

**DRAFT**  
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD**  
**MINUTES**  
**THURSDAY, JULY 7, 2011**  
**SAN DIEGO INTERNATIONAL AIRPORT**  
**BOARD ROOM**

**CALL TO ORDER:** Chair Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:02 a.m. on Thursday, July 7, 2011 in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

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

**ROLL CALL:**

**PRESENT:** Board Members: Berman (Ex-Officio), Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Richie (Ex-Officio), Robinson, Smisek

**ABSENT:** Board Members: Reyes (Ex-Officio), Young

**ALSO PRESENT:** Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk, Lisa Wolfson, Assistant Authority Clerk II

**REPORT FROM CITIZEN COMMITTEE:** None.

**PRESENTATIONS:**

**A. PRESENTATION OF THE GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) DISTINGUISHED BUDGET PRESENTATION AWARD FOR FISCAL YEAR 2011:**

Lisa Marie Harris, San Diego County Chief Deputy Treasurer presented Vernon D. Evans, Vice President, Finance/Treasurer with the Government Finance Officers Association Distinguished Budget Presentation Award for FY 2011.

**B. PRESENTATION OF SILVER ANVIL AWARD FOR THE GREEN BUILD COMMUNITY RELATIONS PROGRAM:**

Marisa Vallbona, Board of Directors, Public Relations Society of America presented Diana Lucero, Director, Public, Community & Customer Relations with the Silver Anvil Award for the Green Build Community Relations Program.

The Board recessed at 9:10 a.m. and reconvened at 10:20 a.m.

**NON-AGENDA PUBLIC COMMENT:**

STEVE CORNELL, SAN DIEGO, submitted for the record a copy of Agenda Item 14 from the San Diego Unified Port District's meeting of June 14, 2011 -- "Resolution notifying the San Diego City Employees' Retirement System (SDCERS) Board of Administration that the San Diego Unified Port District (Port) will continue to pay for underfunding caused by affected purchase of service contracts." He urged the Board to rescind their prior action made at its meeting of February 10, 2011, and to apply the findings made by the Port to fully fund the underfunded purchase of service credits.

LISA MCGHEE, SAN DIEGO, spoke about the ground transportation incentive-based program, stating the allocated cost recovery fee for each operator is not fair. She requested the Board revisit the incentive program and that the allocated recovery cost calculation be based on the number of actual trips used.

**PRESENTATIONS (continued):**

**C. PRESENTATION OF AVIATION PROJECT OF THE YEAR FROM THE CALIFORNIA TRANSPORTATION FOUNDATION FOR THE AUTHORITY'S TAXIWAY C REHABILITATION PROJECT:**

Iraj Ghaemi, Director, Facilities Development announced that the Authority won the Aviation Project of the Year from the California Transportation Foundation for the Taxiway C Rehabilitation Project.

**D. 2011 EMPLOYEE OPINION SURVEY RESULTS:**

Dr. David Allen, Allen Analytics, provided a presentation, which included Survey Administration/Response, Executive Overview, Results Overview, Summary Observations, and Post Survey Activities.

**E. FIXED BASE OPERATOR (FBO) SOLICITATION, DEVELOPMENT, AND FINANCING UPDATE:**

Vernon D. Evans, Vice President, Finance/Treasurer, provided a presentation, which included Potential Northside Development, Existing FBO Situation, Request for Qualifications, Firms Responding to RFQ, Evaluation of Submittals, Firms Selected as Finalists, Development/ Financing Options, and Next Steps.

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**F. GREEN BUILD CONSTRUCTION AND GUARANTEED MAXIMUM PRICE CONTRACT (GMP) UPDATE:**

David Brush, Director, Terminal Development Program, provided a presentation, which included a Green Build program update, construction history, details on airside, landside, and terminal, Topping Out ceremony, LEED Silver certification, construction status at a glance, and a GMP overview, including design-builder selection, budget setting process, transition to a GMP, negotiations process, and GMP cost basis.

**G. CALIFORNIA LEAST TERN ENDANGERED SPECIES PROTECTION PROGRAM AT SAN DIEGO INTERNATIONAL AIRPORT (EDUCATIONAL ITEM):**

Paul Manasjan, Director, Environmental Affairs, provided a presentation, which included habitat protection, characteristics and appearance of the California least tern, least tern feeding, nesting, colonies, nesting ovals at the Airport, habitat site preparation, least tern monitoring, predator control, data collection, mapping nest and hatch locations, annual nest counts at the Airport, and education and public outreach.

**CONSENT AGENDA (Items 1-15):**

Thella F. Bowens, President/CEO requested that Item 8 be pulled from the agenda.

Chair Gleason requested that a closed session item regarding Item 12 – Rejection of the Claim of Theresa M. Hopkins, et al. be added to a future agenda.

**ACTION: Moved by Board Member Cox and seconded by Board Member Hubbs to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek; NO – None; ABSENT – Young. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the May 23, 2011 special meeting and the June 2, 2011 regular meeting.

**2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:**

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

3. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MAY 9, 2011 THROUGH JUNE 12, 2011 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MAY 9, 2011 THROUGH JUNE 12, 2011:**  
RECOMMENDATION: Receive the report.
4. **JULY 2011 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2011-0070, approving the July 2011 Legislative Report.
5. **NOTIFICATION OF BOARD MEMBER WEIGHTED VOTE POINT ALLOCATION AS REQUIRED BY SECTION 170014 OF THE PUBLIC UTILITIES CODE:**  
RECOMMENDATION: Receive the report.
6. **AMEND THE AIRPORT AUTHORITY'S RECORDS AND INFORMATION MANAGEMENT PROGRAM AND RECORDS RETENTION SCHEDULES:**  
RECOMMENDATION: Adopt Resolution No. 2011-0071, approving amendments to the Authority's Records and Information Management Program and Records Retention Schedules.
7. **APPOINTMENTS TO BOARD COMMITTEES, AND REPRESENTATIVES AND ALTERNATES TO THE SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG) TRANSPORTATION COMMITTEE AND THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) AVIATION TASK FORCE:**  
RECOMMENDATION: Adopt Resolution No. 2011-0072, making appointments to Board Committees, and representatives and alternates to the SANDAG Transportation Committee and the SCAG Aviation Task Force.
8. **EXTEND THE TERMS OF AIRPORT ART ADVISORY COMMITTEE MEMBERS:**  
ACTION: This item was pulled from the agenda.
9. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO AND VICE PRESIDENT OF ADMINISTRATION AS THE AUTHORIZED AGENTS TO ENGAGE WITH THE CALIFORNIA EMERGENCY MANAGEMENT AGENCY ("CAL EMA") AND THE FEDERAL EMERGENCY MANAGEMENT AGENCY ("FEMA") TO APPLY FOR FINANCIAL ASSISTANCE:**  
RECOMMENDATION: Adopt Resolution No. 2011-0074, designating the President/CEO and Vice President of Administration as Authorized Agents and authorizing them to execute and file on behalf of the Airport Authority an application with the Office of Emergency Services for the purpose of obtaining certain financial assistance under the California Disaster Assistance Act

through the California Emergency Management Agency (“Cal EMA”) and the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 through the Federal Emergency Management Agency (“FEMA”).

### **CLAIMS**

10. **AUTHORIZE THE REJECTION OF THE CLAIM OF JAMES A. JONES, SR.:**  
RECOMMENDATION: Adopt Resolution No. 2011-0075, authorizing the rejection of the claim of James A. Jones, Sr.
11. **AUTHORIZE THE REJECTION OF THE CLAIM OF KATHY RUSSELL:**  
RECOMMENDATION: Adopt Resolution No. 2011-0076, authorizing the rejection of the claim of Kathy Russell.
12. **AUTHORIZE THE REJECTION OF THE CLAIM OF THERESA M. HOPKINS, ET AL.:**  
RECOMMENDATION: Adopt Resolution No. 2011-0077, authorizing the rejection of the claim of Theresa M. Hopkins, Warren B. Hopkins and Carl W. Hopkins.

### **COMMITTEE RECOMMENDATIONS**

13. **REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT POLICY:**  
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2011-0078, approving amendments to Authority Policy 4.40 – Debt Issuance and Management Policy.

### **CONTRACTS AND AGREEMENTS**

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

14. **AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 5, GROUP 11A (76 WEST SIDE, NON-HISTORIC, CONDOMINIUM UNITS):**  
RECOMMENDATION: Adopt Resolution No. 2011-0079, awarding a contract to S&L Specialty Contracting, Inc., in the amount of \$1,620,550, for Phase 5, Group 11A, Project No. 380511A, of the San Diego County Regional Airport Authority’s Quieter Home Program.

**15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH GREENHAUS, INC. FOR ON-CALL MARKETING, ADVERTISING, AND CREATIVE SERVICES:**

RECOMMENDATION: Adopt Resolution No. 2011-0083, approving and authorizing the President/CEO to negotiate and execute an agreement with Greenhaus, Inc. for on-call marketing, advertising and creative services, for an initial three-year term with two (2) one-year options exercisable at the sole discretion of the President/CEO, in an amount not to exceed \$2,500,000 should both option years be exercised.

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**NEW BUSINESS:**

**16. GRANT A SITE LEASE TO AFCO CRDC SAN LLC FOR DEVELOPMENT AND CONSTRUCTION OF A CENTRAL RECEIVING AND DISTRIBUTION CENTER (CRDC); APPROVE AN INSTALLMENT PURCHASE AGREEMENT WITH AFCO CRDC SAN LLC TO FINANCE, DESIGN AND BUILD THE CRDC; AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THE SITE LEASE AND INSTALLMENT PURCHASE AGREEMENT:**

Vernon D. Evans, Vice President, Finance/Treasurer, provided a presentation, which included the purpose of the CRDC, location map, site plan, development selection timeline, Request for Proposal (RFP) provisions, development team – evaluation matrix, proposed facility, and financial benefits and alternative financing approach.

In response to Board Member Panknin regarding striving for LEED Gold certification, Gus Abadjis, Deputy Program Manager, AECOM, Facilities Development Department, stated that the additional cost of \$375,000 to pursue Gold certification did not provide enough of a return on the investment based on the criteria that was used.

Board Member Panknin commented that he would like the Authority to pursue LEED Gold certification; he spoke about the importance of establishing the San Diego Airport as a leader in airport development.

In response to Board Member Boland, Vernon D. Evans, Vice President, Finance/Treasurer, stated that the requirement for the contractor to attain LEED Silver certification would be built into the contract.

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Thella F. Bowens, President/CEO, stated that all contracts will be reviewed by General Counsel to ensure the obligations established by the Attorney General are incorporated.

**RECOMMENDATION:** Adopt Resolution No. 2011-0080, authorizing the President/CEO to grant a site lease to AFCO CRDC SAN LLC for development and construction of a Central Receiving and Distribution Center (CRDC) for a maximum term of twenty (20) years and execute an installment purchase agreement with AFCO CRDC SAN LLC to finance, design, and build the CRDC with Leadership in Energy and Environmental Design (LEED) Silver Criteria in an amount not to exceed \$18,238,001.00 with payments scheduled over a maximum twenty (20) year terms.

**Motion #1**

**ACTION:** Moved by Board Member Cox and seconded by Board Member Panknin to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek; NO – None; ABSENT – Young. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)

**Motion #2**

**ACTION:** Moved by Board Member Cox and seconded by Board Member Panknin to direct staff to evaluate whether it would be cost effective to seek a Gold LEED Certification and that if it is determined by staff to be cost effective, that staff present an additional recommendation to the Board modifying its action taken outlined in Resolution No. 2011-0080. Motion carried by the following vote: YES – Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek; NO – None; ABSENT – Young. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)

**17. AWARD AN AGREEMENT TO BRADFORD AIRPORT LOGISTICS, LTD TO PROVIDE CENTRAL RECEIVING AND DISTRIBUTION CENTER (CRDC) OPERATIONAL SERVICES AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THE AGREEMENT:**

Vernon D. Evans, Vice President, Finance/Treasurer, provided a presentation, which included the proposed scope of work, CRDC operator selection timeline, and CRDC operator – evaluation matrix.

**RECOMMENDATION:** Adopt Resolution No. 2011-0081, authorizing the President/CEO to execute an agreement with Bradford Airport Logistics, Ltd for Central Receiving and Distribution Center operational services in an amount not to exceed \$7,599,422 over a five (5) year term.

**ACTION: Moved by Board Member Boland and seconded by Board Member Hubbs to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek; NO – None; ABSENT – Young. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)**

**CLOSED SESSION:** The Board recessed into closed session at 11:55 a.m. to discuss Items 23, 24, 25 and 26.

- 18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
- 19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Government Code Section 54956.9 (a)):  
San Diego Unified Port District v. TDY Industries, Inc., et al., and related cross-actions. U.S. District Court, Southern District Case No. 03 CV 1146-B (POR).
- 20. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**  
Real property negotiations pursuant to Cal. Gov. Code Sections 54954.5(b) and 54956.8:  
Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego  
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer  
Negotiating Parties: United States Fish and Wildlife Service, GGTV, LLC (current tenant) and/or other interested parties  
Under Negotiation: Sale – terms and conditions.
- 21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code Section 54956.9(a)):  
City of San Diego, Historical Resources Board: In re: Western Salt Company Salt Works, Report No. HRB-08-005
- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code Section 54956.9(a)):  
West Tech, Inc. v. San Diego County Regional Airport Authority, et al.,  
L.A.S.C 37-2010-00106565-CU-BC-CTL
- 23. PUBLIC EMPLOYEE PERFORMANCE APPRAISAL:**  
(Government Code 54957):  
Title: President/CEO
- 24. PUBLIC EMPLOYEE PERFORMANCE APPRAISAL:**  
(Government Code 54957):  
Title: General Counsel

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**25. PUBLIC EMPLOYEE PERFORMANCE APPRAISAL:**

(Government Code 54957):

Title: Chief Auditor

**26. CONFERENCE WITH LABOR NEGOTIATOR:**

Labor negotiations pursuant to Cal. Gov. Code §54957.6.

Authority Designated Negotiators: Thella F. Bowens, President/CEO; and Jeffrey Woodson, Vice President, Administration

Employee Organization: Teamsters 911

**REPORT ON CLOSED SESSION:** The Board reconvened into open session at 1:08 p.m. In regards to Item 26, Chair Gleason reported that there was no reportable action. In regards to Items 23, 24 and 25, Board Member Desmond reported that, on behalf of the Board, the executive team is doing a great job and commended them for their willingness to accept no pay increases or modification in their contracts.

**REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:**

***STANDING BOARD COMMITTEES***

• **AUDIT COMMITTEE:**

Board Member Smisek announced that the Audit Committee conducted two of the four interviews for the vacant seat resulting from the resignation of Ken Buck; and the remaining interviews will be conducted the first week of August.

• **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**

None.

• **FINANCE COMMITTEE:**

Board Member Cox announced that the end-of-year reports will not be presented until August due to the closing out of the fiscal year.

• **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**

Board Member Boland announced that the Terminal Development Committee met on June 29 and that the results of that meeting were presented to the Board under Item F of today's agenda.

### **ADVISORY COMMITTEES**

- **AUTHORITY ADVISORY COMMITTEE:**  
Board Member Panknin reported that a recommendation regarding the Authority Advisory Committee is being prepared and should be presented to the Executive Committee at its meeting on July 25.
- **PUBLIC ART ADVISORY COMMITTEE:**  
Chair Gleason announced that the American Association of Airport Executives and the Americans for the Arts conferences were held in San Diego.

### **LIAISONS**

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:** None.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:**  
Board Member Cox reported that recently staff met with San Diego City Councilmember Marti Emerald, San Diego City Councilmember Young, Councilmember Sherri Lightner's office, and San Diego Mayor Jerry Sanders' office. He also stated that staff provided an airfield tour to Mexicali Mayor Francisco Perez Tejada Padilla and staff. He also reported that on June 29 Congress passed the 20th FAA authorization extension effective until July 22.
- **MILITARY AFFAIRS:**  
Board Member Boland reported that the Marine Corps Recruit Depot (MCRD) has a new commanding general, and that he will meet with them on behalf of the Board and invite them to the Authority for a briefing.
- **PORT:** None.

### **BOARD REPRESENTATIVES (EXTERNAL)**

- **SANDAG TRANSPORTATION COMMITTEE:**  
Board Member Smisek reported that at SANDAG's last meeting was a presentation regarding the Airport Multimodal Accessibility Plan (AMAP) and there was discussion regarding San Diego's portion of the high speed rail system that may be impacted by the State Budget.
- **WORLD TRADE CENTER:** None.

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**CHAIR'S REPORT:**

Chair Gleason announced that Volaris will start flights to Mexico on July 15, that there will be a Board meeting on August 4, and that the September Board meeting will remain as scheduled. He added that discussions regarding the Board's upcoming retreat will take place at the next Board or Executive/Finance Committee meeting. He also reported on the Chamber of Commerce's delegation trip to Washington, D.C.

**PRESIDENT/CEO'S REPORT:**

Thella F. Bowens, President/CEO, reported on the parking lots and traffic affected by the Green Build. She stated that parking lot revenues are up approximately 20% since May and parking rates for the temporary lot have been increased; however, parking revenue is down overall. She commended the Airport Traffic Officers for their hard work in dealing with the congestion and keeping traffic moving, especially during the busy holiday.

**GENERAL COUNSEL REPORT:** None.

**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:**

Board Member Robinson suggested a joint meeting between the Executive Committee of the Downtown San Diego Partnership and the Authority.

**ADJOURNMENT:** The meeting was adjourned at 1:22 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 4TH DAY OF AUGUST, 2011.

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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

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**DRAFT**  
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**SPECIAL BOARD AND EXECUTIVE AND FINANCE COMMITTEE MEETING**  
**MINUTES**  
**MONDAY, JUNE 27, 2011**  
**SAN DIEGO INTERNATIONAL AIRPORT**  
**BOARD ROOM**

**CALL TO ORDER**

Vice Chair Smisek called the Special Board and Executive and Finance Committee meeting to order at 9:06 a.m., Monday, June 27, 2011, 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 Boland led the Pledge of Allegiance.

**ROLL CALL**

***Board***

Present: Board Members: Boland, Cox, Hubbs, Panknin,  
Robinson, Smisek

Absent: Board Members: Berman (Ex Officio), Desmond,  
Gleason, Reyes (Ex Officio), Richie (Ex  
Officio), Young

***Executive Committee***

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

***Finance Committee***

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

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

**SPECIAL BOARD**

**1. DISCUSSION AND POSSIBLE ACTION REGARDING MINIMUM GROUND TRANSPORTATION FEES:**

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Ground Transportation Cost Recovery Program, which included Cost Recovery Calculation, Cost Recovery Fee Calculation FY 2009 & FY 2010, and Cost Recovery Details.

Board Member Panknin stated that the fee should remain at \$100 for the charter industry if it's their fair share.

In response to Board Member Cox in regards to how the \$200 permit fee is calculated, Mr. Evans stated that the fee is an average processing fee that includes all modes of transportation. He stated that the reason the cost allocation for the charter industry is so low is because they account for less than one percent of the overall allocation. He stated that the proposed \$100 fee is 100 percent of their actual cost.

Vice Chair Smisek suggested that the Board stay with the current formula because of how the calculation was done.

Thella F. Bowens, President/CEO, stated that the current resolution needs to be clarified to address the requirement that no entity be charged less than \$200. She stated that if the Board wishes to stick with the allocation method, the resolution should be clarified to state that they should be paying the actual cost or a percentage of the cost as allocated for that year.

**RECOMMENDATION:** Provide direction to staff.

**ACTION:** Moved by Board Member Boland and seconded by Board Member Cox to continue the current allocation method for the charter industry and eliminate the minimum \$200 requirement in the previous resolution. Motion carried unanimously, noting Board Members Desmond, Gleason and Young as ABSENT.

**FINANCE COMMITTEE NEW BUSINESS**

**2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE ELEVEN MONTHS ENDED MAY 31, 2011:**

Kathy Kiefer, Director, Accounting, provided a presentation on the Unaudited Financial Statements for the Eleven Months Ended May 31, 2011, which included Enplanements, Gross Landing Weight Units, Airport Parking Transactions, Parking Revenue by Lot, Car Rental License Fees, Operating Revenues for the Month Ended May 31, 2011, Operating Expenses for the Month Ended May 31, 2011, Nonoperating Revenues and Expenses for the Month Ended May 31, 2011, Monthly Operating Revenue FY 2011, Monthly Operating Expenses FY 2011, Financial Summary for the Eleven Months Ended May 31, 2011, Balance Sheets, and Liabilities and Net Assets.

RECOMMENDATION: Receive the report.

**3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MAY 31, 2011:**

Scott Brickner, Director, Financial Planning & Budget, provided a presentation on the Authority's Investment Report as of May 31, 2011, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity Distribution, Benchmark Comparison, and Bond Proceeds Summary.

Mr. Brickner also provided a presentation on the Analysis of the Caltrust Fund as a Potential Investment Option for Authority Funds, which included Analysis of Caltrust Funds for Investment, Caltrust Heritage Money Market Fund, Caltrust Heritage Short-Term Fund, and a Summary of Pros and Cons.

Board Member Cox noted that it might be useful to have a short term fund added to the policy as an alternative investment fund.

RECOMMENDATION: Receive the report.

**4. REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:**

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Review and Approval of Amendments to Authority Policy 4.40 – Debt Issuance and Management, which included the Debt Issuance and Management Policy, Objectives, Debt Policy – Amendments, and Action Requested.

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RECOMMENDATION: Forward this item to the Board for approval.

**ACTION: Moved by Board Member Robinson and seconded by Board Member Panknin to forward this item to the Board for approval. Motion carried unanimously, noting Board Member Young as ABSENT.**

**EXECUTIVE COMMITTEE NEW BUSINESS**

**5. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the May 23, 2011 Special Committee Meeting.

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

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

**REVIEW OF FUTURE AGENDAS**

**7. REVIEW OF THE DRAFT AGENDA FOR THE JULY 7, 2011 BOARD MEETING:**

Thella F. Bowens, President/CEO, presented the draft agenda for the July 7, 2011 Special Board Meeting.

Ms. Bowens requested that Item 18, regarding an Exclusive Use Agreement with MCRD, be removed from the agenda.

**8. REVIEW OF THE DRAFT AGENDA FOR THE JULY 7, 2011 AIRPORT LAND USE COMMISSION MEETING:**

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the July 7, 2011 Special Airport Land Use Commission meeting.

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In response to Board Member Robinson regarding the inconsistent determination for Item 5 at 9210 Scranton Road, Angela Shafer-Payne, Vice President, Planning & Operations, stated that the project is located in the Crash Hazard Zone, and the Military is opposed to a restaurant being built in the location.

**ACTION: Moved by Board Member Cox and seconded by Vice Chair Smisek to approve Items 7 and 8 as amended. Motion carried unanimously, noting Chair Gleason as ABSENT.**

**GENERAL COUNSEL REPORT:**

**BOARD COMMENT:**

**ADJOURNMENT**

The meeting was adjourned at 10:00 a.m. The next meeting of the Executive and Finance Committee will be held on Monday, July 25, 2011 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 25<sup>th</sup> DAY OF JULY, 2011.

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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

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