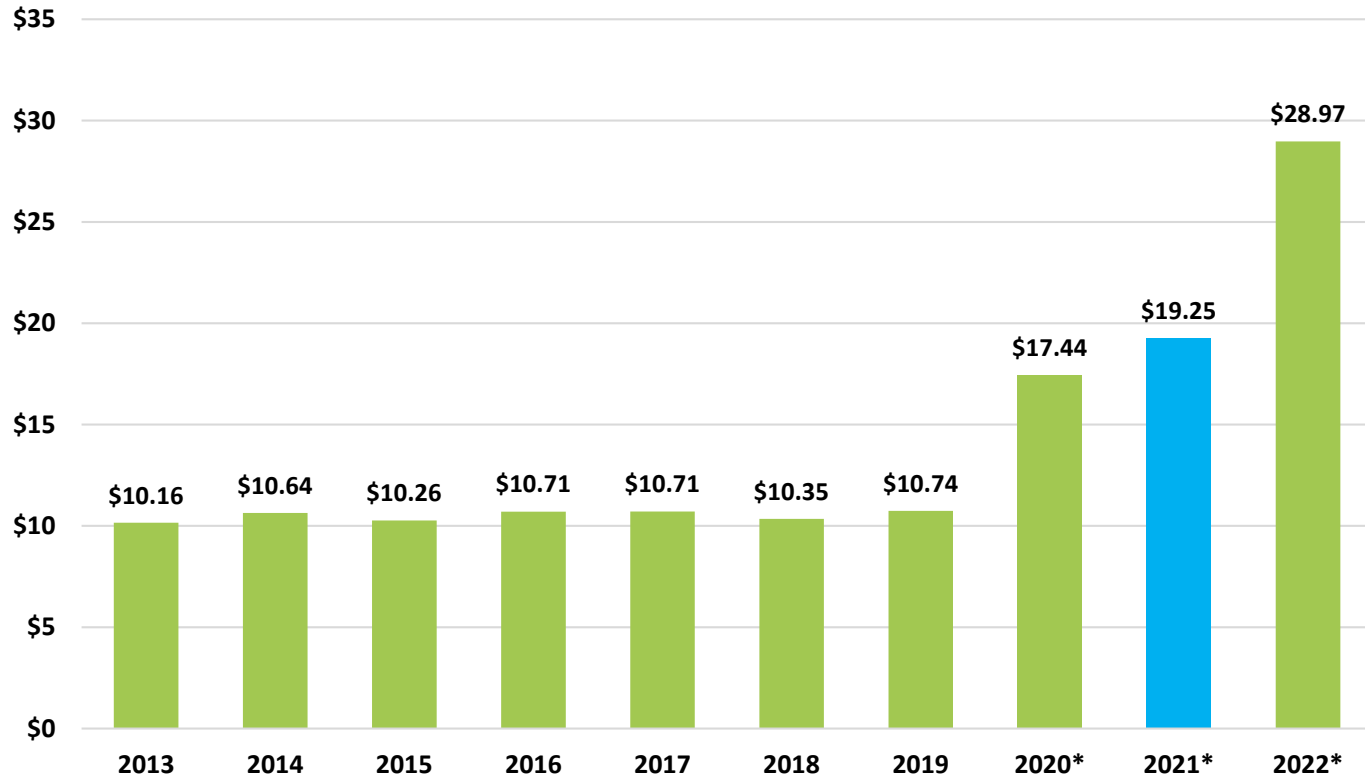
- **Interest Income:** due to decrease in interest rates and cash balances
- **PFCs:** due to lower enplanements
- **CFCs:** due to lower enplanements
- **Build America Bonds (BAB) Interest Rebate:** due to refinancing of the 2010 BAB bonds
- **CARES Act Grant:** will be used to pay debt service and operating expenses

Non Airline Revenue Risk Factors

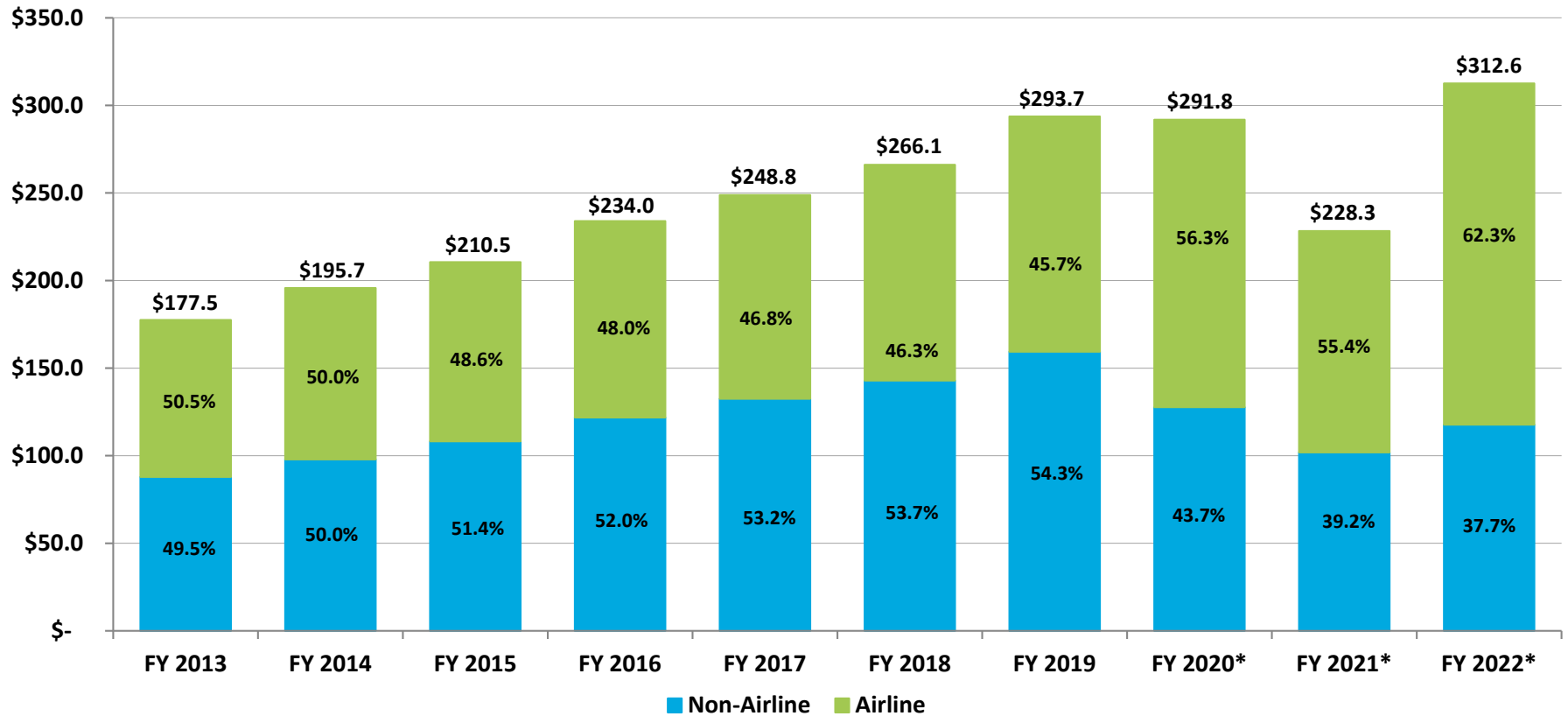
There are additional factors that may cause a shortfall in budgeted non-airline revenue

- Slower enplanements recovery
- Potential bankruptcies and increase in bad debt
- Payments at risk
 - \$35M due to potential non payment (e.g. bankruptcy)
 - For every million enplanements shortfall vs. budget additional \$9M of revenue at risk
- Loss of revenue vs. Budget
 - FY 2020- approximately \$30M
 - FY 2021- between \$60M and \$100M

Airline Cost Per Enplaned Passenger



Operating Revenue FY 2013 – FY 2022





Expense Budget Overview

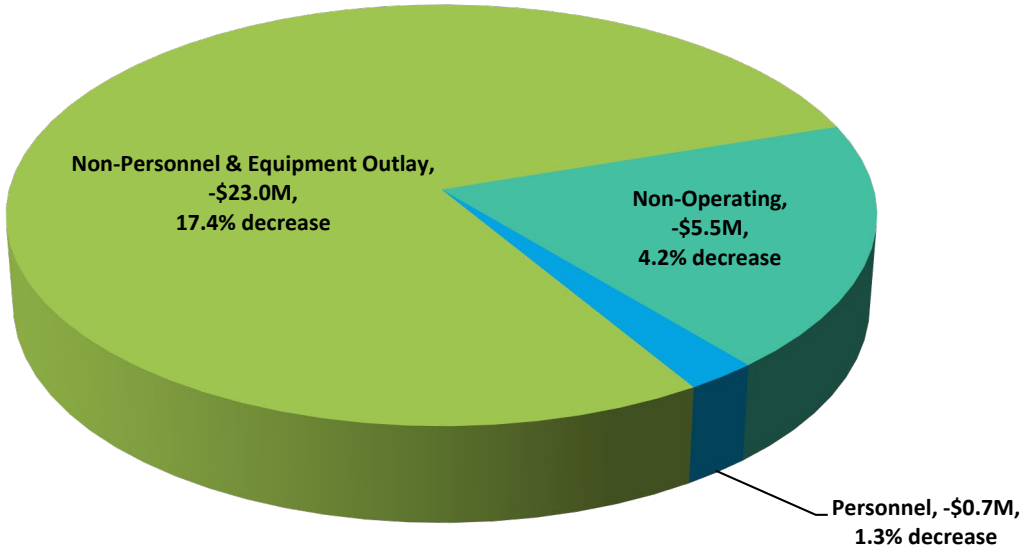
FY 2021 - FY 2022 Budget Expense Summary

(in thousands)

	FY2019 Actuals	FY2020 Budget	FY2021 Budget	Inc / (Dec) FY21 vs FY20 Budget	% Change	FY2022 Conceptual Budget	Inc / (Dec) FY22 Conceptual vs FY21 Budget	% Change
Operating Expenses								
Salaries & Wages	\$ 36,166	\$ 38,580	\$ 37,116	\$ (1,464)	-3.8%	\$ 39,973	\$ 2,858	7.7%
Overtime	829	869	669	(200)	-23.1%	665	(4)	-0.6%
Benefits	17,972	18,987	19,556	569	3.0%	20,673	1,117	5.7%
Subtotal	54,967	58,436	57,340	(1,096)	-1.9%	61,311	3,971	6.9%
Less: Capitalized Labor Recharge	(4,694)	(5,324)	(4,968)	357	-6.7%	(5,846)	(879)	17.7%
Less: QHP Labor Recharge	(695)	(578)	(532)	46	-8.0%	(644)	(112)	21.1%
Total Personnel Costs	49,578	52,533	51,841	(693)	-1.3%	54,820	2,980	5.7%
Contractual Services	49,903	47,994	29,071	(18,923)	-39.4%	32,785	3,714	12.8%
Safety and Security	31,397	34,004	34,176	172	0.5%	35,871	1,695	5.0%
Space Rental	10,191	10,191	10,203	12	0.1%	10,203	-	0.0%
Utilities	13,194	14,385	14,299	(86)	-0.6%	14,838	540	3.8%
Maintenance	13,436	13,189	12,433	(756)	-5.7%	12,458	25	0.2%
Operating Equipment & Systems	375	335	339	5	1.4%	332	(8)	-2.3%
Operating Supplies	656	630	624	(6)	-1.0%	663	39	6.3%
Insurance	1,200	1,506	1,558	53	3.5%	1,650	91	5.9%
Employee Development	1,045	1,264	806	(458)	-36.3%	861	55	6.8%
Business Development	2,630	3,155	1,236	(1,919)	-60.8%	1,377	142	11.5%
Equipment Rentals and Repairs	2,853	3,805	3,540	(265)	-7.0%	3,735	195	5.5%
Tenant Improvements	761	800	340	(460)	-57.5%	400	60	17.6%
Total Non-Personnel Costs	127,641	131,257	108,625	(22,632)	-17.2%	115,172	6,548	6.0%
Total Operating Expenses	177,219	183,790	160,465	(23,325)	-12.7%	169,992	9,527	5.9%
Joint Studies / Sound Attenuation	14,841	15,077	15,327	250	1.7%	15,227	(100)	-0.7%
Debt Service	97,690	118,109	112,319	(5,790)	-4.9%	118,906	6,588	5.9%
Legal Settlement Expense	-	10	10	-	0.0%	10	-	0.0%
Other Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
Non-Operating Expenses	112,531	133,196	127,655	(5,540)	-4.2%	134,143	6,488	5.1%
Total Expenses	289,749	316,986	288,120	(28,866)	-9.1%	304,135	16,015	5.6%
Equipment Outlay Expenditures	779	628	268	(360)	-57.3%	615	347	129.1%
Total Authority Expenses Incl Equip Outlay	\$290,529	\$ 317,614	\$ 288,389	\$ (29,225)	-9.2%	\$ 304,750	\$ 16,361	5.7%

FY 2021 Budget Expense Decrease vs. FY 2020 Budget

-\$29.2M (-9.2%)



Total FY 2021 Budget is \$288.4M

Major Drivers of FY 2021 Budget

(in thousands)

	Total Inc / (Dec) FY21 Budget vs FY20 Budget	Expense Category
Total Decrease in Expenses	\$ (29,225)	
Personnel:		
Vacancy Savings, net of capitalized labor and overtime	(1,546)	Salaries & Wages, Overtime, Capitalized Labor
Contracted wage increases	285	Salaries & Wages
Retirement	590	Employee Benefits
Other, net	(22)	Salaries & Wages, Employee Benefits
Total Increase / (Decrease) in Personnel	(693)	
Debt Service:		
2010 Bonds refinancing	(4,686)	Debt Service
2019 Bonds premium amortization	(4,068)	Debt Service
Cost of issuance	(3,898)	Debt Service
Variable debt	(1,960)	Debt Service
2019 Bonds debt service	8,822	Debt Service
Total Increase / (Decrease) in Debt Service	(5,790)	
Non Personnel:		
Safety and Security		
Customs & Border Protection (CBP) overtime	(350)	Safety and Security
Guard services	(137)	Safety and Security
Port District law enforcement - Harbor Police Department	105	Safety and Security
Aircraft Rescue and Fire Fight (ARFF)	\$ 442	Safety and Security

Major Drivers of FY 2021 Budget

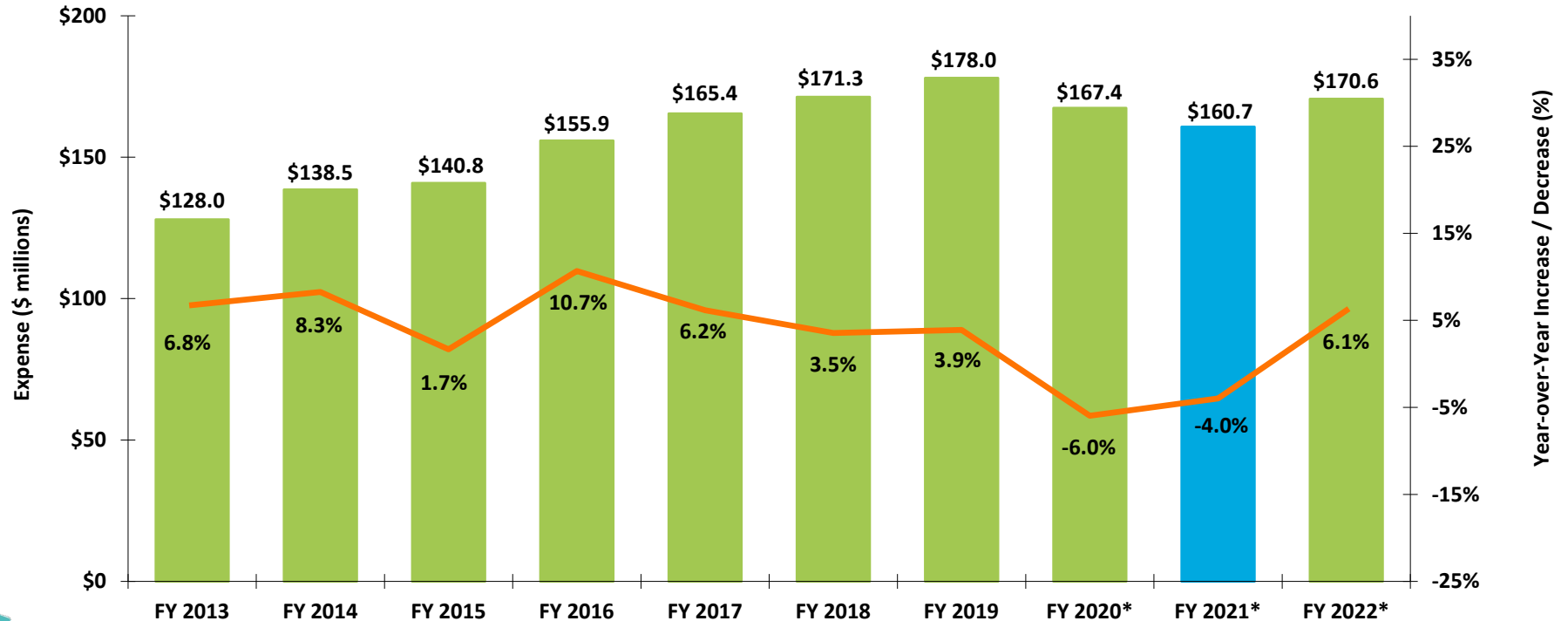
(in thousands)

	Total Inc / (Dec) FY21 Budget vs FY20 Budget	Expense Category
Terminal, Landside Operations and Maintenance		
Parking and shuttle operations	\$ (8,906)	Contractual Services
Rental Car Center (RCC) buses	(4,213)	Contractual Services
Terminal operations and improvements	(1,587)	Contractual Services
Annual and major maintenance	(1,533)	Maintenance
Planning and Environmental consultants	(1,044)	Contractual Services
Credit card fees	(604)	Contractual Services
IT consultants and services	(517)	Contractual Services
Tenant improvements	(460)	Tenant Improvements
Utilities - gas, electric, and water	(181)	Utilities
Oval striping	750	Maintenance
Other Operating and Non-Operating Expenses		
Air Service Development consultants and advertising	(755)	Contractual Services
Authority travel and training	(581)	Employee Development
Marketing consultants and advertising	(575)	Contractual Services
CDP - Marketing incentive fund	(555)	Business Development
Customer Experience Design & Innovation	(473)	Contractual Services
Equipment Outlay	(360)	Equipment Outlay
Government & Public Relations consultants	(340)	Contractual Services
Authority sponsorships, events, and activities	(301)	Business Development
Airport Land Use Compatibility Plans (ALUCPs)	(290)	Contractual Services
Recruitment and HR services	(185)	Contractual Services
Parking and ground transportation consultants	(160)	Contractual Services
Legal Services	(153)	Contractual Services
ADP operating budget	200	Contractual Services
QHP	250	QHP Expenses
Other, net	(230)	
Total Increase / (Decrease)	\$ (29,225)	

Total Operating Expenses

(incl. Equipment Outlay)

FY 2013 – FY 2022





Capital Program Budget Fiscal Years 2021 - 2025



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Capital Program Budget Summary

(in thousands)

FY 2020 - 2024 Beginning Capital Program Budget	\$ 725,974
Terminal 2 West FIS Build-out	<u>229,474</u>
FY 2020 - 2024 Beginning Capital Program Budget	\$ 955,448
Airport Development Plan	\$ 3,000,000
FY 2020 - 2024 Project Closeouts/Eliminations/Adjustments	<u>(332,385)</u>
FY 2020 - 2024 Ending Capital Program Balance	\$ 3,623,063
Proposed FY 2021 - 2025 Capital Projects/Allowances *	<u>\$ 105,138</u>
Proposed FY 2021 - 2025 Capital Program Budget	<u>\$ 3,728,201</u>

* Pending Board approval

Current FY 2020 - 2024 Capital Program – Budget by Location

(in thousands)

Project Location	# Projects	Program Budgets by Location
Airside	26	\$ 673,162
Terminal	25	2,123,590
Landside/Ancillary	22	1,027,569
Administrative	<u>12</u>	<u>131,128</u>
Total	<u>81</u>	<u>\$ 3,955,448</u>

Current FY 2020 - 2024 Capital Program – Project Closeouts/Eliminations/Adjustments

(in thousands)

Project Cancellations:

Perimeter Security Fencing/Intrusion Detection	\$	(17,500)
Increase Cooling Tower Capacity at CUP		(5,136)
Replace CUP Heating Hot Water System Boiler		(2,685)
RCF Communication System		<u>(200)</u>
Total Project Cancellations (4)		(25,521)
Project Adjustments (29)		(4,184)
Project Closeouts (14)		(73,206)
Terminal 2 West FIS Build-out		<u>(229,474)</u>
Total FY2020 Closeouts/Adjustments	\$	<u>(332,385)</u>

Proposed New FY 2021 - 2025 CIP Projects

(in thousands)

	Description	Expected Start Date	Estimated Budget
1)	West Refueler Loading Facility	Summer 2020	\$ 14,080
2)	Roadway & Vehicle Monitoring Master Plan *	Fall 2020	950
3)	Northside Overflow Parking Lot *	Summer 2021	1,800
4)	T2 Transportation Island Master Plan *	Fall 2020	500
5)	Remodel & Structural Repairs at T2 for Relocations	Spring 2021	\$ 6,100

* On hold

Proposed New FY 2021 - 2025 CIP Projects

(in thousands)

	Description	Expected Start Date	Estimated Budget
6)	ARFF Building HVAC Upgrade *	Summer 2021	\$ 780
7)	Remodel T2W Gallery *	Summer 2021	550
8)	Parking Lot Camera Upgrade to Digital *	Summer 2021	2,150
9)	T2 Baggage Claim Assignment Displays *	Summer 2021	650
10)	Airfield Safety Area Manhole/Vault Covers	Fall 2021	\$ 680

* On hold

Proposed New FY 2021 - 2025 CIP Projects

(in thousands)

	Description	Expected Start Date	Estimated Budget
11)	Replace T2E Roof Hydronic Pipe Insulation	Spring 2021	\$ 890
12)	Airport Roadway & Vehicle Monitoring *	Summer 2022	31,800
13)	Facilities Condition Assessment – Facilities/Equipment *	Summer 2024	500
14)	ZEV – Acquire RCC Buses – Phase 1 *	Summer 2024	5,000
15)	ZEV – Acquire RCC Buses – Phase 2 *	Summer 2025	5,000
Total FY2021-2025 Proposed New Capital Projects			<u>\$ 71,430</u>

* On hold

Proposed FY 2021 - 2025 Capital Project Adjustments/ Allowances

(in thousands)

	Description	Current Budget	Additional Budget	Estimated Budget
1)	Solid and Liquid Waste Facilities *	16,701	16,000	32,701
2)	Electrical Modernization in T2E & T2W	4,855	5,000	9,855
3)	T2E Roof Replacement	4,701	1,849	6,550
4)	Capital Program Support (FY2021-2025)	22,835	5,812	28,648
5)	Public Art Allowance (FY2021-2025) *	2,151	47	2,202
6)	Capital Project Allowance (FY2021)	-	<u>5,000</u>	5,000
Total Proposed Current CIP Project Adj./Allowances			33,708	
Total Proposed FY2021-2025 New Capital Projects			<u>71,430</u>	
Total FY 2021-2025 Proposed New CIP Projects/Adj./Allow.			<u>\$ 105,138</u>	

* On hold

Proposed FY 2021 - 2025 Capital Program – Remaining Budget by Phase

(in thousands)

Project Phase	Budget	Cost to Date *	Budget Remaining
Pre-Construction	\$ 329,891	\$ 45,526	\$ 284,365
Construction	103,091	69,024	34,067
Closeout	<u>18,451</u>	<u>17,149</u>	<u>1,301</u>
Subtotal CIP	\$ 451,433	\$ 131,699	\$ 319,734
Airport Support Facilities	171,631	151,680	19,951
ADP	3,000,000	7,793	2,992,207
New CIP	<u>105,138</u>	<u>0</u>	<u>105,138</u>
Totals	\$ 3,728,201	\$ 291,171	\$ 3,437,030

* Estimated costs as of 6/30/20

Proposed FY 2021 - 2025 Capital Program – On-Hold Values

(in thousands)

Prior Approved Projects	\$ 169,670
New Proposed Projects	<u>49,680</u>
Total	\$ 219,350

Note: On Hold projects are proceeding through design and construction will be on hold until its necessary to proceed.



Plan of Finance Fiscal Years 2021 - 2025

Uses of Funds by Location

Pre FY 2021 - FY 2025

(in thousands)

Location	Capital Program
Terminal	\$ 2,391,804
Landside & Ancillary	728,558
Finance Costs	708,724
Airside	512,069
Administrative	95,771
Total	\$ 4,436,925

Uses of Funds

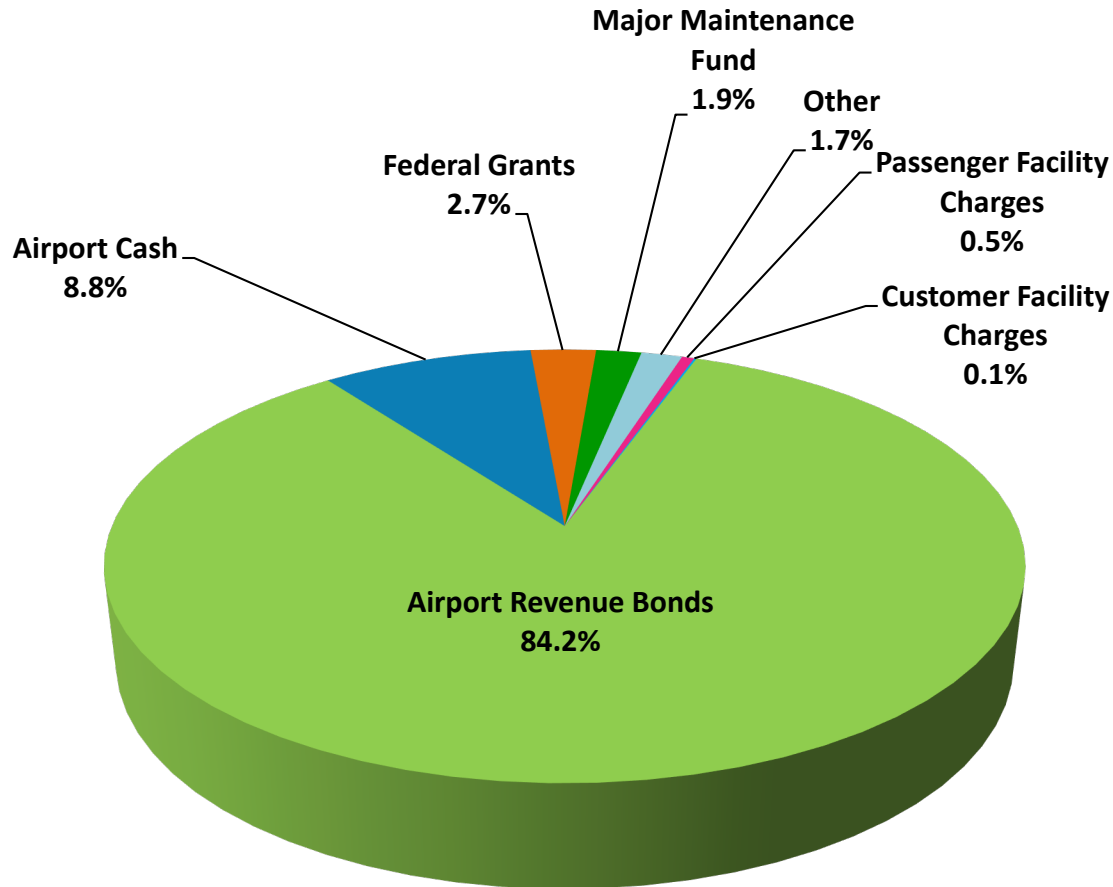
(in thousands)

	<u>Total Use of Funds</u>						
	Pre FY2021	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Capital Program	\$ 286,317	\$ 296,269	\$ 483,159	\$ 667,238	\$ 803,144	\$ 1,192,074	\$ 3,728,201
Finance Costs	48,072	-	300,980	131,865	86,359	141,448	708,724
Total	\$ 334,389	\$ 296,269	\$ 784,139	\$ 799,103	\$ 889,504	\$ 1,333,521	\$ 4,436,925

Sources of Funds

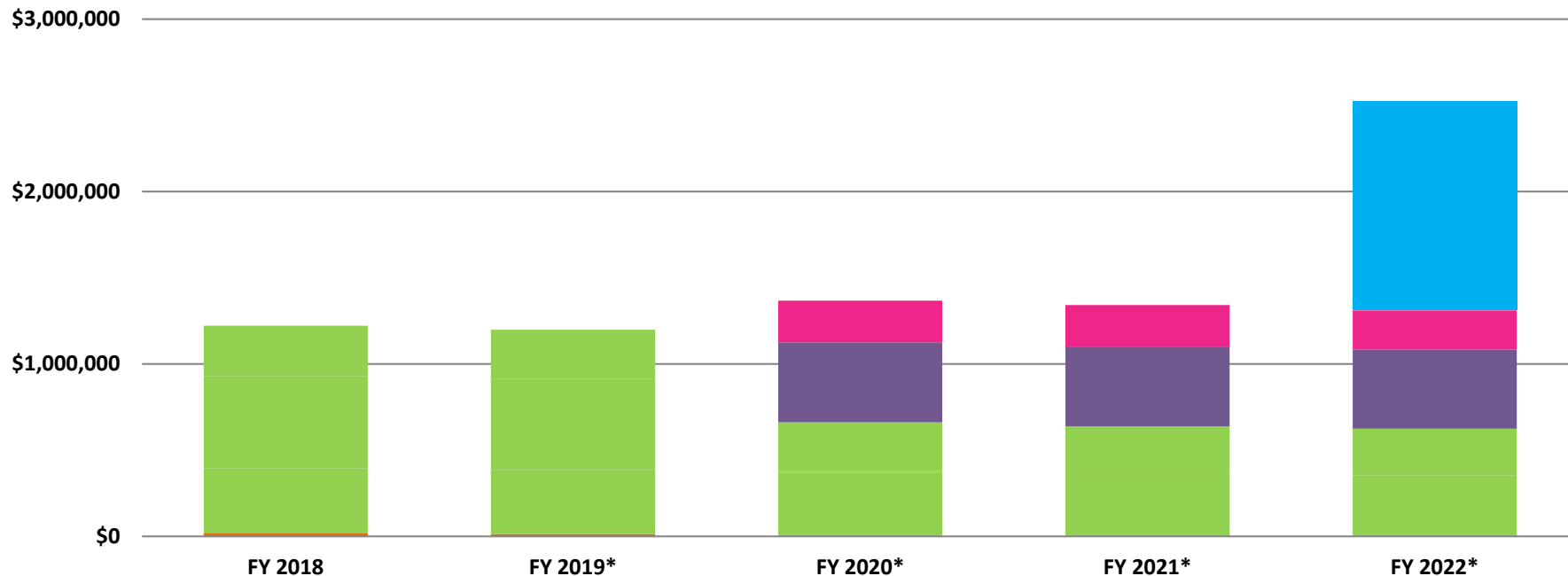
	<u>Total Sources of Funds</u>						
	Pre FY2021	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Airport Revenue Bonds	\$ 187,017	\$ 65,848	\$ 688,237	\$ 716,128	\$ 822,884	\$ 1,258,858	\$ 3,738,972
Airport Cash	124,741	157,501	41,824	6,578	14,368	43,074	388,085
Federal Grants	6,452	10,912	18,219	48,028	31,055	7,000	121,666
Major Maintenance Fund	13,384	17,479	3,351	26,102	5,058	19,035	84,409
Other	9	39,942	32,508	668	1,158	2,051	76,336
Passenger Facility Charges	1,685	4,586	-	1,599	14,982	505	23,357
Customer Facility Charges	1,100	-	-	-	-	3,000	4,100
TOTAL SOURCES OF FUNDS	\$ 334,389	\$ 296,269	\$ 784,139	\$ 799,103	\$ 889,504	\$ 1,333,521	\$ 4,436,925

Total Sources of Funds Pre FY 2021 – FY 2025



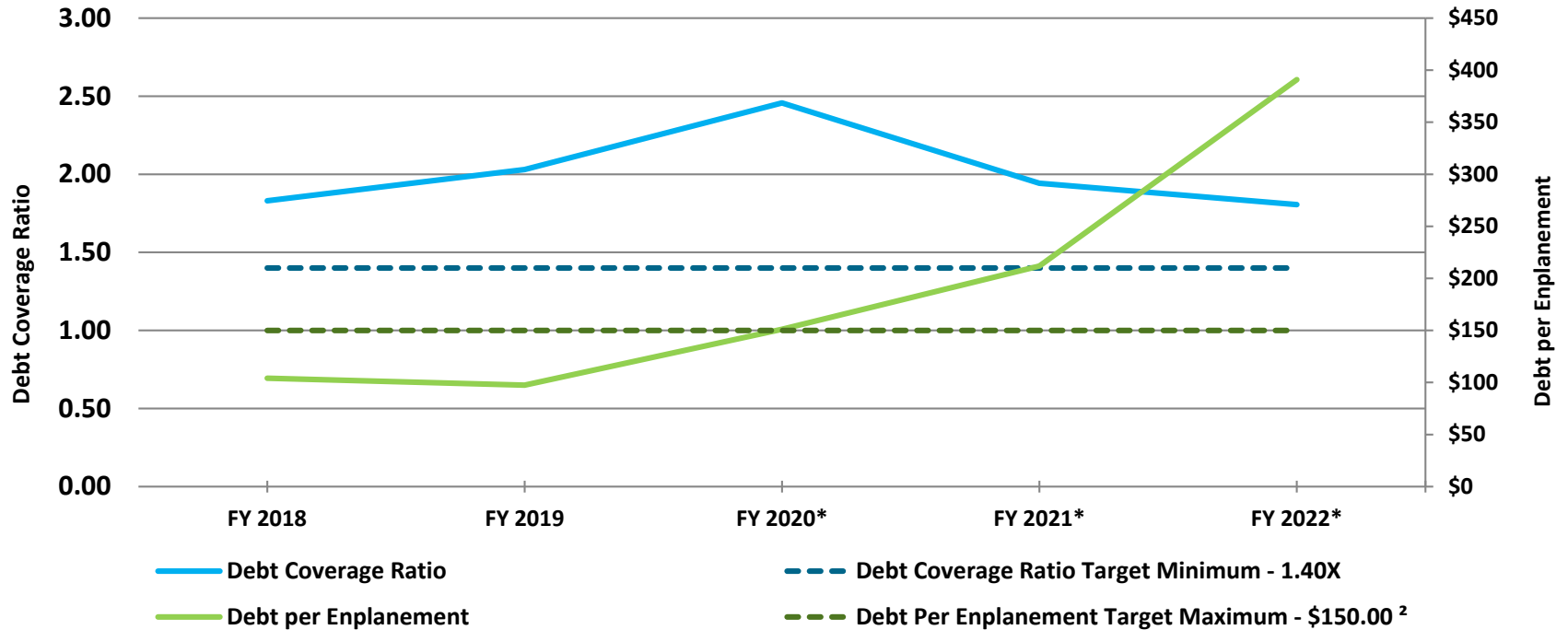
Aggregate Debt FY 2018 – FY 2022

(in thousands)



■ Variable Debt
 ■ 2010, 2013 & 2017 Airport Revenue Bonds
 ■ 2019 Airport Revenue Bonds
 ■ 2020 Airport Refunding Revenue Bonds
 ■ Proposed ADP Bonds

Coverage Ratio and Debt Per Enplanement ¹



¹ Debt excludes special facility bonds

² Debt per Enplanement target of \$150 proposed to be temporarily suspended

* Forecasted FY 2020 - FY 2022

Coverage Ratio and Debt Per Enplanement

Fiscal Year	Outstanding Debt ¹ (in thousands)	Debt per Enplanement ²	Debt Coverage Ratio ³
FY 2018	\$1,221,683	\$104.16	1.83
FY 2019	\$1,198,144	\$97.49	2.03
FY 2020*	\$1,366,745	\$151.09	2.46
FY 2021*	\$1,341,075	\$211.89	1.94
FY 2022*	\$1,310,445	\$390.90	1.81

¹ Debt excludes Special Facility Bonds

² Debt per Enplanement target of \$150 proposed to be temporarily suspended

³ Target minimum Debt Policy Coverage Ratio 1.40x

* Forecasted FY 2020 - FY 2022



Conclusion

Conclusion

- Follows the Authority's legislative and regulatory mandates
- Includes funds for essential operational expenses to manage the Airport through COVID-19 pandemic
- Reflects collaboration with business stakeholders to navigate COVID-19 pandemic
- Preserves Authority's financial position through implementation of the financial resilience plan and cost containment efforts
- Demonstrates the discipline necessary to remain a sustainable enterprise
- Supports continued efforts to advance a feasible five-year Capital Plan
- Provides necessary resources to proceed prudently with the ADP
- The Authority will continue to assess and refine the revenue forecast and spending plan based on changing economic environment



Questions?

ITEM 9

COMMUNICATION FROM THE PUBLIC



May 21, 2020

Chair and Board of Directors
San Diego County Regional Airport Authority
3225 North Harbor Drive, Third Floor
San Diego, CA 92101

Dear Chair and Board Members,

On behalf of our members, I am contacting you to request that the Airport Authority make the following budget modifications for the upcoming fiscal year to assist your ground transportation partners in recovering from the severe economic impact of the Coronavirus situation.

1. Reduce ground transportation trip fees by 50% for the next fiscal year
2. Eliminate the taxi permit transfer fee given the eventual transition to an open airport system

The on-going reduction of flights and business opportunities require time for the ground transportation industry to recover and your assistance would be greatly appreciated. Please feel free to contact me directly if you have any questions. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'A. Kwiatkowski', is positioned above the typed name.

Adrian Kwiatkowski
President CEO

CC: Kimberly Becker, President & CEO
Angela Shafer-Payne, Vice President, Operations