

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND EXECUTIVE AND FINANCE COMMITTEE MEETING
MINUTES
THURSDAY, NOVEMBER 21, 2013
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER:

Chair Gleason called the Special Board Meeting and Executive and Finance Committee meeting to order at 9:07 a.m., Thursday, November 21, 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 Robinson led the Pledge of Allegiance.

ROLL CALL:

Board

Present: Board Members: Alvarez, Gleason, Hubbs, Robinson, Sessom, Smisek

Absent: Board Members: Berman (Ex-Officio), Boland, Cox, Desmond, Farnam (Ex-Officio), Ortega (Ex-Officio)

Executive Committee

Present: Committee Members: Gleason, Robinson, Smisek

Absent: Committee Members: None

Finance Committee

Present: Committee Members: Alvarez, Hubbs, Robinson, Sessom

Absent: Committee Members: Cox

Also Present: Angela Shafer Payne, Vice President, Operations; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk; Lorraine Bennett, Assistant Authority Clerk II

Board Member's Alvarez and Hubbs arrived during the course of the meeting.

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the October 28, 2013, regular meeting.

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

Chair Gleason announced that Items 5, 6, 7, 8 and 9 would be heard at this time.

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 accept staff's recommendation. Motion carried unanimously.

6. REVIEW OF THE PROPOSED 2014 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:

RECOMMENDATION: Forward to the Board for acceptance.

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

REVIEW OF FUTURE AGENDAS

7. REVIEW OF THE DRAFT AGENDA FOR THE DECEMBER 12, 2013, SPECIAL BOARD MEETING:

Angela Shafer Payne, Vice President, Operations, provided an overview of the draft agenda for the December 12, 2013 Special Board Meeting.

In regard to Items 7 and 16, Chair Gleason requested that they be moved to "New Business".

8. **REVIEW OF THE DRAFT AGENDA FOR THE DECEMBER 12, 2013, SPECIAL AIRPORT LAND USE COMMISSION MEETING:**
Angela Shafer Payne, Vice President, Operations, provided an overview of the draft agenda for the December 12, 2013, Special Airport Land Use Commission meeting.

ACTION: Moved by Board Member Robinson and seconded by Board Member Smisek to approve Agenda Items 7 and 8, as amended. Motion carried unanimously.

Board Member Alvarez arrived at 9:14 a.m.

BOARD BUSINESS

9. **AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A NOTICE OF GEOLOGIC AND GEOTECHNICAL CONDITIONS, INCLUDING AN INDEMNITY AGREEMENT IN FAVOR OF THE CITY OF SAN DIEGO, IN ORDER TO OBTAIN A BUILDING PERMIT FOR THE PROPOSED RENTAL CAR CENTER (PROJECT NO. 104151) LOCATED ON A PORTION OF THE TIDELANDS OF SAN DIEGO BAY:**
Bob Bolton, Director, Airport Design & Construction, provided a brief overview of the report.

Board Member Robinson expressed concern regarding the request for additional conditions and stated that further negotiations are needed.

Bret Lobner, General Counsel, stated that because the proposed project is located on a potentially active fault area, the City is concerned that if it approves the permit, it may be liable, and therefore, has drafted additional provisions dealing with Conditions, Hold Harmless and Assumption of Risk and Costs. He further stated that the General Counsel is working with the City Attorney's Office to limit the indemnity clause and to change the facts within the general provisions of Exhibit A.

RECOMMENDATION: Adopt Resolution No. 2013-0131, approving and authorizing the President/CEO to execute a Notice of Geologic and Geotechnical Conditions, including an indemnity agreement, with the City of San Diego, to be recorded with the County Recorder acknowledging the existence of geotechnical conditions assumed to be present on the proposed rental car center located on a portion of the Tidelands of San Diego Bay, Assessor's Parcel Number: 760-005-33-00.

ACTION: Moved by Board Member Robinson, and seconded by Board Member Alvarez to approve staff recommendation, and to authorize the President/CEO to execute a document that is factually accurate, that limits liability to the specific issue at hand, which is the presence of a potentially active fault, to the satisfaction in form and content of the General Counsel. Motion carried by the following vote: YES – Alvarez, Gleason, Robinson, Sessom, Smisek; NO – None; ABSENT – Boland, Cox, Desmond, Hubbs (Weighted Vote Points: YES - 55; NO - 0; ABSENT- 45).

Chair Gleason requested that staff keep the Board informed and provide copies of any final executed documents.

FINANCE COMMITTEE NEW BUSINESS

Chair Gleason announced that Item 4 would be heard at this time.

4. AUTHORIZATION OF BOND DOCUMENTS AND SALE OF SPECIAL FACILITIES REVENUE BONDS, INCLUDING DELEGATION OF PRICING AUTHORITY, FOR FUNDING OF RENTAL CAR CENTER AND RELATED IMPROVEMENTS:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Authorization Of Bond Documents And Sale Of Special Facilities Revenue Bonds, Including Delegation Of Pricing Authority, For Funding Of Rental Car Center And Related Improvements, which included, Rental Car Center Project Costs and Funding Overview, CFC Financing Overview, Market Conditions, Principal Documents of the Bond Sale, The Authority's Team, and Preliminary Timetable.

Chair Gleason requested that staff send Board Members a memorandum outlining the process used to select the Bond Team.

In response to Board Member Sessom regarding the review of the bond documents by the Bond Counsel, Michael Reppe, Esq., Kutak Rock LLP, stated that all documents have been reviewed and the Authority is in great shape to move forward.

RECOMMENDATION: Forward to the Board for approval.

ACTION: Moved by Board Member Sessom and seconded by Board Member Robinson to accept staff's recommendation. Motion carried unanimously, noting Board Member Cox as ABSENT.

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FOUR MONTHS ENDED OCTOBER 31, 2013 AND 2012:

Vernon Evans, Vice President, Finance/Treasurer, and Kathy Kiefer, Director, Accounting, provided a presentation on the Unaudited Financial Statements for the Four Months Ended October 31, 2013 and 2012, which included Enplanements, Gross Landing Weight Units, Car Rental License Fees, Parking Revenue, Operating Revenue for the Month Ended October 31, 2013 (Unaudited), Financial Summary for the Month Ended October 31, 2013 (Unaudited), Nonoperating Revenues and Expenses for the Month Ended October 31, 2013 (Unaudited), Monthly Operating Revenue, Fiscal Year 2014.

RECOMMENDATION: Receive the report.

Board Member Hubbs arrived at 9:47 a.m.

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

Scott Brickner, Director, Financial Planning and Budget, provided a presentation on the Authority's Investment Report as of October 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, Detail of Security Holdings, Portfolio Investment Transactions, Bond Proceeds Summary, and Bond Proceeds Investment Transactions.

RECOMMENDATION: Receive the report.

ACTION: Moved by Board Member Robinson and seconded by Board Member Sessom to accept the staff's recommendation for Items 2 and 3. Motion carried unanimously, noting Board Member Cox as ABSENT.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT


The meeting was adjourned at 9:52 a.m. The next meeting of the Executive and Finance Committee will be held on Thursday, December 19, 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 19TH DAY OF DECEMBER, 2013.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL