

**DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE AND FINANCE COMMITTEE MEETING AND SPECIAL BOARD
MEETING MINUTES
MONDAY, FEBRUARY 25, 2013
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER:

Chair Gleason called the Executive and Finance Committee and Special Board meeting to order at 9:02 a.m., Monday, February 25, 2013, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Desmond led the Pledge of Allegiance.

ROLL CALL:

Executive Committee

Present:	Committee Members:	Gleason, Robinson, Smisek
	Board Members:	Boland, Desmond
Absent:	Committee Members:	None

Finance Committee

Present:	Committee Members:	Alvarez, Cox, Hubbs, Robinson, Sessom
Absent:	Committee Members:	None

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

Board Member Alvarez arrived during the course of the meeting.

NON-AGENDA PUBLIC COMMENT - None

NEW BUSINESS

- 1. APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the January 28, 2013, regular meeting.

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

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SEVEN MONTHS ENDED JANUARY 31, 2013:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Unaudited Financial Statements for the Seven Months Ended January 31, 2013, which included Enplanements, Gross Landing Weight Units, Car Rental License Fees, Parking Revenue, Operating Revenues for the Month Ended January 31, 2013, Financial Summary for the Month Ended January 31, 2013, Monthly Operating Revenue, Fiscal Year 2013, and Balance Sheets.

RECOMMENDATION: Receive the report.

Board Member Alvarez arrived at 9:10 a.m.

Chair Gleason noted that an amendment to the elevator/escalator contract is on the proposed March Board agenda, and he requested that staff provide more detail within the staff report.

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

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF JANUARY 31, 2013:

Scott Brickner, Director, Financial Planning and Budget, provided a presentation on the Authority's Investment Report as of January 31, 2013, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity Distribution, Benchmark Comparison, Details of Security Holdings, Portfolio Investment Transactions, Bond Proceeds Summary, and Bond Proceeds Investment Transactions.

RECOMMENDATION: Receive the report.

4. INVESTMENT STRATEGY UPDATE:

Vernon Evans, Vice President, Finance/Treasurer, and Richard Babbe, Senior Management Consultant, PFM Asset Management, provided a presentation on the Investment Strategy, which included the Current Investment Environment, Current Portfolio, Strategy Overview, Initial Strategy Recommendations, and Analysis Assumptions.

In response to Board Member Hubbs regarding the returns on the retirement fund, Mr. Evans stated that staff would provide him that information.

Board Member Hubbs expressed concern regarding the low interest rate environment over the long term and the potential need to invest more into the retirement system.

Board Member Alvarez requested to receive a report on the expenditures on investment income in the past three years.

Thella F. Bowens, President/CEO, noted that the Authority's Investment Policy guides staff and sets investment parameters, and is reviewed and presented to the Board annually.

RECOMMENDATION: Receive the update.

EXECUTIVE COMMITTEE NEW BUSINESS

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

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

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

REVIEW OF FUTURE AGENDAS

6. REVIEW OF THE DRAFT AGENDA FOR THE MARCH 7, 2013, BOARD MEETING:

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the March 7, 2013 Board Meeting.

Ms. Bowens requested that Item 17, regarding an amendment to the contract for elevator maintenance, be moved to New Business.

Regarding Item 19, concerning pensionable earnings, Board Member Hubbs requested a list of categories and options in one chart.

Regarding Item 19, Chair Gleason requested that a summary of each generation, the pensionable pay information, and the rates be provided.

Board Member Desmond suggested that a possible placeholder be added to the agenda regarding the President/CEO's contract.

Tony R. Russell, Director, Corporate Services/Authority Clerk, noted that an item would be added to the agenda regarding an award the Authority recently received for route service.

7. REVIEW OF THE DRAFT AGENDA FOR THE MARCH 7, 2013, AIRPORT LAND USE COMMISSION MEETING:

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the March 7, 2013, Airport Land Use Commission meeting.

ACTION: Moved by Board Member Smisek and seconded by Board Member Robinson to approve Items 6 and 7, as amended. Motion carried unanimously.

COMMITTEE MEMBER COMMENTS

ADJOURNMENT

The meeting was adjourned at 9:53 a.m. The next meeting of the Executive and Finance Committee will be held on Thursday, March 21, 2013, at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 21ST DAY OF MARCH, 2013.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL