

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
SPECIAL BOARD AND FINANCE COMMITTEE MINUTES  
THURSDAY, MAY 14, 2009  
SAN DIEGO INTERNATIONAL AIRPORT  
BOARD ROOM**

**CALL TO ORDER**

Vice Chairperson Watkins called the Special Board and Special Finance Committee meeting to order at 9:00 a.m., Thursday, May 14, 2009, 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 Young led the Pledge of Allegiance.

**ROLL CALL**

Present: Board Members: Boland, Desmond, Finnila, Panknin, Smisek, Watkins, Young, Zettel

Absent: Board Members: Orso-Delgado (Ex-Officio), Sheehy (Ex-Officio)

**Finance Committee**

Present: Committee Members: Panknin, Watkins, Young

Absent: Committee Members: Sheehy (Ex-Officio)

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

**NEW BUSINESS (BUDGET WORKSHOP):**

**1. DISCUSSION REGARDING THE FISCAL YEAR 2010 OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGETS:**

Thella F. Bowens, President/CEO, provided an overview on the Organizational Goals; Key Economic Data Reflects Recession; Tracking the National Trend; SDIA Fiscal Year 2010 Passenger Traffic; and SDIA FY 2010 Operations. Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Fiscal Year (FY) 2010 Operating and Capital Improvement Program Budgets, which included: 2010 Revenue Assumptions; Increased Airline Cost per Enplaned Passenger; Reduction in Expense since 2009 Reflects Current Economic Situation; FY 2010 Budget Major Drivers; Division Expense Budgets; FY 2010 to 2013 Capital Improvement Program; and Terminal Development Program Interim Funding; and the Capital Summary.

Board Member Finnila noted that Detroit Airport recently implemented a Ground Transportation Plan, and stated that it might be helpful to study their model.

In response to Board Member Zettel regarding the security surcharge charged when purchasing an airline ticket, Ms. Bowens stated that the security surcharge passengers pay goes to Homeland Security, not the Airport Authority.

In response to Vice Chairperson Watkins regarding avoiding a budget reforecast by forecasting now for the worst case scenario, Ms. Bowens stated that staff is forecasting as conservatively as possible, and every effort is being made to avoid a reforecast.

Board Member Zettel suggested that a few Board Members review the Board expenses and look for ways to cut costs.

Board Member Boland expressed concern regarding the reductions in outside legal services. He stated that it might not be wise with the current programs being implemented.

Mr. Evans reported that the amount spent for legal settlements for FY 2009 was \$54,000.

*Board Member Young left the dais at 10:00 a.m.*

Jeffrey Woodson, Vice President, Administration, provided a presentation on the Administration Division Expense Budget, which included Expense Summary by Department; Summary by Major Expense Category; Significant Budget Changes; and Expense Summary by Category.

Bryan Enarson, Vice President, Development, provided a presentation on the Development Division Expense Budget, which included Expense Summary by Department; Summary by Major Expense Category; Significant Budget Changes; and Expense Summary by Category.

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Finance Division Expense Budget, which included the Expense Summary by Department; Summary by Major Expense Category; Significant Budget Changes; Expense Summary by Category; and Debt Service.

Angela Shafer-Payne, Vice President, Planning & Operations, provided a presentation on the Planning & Operations Division Expense Budget, which included Expense Summary by Department; Summary by Major Expense Category; Significant Budget Changes; and Expense Summary by Category.

Brent Buma, Vice President, Marketing & Communications, provided a presentation on the Marketing & Communications Division Expense Budget, which included Expense Summary by Department; Summary by Major Expense Category; Significant Budget Changes; and Expense Summary by Category.

Board Member Zettel questioned the difference between the 2008 Actuals versus the 2010 projections as it relates to salaries.

Ms. Bowens stated that a staff member would meet with her following the meeting to explain the difference.

Board Member Finnila noted that we need to be more aware of legislative mandates, and she requested that the costs associated with Senate Bill 10 be reported.

In response to Board Member Panknin regarding grants, Ms. Shafer-Payne stated that a \$2.1 million grant was received for the Regional Aviation Strategic Plan (RASP), which will cover a great deal of the process.

Board Member Finnila expressed concern regarding the rising costs associated with the ALUC plans. She suggested that the costs be reviewed.

Board Member Zettel suggested that the water from the storm water pipes that come off our facility might be reclaimed in accordance with our sustainability program.

*Board Member Finnila left the dais at 11:27 a.m.*

Vice Chairperson Watkins reported the following suggestions for Board Member Finnila:

- Consolidate and have a plan for all travel;
- That staff keep track of unfunded mandates by State and local governments;
- That staff study the ALUC regarding expanding costs, process and purpose;
- That internal goals are prioritized

Vice Chairperson Watkins stated that the employees are the bulk of the budget, and it is vital to maintain our employee base. He further questioned if there are ways to provide flexibility to allocate funds regarding business development.

RECOMMENDATION: Direct staff to forward the FY 2010 Operating and Capital Improvement Program Budgets to the Board for approval.

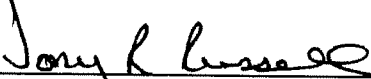
**GENERAL COUNSEL REPORT:**

**BOARD COMMENT:**


**ADJOURNMENT**

The meeting adjourned at 11:37 a.m.

APPROVED BY A MOTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 4<sup>th</sup> DAY OF JUNE, 2009.

  
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TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

  
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BRETON K. LOBNER  
GENERAL COUNSEL