

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD MEETING AND EXECUTIVE AND FINANCE COMMITTEE
MEETING MINUTES
MONDAY, AUGUST 23, 2010
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER

Chair Gleason called the special Board Meeting, and the Executive and Finance Committee Meeting to order at 9:03 a.m., Monday, August 23, 2010, 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 Panknin led the Pledge of Allegiance.

ROLL CALL

Board

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

Executive Committee

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

Finance Committee

Present:	Committee Members:	Panknin, Robinson, Young
Absent:	Committee Members:	Cox, Finnila

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

NON-AGENDA PUBLIC COMMENT

KAMRAN HAMIDI, SAN DIEGO, spoke in opposition to trip fees for taxicabs.

BOARD BUSINESS

1. AUTHORIZATION OF BOND DOCUMENTS AND SALE OF BONDS, INCLUDING DELEGATION OF PRICING AUTHORITY, FOR GREEN BUILD AND CAPITAL IMPROVEMENT PROGRAM FUNDING:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Series 2010 Bonds, which included the Plan of Finance, Current Conditions: Tax Exempt Markets, Taxable Market, Recent Airport Transactions, Principal Documents, the Authority's Team, and Timetable.

In response to Board Member Desmond regarding the validity of the financial growth forecasts, Keith Wilschetz, Director, Airport Planning, stated that the Terminal Area Forecast (TAF) is the official forecast of the Federal Aviation Administration, and that the forecast conducted is consistent with the FAA forecast.

In response to Chair Gleason regarding the process for issuing the bonds, Mr. Evans stated that the process is near completion, with one final meeting with the rating agencies to obtain the Authority's rating for the Official Statement, and one final due diligence meeting. He stated that once those meetings are done, the retail phase will begin and the bonds will be priced out.

In response to Chair Gleason regarding the process for bond insurance, Mr. Evans stated that staff will be meeting with the insurer to review the pricing to determine whether or not obtaining insurance will be beneficial to the Authority.

Mike Reppe, Kutak Rock, stated that any bond insurance must generate a savings. He stated that when the bonds are priced, only certain bonds may have a benefit from having insurance and only those bonds that generate a savings would be insured.

In response to Chair Gleason regarding the process for determining the final statement, Mr. Reppe stated that his team is working with staff and performing due diligence to determine if there is anything material that needs to be included from an investors point of view, as well as working with legal counsel to ensure all material pricing and legal information is included.

Breton Lobner, General Counsel, noted that the Authority maintains a separate counsel that will provide an annual disclosure statement.

In response to Board Member Young regarding the Authority's Disclosure Committee, Mr. Evans stated that the Committee reviews any issues that could substantially affect the airport to determine if disclosure is necessary.

Chair Gleason requested that staff provide the Board with the annual disclosure statements.

RECOMMENDATION: Adopt Resolution No. 2010-0087, authorizing the issuance and sale of not-to-exceed \$600 million in aggregate principal amount of one or more series of San Diego County Regional Airport Authority subordinate airport revenue bonds; approving the forms of a second supplemental trust indenture, a second supplemental subordinate trust indenture, preliminary and final official statements, a purchase contract, a continuing disclosure certificate, and certain related matters; and

ACTION: Moved by Board Member Boland and seconded by Board Member Smisek to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – Cox, Finnila. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

Adopt Resolution No. 2010-0088, authorizing the establishment of a Passenger Facility Charge (PFC) account in the Authority's revenue fund, an irrevocable commitment of certain PFCs for the payment of debt service on the Authority's senior and subordinate obligations, and certain related matters.

ACTION: Moved by Board Member Boland and seconded by Board Member Smisek to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – Cox, Finnila. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Unaudited Financial Statements for the Year Ended June 30, 2010, which included Enplanements, Gross Landing Weight Units, Airport Parking Transactions, Car Rental License Fees, Monthly Operating Revenue Fiscal Year 2010, Monthly Operating Expenses Fiscal Year 2010, Financial Summary for the Year Ended June 30, 2010, Nonoperating Revenues and Expenses for the Year Ended June 30, 2010, Monthly Operating Revenue FY 2010, Balance Sheets, Trended Financial Statements, Balance Sheet Authority Assets, Balance Sheets Authority Liabilities, and Authority Net Income.

RECOMMENDATION: Receive the report.

ACTION: Moved by Board Member Young and seconded by Board Member Panknin to forward this item to the Board. Motion carried unanimously, noting Board Members Cox and Finnilla as ABSENT.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF JUNE 30, 2010:

Scott Brickner, Director, Financial Planning & Budget, provided a presentation on the Investment Report as of June 30, 2010, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Rating, Portfolio Composition by Security Type, and Benchmark Comparison.

RECOMMENDATION: Receive the report.

ACTION: Moved by Board Member Young and seconded by Board Member Panknin to forward this item to the Board. Motion carried unanimously, noting Board Members Cox and Finnilla as ABSENT.

4. REVIEW OF THE SUMMARY OF OUTSTANDING COMMERCIAL PAPER:

Scott Brickner, Director, Financial Planning & Budget, provided a presentation on the Summary of Outstanding Commercial Paper.

RECOMMENDATION: Receive the report.

ACTION: Moved by Board Member Panknin and seconded by Board Member Young to forward this item to the Board. Motion carried unanimously, noting Board Members Cox and Finnila as ABSENT.

Board Member Young left the dais at 9:55 a.m.

EXECUTIVE COMMITTEE NEW BUSINESS

5. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the June 21, 2010 Committee Meeting.

ACTION: Moved by Board Member Smisek and seconded by Chair Gleason to approve staff's recommendation. Motion carried unanimously, noting Board Member Cox as ABSENT.

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

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

ACTION: Moved by Board Member Smisek and seconded by Chair Gleason to approve staff's recommendation. Motion carried unanimously, noting Board Member Cox as ABSENT.

7. DISCUSSION OF A POTENTIAL FUELING STATION ON SDIA'S NORTH SIDE:

RECOMMENDATION: Receive the presentation.

Chair Gleason announced that this item was removed from the agenda.

REVIEW OF FUTURE AGENDAS

8. REVIEW OF THE DRAFT AGENDA FOR THE SEPTEMBER 2, 2010 BOARD MEETING:

Thella F. Bowens, President/CEO, presented the draft agenda for the September 2, 2010 Board Meeting.

Chair Gleason requested that a presentation be added to the agenda regarding an update on the issuance of bonds, as well as an agenda item under New Business in the event Board action is needed in the future.

Chair Gleason noted that Item 13, Award of Contract to Ricondo & Associates, should have a dollar amount, and requested that Item 15, Disparity Study, be moved to the October Board agenda.

Chair Gleason requested that Items 16 and 17, awards of on-call agreements, and Item 22, Memorandum of Agreement with the FAA, be moved to the Consent Agenda.

Board Member Desmond requested that Item 14, Taxicab Concession Update, be revised to include a request for direction from the Board.

ACTION: Moved by Board Member Smisek and seconded by Chair Gleason to approve the draft agenda for the September 2, 2010 Board Meeting as amended. Motion carried unanimously, noting Board Member Cox as ABSENT.

9. REVIEW OF THE DRAFT AGENDA FOR THE SEPTEMBER 2, 2010 AIRPORT LAND USE COMMISSION MEETING:

Thella F. Bowens, President/CEO, presented the draft agenda for the September 2, 2010 Airport Land Use Commission Meeting.

ACTION: Moved by Board Member Smisek and seconded by Chair Gleason to approve the draft September 2, 2010 Airport Land Use Commission agenda. Motion carried unanimously, noting Board Member Cox as ABSENT.

PRESIDENT/CEO REPORT – None

NON-AGENDA PUBLIC COMMENT – None

COMMITTEE MEMBER COMMENTS – None

ADJOURNMENT

The meeting was adjourned at 10:14 a.m. The next meeting of the Executive and Finance Committees will be held on September 27, 2010, at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE THIS 27TH DAY OF SEPTEMBER, 2010.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL