

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



## BOARD MEMBERS

DAVID ALVAREZ  
LAURIE BERMAN\*  
C. APRIL BOLING  
GREG COX  
JIM DESMOND  
COL. JOHN FARNAM\*  
ROBERT H. GLEASON  
LLOYD B. HUBBS  
JIM JANNEY  
ERAINA ORTEGA\*  
PAUL ROBINSON  
MARY SESSOM

\* EX OFFICIO BOARD MEMBERS

PRESIDENT/CEO  
THELLA F. BOWENS

## **SPECIAL BOARD MEETING**

and

## **EXECUTIVE/FINANCE COMMITTEE**

### **AGENDA**

Monday, May 11, 2015  
9:00 A.M.

San Diego International Airport  
Commuter Terminal -- Third Floor  
Board Room  
3225 N. Harbor Drive  
San Diego, CA 92101

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. If comments are made to the Committee without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law. ***Please note that agenda items may be taken out of order.***

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

**\*NOTE:** This Committee Meeting also is noticed as a Special Meeting of the Board to (1) foster communication among Board members in compliance with the Brown Act; and (2) preserve the advisory function of the Committee.

Board members who are not members of this Committee may attend and participate in Committee discussions. Since sometimes more than a quorum of the Board may be in attendance, to comply with the Brown Act, this Committee meeting also is noticed as a Special Meeting of the Board.

To preserve the proper function of the Committee, only members officially assigned to this Committee are entitled to vote on any item before the Committee. This Committee only has the power to review items and make recommendations to the Board. Accordingly, this Committee cannot, and will not, take any final action that is binding on the Board or the Authority, even if a quorum of the Board is present.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

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## **CALL TO ORDER**

## **PLEDGE OF ALLEGIANCE**

## **ROLL CALL**

### ***Board***

Board Members: Alvarez, Berman (Ex-Officio), Boling, Cox, Desmond, Farnam (Ex-Officio), Gleason (Chair), Hubbs, Janney, Ortega (Ex-Officio), Robinson, Sessom

### ***Executive Committee***

Committee Members: Gleason (Chair), Hubbs, Robinson

### ***Finance Committee***

Committee Members: Alvarez, Boling, Cox (Chair), Hubbs, Janney, Sessom

## **NON-AGENDA PUBLIC COMMENT**

Non-Agenda Public Comment is reserved for members of the public wishing to address the Committee on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Committee. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

**Note:** Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

## **NEW BUSINESS**

### **1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the April 6, 2015, special meeting.

## **FINANCE COMMITTEE NEW BUSINESS**

### **2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2015:**

RECOMMENDATION: Forward to the Board for acceptance.  
Presented by Kathy Kiefer, Senior Director, Finance & Asset Management

**3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2015:**

RECOMMENDATION: Forward to the Board for acceptance.  
Presented by Michael Sears, Director, Financial Management

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

RECOMMENDATION: Forward to the Board for approval.  
Presented by Scott Brickner, Vice President, Finance & Asset Management /Treasurer and Michael Sears, Director, Financial Management

**5. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/TREASURER:**

RECOMMENDATION: Forward to the Board for approval.  
Presented by Scott Brickner, Vice President, Finance & Asset Management /Treasurer and Michael Sears, Director, Financial Management

**EXECUTIVE COMMITTEE NEW BUSINESS**

**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.  
Presented by Tony R. Russell, Director, Corporate & Information Governance/ Authority Clerk

**REVIEW OF FUTURE AGENDAS**

**7. REVIEW OF THE DRAFT AGENDA FOR THE MAY 21, 2015, BOARD MEETING:**

Presented by: Thella F. Bowens, President/CEO

**8. REVIEW OF THE DRAFT AGENDA FOR THE MAY 21, 2015, AIRPORT LAND USE COMMISSION MEETING:**

Presented by: Thella F. Bowens, President/CEO

**BUDGET WORKSHOP**

**9. DISCUSSION REGARDING THE FISCAL YEAR 2016 PROPOSED BUDGET AND FISCAL YEAR 2017 PROPOSED CONCEPTUAL OPERATING BUDGET:**

RECOMMENDATION: Discuss the Fiscal Year 2016 Proposed and Fiscal Year 2017 Proposed Conceptual Operating Budget.

Presented by Scott Brickner, Vice President, Finance & Asset Management/  
Treasurer

**COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT**

**Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)**

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees. Public comment on specific items is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

**Additional Meeting Information**

**NOTE:** This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at

(619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at [www.san.org](http://www.san.org).

**For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Commuter Terminal. Bring your ticket to the third floor receptionist for validation.**

**You may also reach the Commuter Terminal by using public transit via the San Diego MTS system, Route 992. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.**

**UPCOMING MEETING SCHEDULE**

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
June 15	Monday	9:00 a.m.	Regular	Board Room
July 13	Monday	9:00 a.m.	Regular	Board Room

**DRAFT  
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
EXECUTIVE AND FINANCE COMMITTEE MEETING  
MINUTES  
MONDAY, APRIL 6, 2015  
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, April 6, 2015, 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 Alvarez led the Pledge of Allegiance.

**ROLL CALL:**

***Executive Committee***

Present:            Committee Members:    Gleason, Robinson

Absent:            Committee Members:    Hubbs

***Finance Committee***

Present:            Committee Members:    Alvarez, Boling, Cox, Janney

Absent:            Committee Members:    Sessom

Also Present: Angela Shafer-Payne, Vice President, Operations; Amy Gonzalez, Senior Director, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Lorraine Bennett, Assistant Authority Clerk II

**NON-AGENDA PUBLIC COMMENT** - None

**NEW BUSINESS**

**1.    APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the March 9, 2015, regular meeting.

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

**FINANCE COMMITTEE NEW BUSINESS**

**2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2015:**

Scott Brickner, Vice President, Finance & Asset Management /Treasurer, and Kathy Kiefer, Senior Director, Finance & Asset Management, provided a presentation on the Unaudited Financial Statements for the Eight Months Ended February 28, 2015, which included Enplanements, Gross Landing Weight Units, Car Rental License Fees, Parking Revenue, Food and Beverage Concessions Revenue, Retail Concessions Revenue, Total Terminal Concessions, Operating Revenues for the Month Ended February 28, 2015, Operating Expenses for the Month Ended February 28, 2015, Financial Summary for the Month Ended February 28, 2015, Non-operating Revenues & Expenses for the Month Ended February 28, 2015, Revenues and Expenses for the Eight Months Ended February, 2015, Operating Revenues for the Eight Months Ended February 28, 2015 (Unaudited), Operating Expenses for the Eight Months Ended February 28, 2015 (Unaudited), Financial Summary for the Eight Months Ended February 28, 2015 (Unaudited), Non-operating Revenues and Expenses for the Eight Months Ended February 28, 2015 (Unaudited), and Statements of Net Position (Unaudited).

In response to Board Member Cox regarding why the Retail Concessions Revenue for Fiscal Year 2015 Actuals is lower than that of the Fiscal Year 2014 Actuals, given that the concessions program has grown, Mr. Brickner stated that staff will look it to this further, and provide updated information to the Board.

In response to Board Member Robinson regarding a reimbursement to the Authority by San Diego Gas & Electric (SDG&E), for an overcharge in utility fees for the 12Kv project, and if the Authority regularly monitors its utility charges, Ms. Kiefer stated that utility charges to the Authority are closely monitored by an analyst.

RECOMMENDATION: Receive the report.

**3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF FEBRUARY 28, 2015:**

Michael Sears, Director, Financial Management, provided a presentation on the Authority's Investment Report as of February 28, 2015, which included Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity, 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 Janney and seconded by Board Member Boling to approve staff's recommendation for Items 2 and 3. Motion carried unanimously, noting Board Member Sessom as ABSENT.**

**EXECUTIVE COMMITTEE NEW BUSINESS**

**4. 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 Robinson and seconded by Chair Gleason to approve staff's recommendation. Motion carried unanimously, noting Board Member Hubbs as ABSENT.**

Chair Gleason noted that Items 6 and 7 would be discussed at this time.

**REVIEW OF FUTURE AGENDAS**

**6. REVIEW OF THE DRAFT AGENDA FOR THE APRIL 23, 2015, BOARD MEETING:**

Angela Shafer-Payne, Vice President, Operations provided an overview of the draft agenda for the April 23, 2015 Board Meeting.

In regards to Item 12, "Approve and Authorize The President/CEO to Negotiate and Execute A Public Improvement Maintenance Agreement With the City of San Diego", Ms. Shafer-Payne requested that the item be pulled from this Agenda.

In regards to Item 15, "Approve and Authorize the President/CEO to Execute an Agreement with (TBD) for On-Call Environmental Program Management Services", Ms. Shafer-Payne requested that the item be pulled from this Agenda.

**7. REVIEW OF THE DRAFT AGENDA FOR THE APRIL 23, 2015, AIRPORT LAND USE COMMISSION MEETING:**

Angela Shafer-Payne, Vice President, Operations provided an overview of the draft agenda for the April 23, 2015 ALUC Meeting.

**ACTION: Moved by Board Member Robinson and seconded by Chair Gleason to approve Items 6 and 7, as amended. Motion carried unanimously, noting Board Member Hubbs as ABSENT.**



**EXECUTIVE COMMITTEE NEW BUSINESS, continued**

**5. DISCUSSION REGARDING WAYFINDING SIGNAGE AT THE AIRPORT:**

Jeffrey Woodson, Vice President, Development, and Ted Anasis, Manager, Regional Planning, provided a presentation on the Wayfinding Signage at the Airport, which included SAN Northside – Admiral Boland Way and Freeway/City Signs, Terminal, Parking and Future Parking Plaza, North Harbor Drive – Short Term and Long Term.

In response to Board Member Boling regarding what wayfinding signage is planned for the Interstate 5 North and South freeways, and the 163 freeway, Mr. Anasis stated that roadside signage is being planned for all of these locations.

Board Member Janney suggested adding the Airport logo to signage that is Airport-owned.

Chair Gleason requested staff to provide a memorandum to the Board regarding the proposed signage for Interstate 5 North and South freeways, and the 163 freeway.

Chair Gleason suggested that the selected artist for the Parking Plaza be integrated with the wayfinding signage project.

In response to Chair Gleason regarding what are the short-term plans for signage related to the Transport Network Company pick up's, and app-hailed taxi's at the Airport, Ms. Shafter-Payne stated that a plan is ready to be executed in the terminals and landside, and staff will be sending a memorandum to the Board with an update.

Board Member Boling expressed concern that the wayfinding signage not be too busy with visual input.

**ACTION: No action taken.**

**COMMITTEE MEMBER COMMENTS:**

In response to Board Member Cox regarding recent press about poor cell phone coverage at the Airport, updates about the issue and whether similar issues exist with other airports, Ms. Shafer-Payne stated that staff will be providing an update to the Board on the matter this week.

In response to Board Member Cox regarding what the Authority is doing to provide a recharge area for taxi cabs who are looking to convert to electric vehicles, Ms. Shafer-Payne stated that staff has met with SDG&E, and that infrastructure for a charging area is planned for the new taxi cab and shuttle hold lot. She further stated that conversations with SDG&E have been around seeking grant funding opportunities for those who are willing to convert to electric vehicles, and, to look at what options are available for charging areas in the existing lot. She stated that staff will provide an update to the Board.

**ADJOURNMENT**

The meeting was adjourned at 9:56 a.m. The next meeting of the Executive and Finance Committee will be held on Monday, May 11, 2015, 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 11<sup>th</sup> DAY OF MAY, 2015.

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statements of Net Position**  
**as of March 31, 2015**  
**(Unaudited)**

**ASSETS**

	March	
	2015	2014
<b>Current assets:</b>		
Cash and investments <sup>(1)</sup>	\$ 68,701,378	\$ 94,574,485
Tenant lease receivable, net of allowance of 2015: (\$60,384) and 2014: (\$76,869)	8,516,443	9,273,066
Grants receivable	4,046,381	4,264,426
Notes receivable-current portion	1,528,512	1,446,896
Prepaid expenses and other current assets	6,507,116	6,406,530
<b>Total current assets</b>	<b>89,299,829</b>	<b>115,965,403</b>
<b>Cash designated for capital projects and other <sup>(1)</sup></b>	<b>22,409,779</b>	<b>16,563,790</b>
<b>Restricted assets:</b>		
Cash and investments:		
Bonds reserve <sup>(1)</sup>	54,943,134	54,964,747
Passenger facility charges and interest unapplied <sup>(1)</sup>	63,021,378	54,541,409
Customer facility charges and interest unapplied <sup>(1)</sup>	41,776,407	38,673,622
Commercial paper reserve <sup>(1)</sup>	-	4,352
SBD Bond Guarantee <sup>(1)</sup>	4,000,000	4,000,000
Bond proceeds held by trustee <sup>(1)</sup>	338,368,477	536,570,819
Commercial paper interest held by trustee <sup>(1)</sup>	-	12,907
Passenger facility charges receivable	5,032,658	4,679,099
Customer facility charges receivable	2,974,394	3,681,113
OCIP insurance reserve	5,433,044	5,108,468
<b>Total restricted assets</b>	<b>515,549,494</b>	<b>702,236,536</b>
<b>Noncurrent assets:</b>		
<b>Capital assets:</b>		
Land and land improvements	71,081,846	70,943,049
Runways, roads and parking lots	575,158,659	563,883,110
Buildings and structures	1,042,820,643	1,007,766,281
Machinery and equipment	14,293,022	13,669,022
Vehicles	5,520,387	5,582,383
Office furniture and equipment	32,519,669	32,049,418
Works of art	3,423,910	2,468,450
Construction-in-progress	411,340,849	212,818,635
<b>Total capital assets</b>	<b>2,156,158,985</b>	<b>1,909,180,348</b>
Less accumulated depreciation	(717,047,849)	(641,229,108)
<b>Total capital assets, net</b>	<b>1,439,111,136</b>	<b>1,267,951,240</b>
<b>Other assets:</b>		
Notes receivable - long-term portion	37,221,310	38,810,669
Investments-long-term portion <sup>(1)</sup>	87,967,969	67,332,167
Net pension asset	6,468,042	6,230,908
Security deposit	500,367	500,367
<b>Total other assets</b>	<b>132,157,689</b>	<b>112,874,111</b>
<b>Total noncurrent assets</b>	<b>1,571,268,825</b>	<b>1,380,825,351</b>
<b>Total assets</b>	<b>\$ 2,198,527,927</b>	<b>\$ 2,215,591,080</b>

<sup>(1)</sup> Total cash and investments, \$681,188,522 for 2015 and \$867,238,298 for 2014

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statements of Net Position**  
**as of March 31, 2015**  
**(Unaudited)**

**LIABILITIES AND NET POSITION**

	March	
	2015	2014
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 63,368,747	\$ 73,781,407
Deposits and other current liabilities	4,050,103	4,630,085
<b>Total current liabilities</b>	<b>67,418,850</b>	<b>78,411,492</b>
<b>Current liabilities - payable from restricted assets:</b>		
Current portion of long-term debt	10,695,000	11,870,000
Accrued interest on bonds and commercial paper	16,575,278	14,387,987
<b>Total liabilities payable from restricted assets</b>	<b>27,270,278</b>	<b>26,257,987</b>
<b>Long-term liabilities:</b>		
Revolving line of credit and commercial paper payable	44,884,000	43,216,297
Other long-term liabilities	13,731,530	10,130,847
Long term debt - bonds net of amortized premium	1,308,162,272	1,323,208,153
<b>Total long-term liabilities</b>	<b>1,366,777,802</b>	<b>1,376,555,297</b>
<b>Total liabilities</b>	<b>1,461,466,929</b>	<b>1,481,224,775</b>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	405,412,229	418,203,981
Other restricted	176,343,863	165,770,316
Unrestricted:		
Designated	28,049,876	22,794,697
Undesignated	127,255,029	127,597,310
<b>Net position</b>	<b>737,060,998</b>	<b>734,366,305</b>
<b>Total liabilities and net position</b>	<b>\$ 2,198,527,927</b>	<b>\$ 2,215,591,080</b>

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Month Ended March 31, 2015**  
**(Unaudited)**

	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
				Change	
<b>Operating revenues:</b>					
Aviation revenue:					
Landing fees	\$ 2,004,622	\$ 1,947,696	\$ (56,927)	(3)%	\$ 1,813,808
Aircraft parking Fees	230,674	226,321	(4,353)	(2)%	225,367
Building rentals	4,166,443	4,541,849	375,406	9%	3,833,602
Security surcharge	2,210,825	2,210,825	-	0%	2,080,788
CUPPS Support Charges	93,750	93,750	-	0%	93,075
Other aviation revenue	132,561	135,781	3,221	2%	133,503
Terminal rent non-airline	125,493	103,467	(22,027)	(18)%	114,750
Terminal concessions	1,637,567	1,761,558	123,993	8%	1,664,124
Rental car license fees	2,232,775	2,428,914	196,140	9%	2,340,970
License fees other	337,382	367,793	30,410	9%	362,822
Parking revenue	3,082,332	3,207,461	125,129	4%	2,899,368
Ground transportation permits and citations	164,727	230,808	66,080	40%	184,140
Ground rentals	967,723	984,509	16,785	2%	675,970
Grant reimbursements	24,800	24,800	-	0%	24,800
Other operating revenue	39,145	40,955	1,810	5%	31,825
<b>Total operating revenues</b>	<b>17,450,819</b>	<b>18,306,487</b>	<b>855,668</b>	<b>5%</b>	<b>16,478,914</b>
<b>Operating expenses:</b>					
Salaries and benefits	4,087,326	3,127,176	960,150	23%	2,989,680
Contractual services	2,966,061	2,649,321	316,740	11%	2,578,221
Safety and security	1,995,730	1,890,096	105,634	5%	1,997,411
Space rental	868,570	868,365	205	0%	865,883
Utilities	709,686	707,338	2,348	0%	695,664
Maintenance	1,306,138	1,383,641	(77,503)	(6)%	892,000
Equipment and systems	94,357	6,783	87,574	93%	13,806
Materials and supplies	31,367	51,247	(19,880)	(63)%	25,553
Insurance	89,285	85,629	3,656	4%	82,255
Employee development and support	91,077	133,880	(42,803)	(47)%	85,245
Business development	235,400	70,679	164,721	70%	220,462
Equipment rentals and repairs	298,064	753,612	(455,548)	(153)%	268,441
<b>Total operating expenses</b>	<b>12,773,063</b>	<b>11,727,768</b>	<b>1,045,295</b>	<b>8%</b>	<b>10,714,622</b>
Depreciation	6,711,435	6,711,435	-	-	20,526,179
<b>Operating income (loss)</b>	<b>(2,033,679)</b>	<b>(132,716)</b>	<b>1,900,963</b>	<b>93%</b>	<b>(14,761,887)</b>
<b>Nonoperating revenue (expenses):</b>					
Passenger facility charges	3,864,779	3,713,860	(150,920)	(4)%	3,655,238
Customer facility charges (Rental Car Center)	2,865,580	2,960,097	94,518	3%	2,652,927
Quieter Home Program	(166,899)	(308,997)	(142,099)	(85)%	(284,332)
Interest income	387,962	485,859	97,897	25%	451,900
BAB interest rebate	386,351	385,851	(500)	-	386,351
Interest expense	(4,298,409)	(4,984,466)	(686,057)	(16)%	(5,844,811)
Bond amortization cost	359,350	359,350	-	0%	366,332
Other nonoperating income (expenses)	(833)	(1,060,723)	(1,059,890)	-	(640,459)
<b>Nonoperating revenue, net</b>	<b>3,397,881</b>	<b>1,550,831</b>	<b>(1,847,050)</b>	<b>(54)%</b>	<b>743,146</b>
<b>Change in net position before capital grant contribution</b>	<b>1,364,202</b>	<b>1,418,115</b>	<b>53,913</b>	<b>4%</b>	<b>(14,018,741)</b>
Capital grant contributions	725,310	89,934	(635,376)	(88)%	685,934
<b>Change in net position</b>	<b>\$ 2,089,512</b>	<b>\$ 1,508,049</b>	<b>\$ (581,463)</b>	<b>(28)%</b>	<b>\$ (13,332,807)</b>

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Nine Months Ended March 31, 2015 and 2014**  
**(Unaudited)**

	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
<b>Operating revenues:</b>					
Aviation revenue:					
Landing fees	\$ 17,637,149	\$ 17,583,808	\$ (53,341)	(0)%	\$ 16,174,686
Aircraft parking fees	2,076,066	2,045,595	(30,470)	(1)%	1,899,520
Building rentals	37,469,534	38,148,070	678,536	2%	34,080,192
Security surcharge	19,897,425	19,897,449	24	0%	18,727,080
CUPPS Support Charges	843,746	845,530	1,785	0%	837,663
Other aviation revenue	1,190,892	1,188,370	(2,522)	(0)%	1,189,730
Terminal rent non-airline	1,124,106	923,306	(200,801)	(18)%	835,287
Terminal concessions	14,756,398	15,854,442	1,098,045	7%	13,978,580
Rental car license fees	18,529,708	19,246,566	716,858	4%	18,419,936
License fees other	3,105,705	3,284,704	179,000	6%	2,956,092
Parking revenue	29,076,867	28,779,974	(296,894)	(1)%	26,870,868
Ground transportation permits and citations	2,301,955	2,351,535	49,580	2%	1,962,367
Ground rentals	8,438,678	8,546,937	108,259	1%	6,321,084
Grant reimbursements	219,200	219,130	(70)	(0)%	295,585
Other operating revenue	352,308	505,078	152,770	43%	964,456
<b>Total operating revenues</b>	<b>157,019,734</b>	<b>159,420,496</b>	<b>2,400,761</b>	<b>2%</b>	<b>145,513,126</b>
<b>Operating expenses:</b>					
Salaries and benefits	37,661,573	33,763,026	3,898,546	10%	28,891,723
Contractual services	25,231,929	22,284,939	2,946,990	12%	22,846,124
Safety and security	18,335,383	17,733,341	602,042	3%	18,194,935
Space rental	7,844,584	7,825,374	19,210	0%	7,785,945
Utilities	7,118,756	7,869,646	(750,890)	(11)%	6,132,518
Maintenance	12,065,930	10,021,585	2,044,345	17%	8,993,831
Equipment and systems	419,365	145,109	274,256	65%	173,515
Materials and supplies	308,969	304,039	4,930	2%	257,230
Insurance	803,567	794,319	9,247	1%	740,668
Employee development and support	894,478	696,487	197,991	22%	761,617
Business development	2,059,150	1,743,310	315,841	15%	1,761,875
Equipment rentals and repairs	2,765,415	2,270,579	494,836	18%	2,017,980
<b>Total operating expenses</b>	<b>115,509,099</b>	<b>105,451,755</b>	<b>10,057,344</b>	<b>9%</b>	<b>98,557,963</b>
Depreciation	60,212,653	60,212,652	1	0%	59,533,947
<b>Operating income (loss)</b>	<b>(18,702,018)</b>	<b>(6,243,911)</b>	<b>12,458,107</b>	<b>67%</b>	<b>(12,578,784)</b>
<b>Nonoperating revenue (expenses):</b>					
Passenger facility charges	27,070,146	28,326,936	1,256,790	5%	26,357,006
Customer facility charges (Rental Car Center)	22,538,658	23,622,012	1,083,355	5%	19,356,787
Quieter Home Program	(2,435,885)	(2,126,610)	309,275	13%	(1,702,706)
Interest income	3,574,878	4,380,655	805,777	23%	3,572,684
BAB interest rebate	3,477,161	3,473,163	(3,998)	0%	3,477,161
Interest expense	(39,072,216)	(46,627,485)	(7,555,268)	(19)%	(38,989,141)
Bond amortization	3,255,319	3,255,319	-	0%	3,297,300
Other nonoperating income (expenses)	(7,500)	(1,068,522)	(1,061,022)	-	1,512,077
<b>Nonoperating revenue, net</b>	<b>18,400,561</b>	<b>13,235,469</b>	<b>(5,165,092)</b>	<b>(28)%</b>	<b>16,881,168</b>
<b>Change in net position before capital grant contributions</b>	<b>(301,457)</b>	<b>6,991,558</b>	<b>7,293,015</b>	<b>(2419)%</b>	<b>4,302,384</b>
Capital grant contributions	7,610,750	3,053,018	(4,557,732)	(60)%	3,000,553
<b>Change in net position</b>	<b>\$ 7,309,293</b>	<b>\$ 10,044,575</b>	<b>\$ 2,735,282</b>	<b>37%</b>	<b>\$ 7,302,937</b>



**San Diego County Regional Airport Authority**  
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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Landing Fees</b>										
41112 - Landing Fees - Signatory	\$2,012,497	\$1,969,437	\$(43,060)	(2)	\$1,842,524	\$17,800,906	\$17,833,496	\$32,591	0	\$16,509,528
41113 - Landing Fee Rebate	(7,875)	(21,742)	(13,867)	(176)	(28,717)	(163,757)	(249,689)	(85,931)	(52)	(334,842)
<b>Total Landing Fees</b>	<b>2,004,622</b>	<b>1,947,696</b>	<b>(56,927)</b>	<b>(3)</b>	<b>1,813,808</b>	<b>17,637,149</b>	<b>17,583,808</b>	<b>(53,341)</b>	<b>0</b>	<b>16,174,686</b>
<b>Aircraft Parking Fees</b>										
41150 - Terminal Aircraft Parking	178,446	195,855	17,409	10	165,001	1,606,015	1,719,170	113,156	7	1,448,788
41155 - Remote Aircraft Parking	52,228	30,466	(21,762)	(42)	60,366	470,051	326,425	(143,626)	(31)	450,732
<b>Total Aircraft Parking Fees</b>	<b>230,674</b>	<b>226,321</b>	<b>(4,353)</b>	<b>(2)</b>	<b>225,367</b>	<b>2,076,066</b>	<b>2,045,595</b>	<b>(30,470)</b>	<b>(1)</b>	<b>1,899,520</b>
<b>Building and Other Rents</b>										
41210 - Terminal Rent	4,104,098	4,477,321	373,222	9	3,772,048	36,919,656	37,616,332	696,676	2	33,526,759
41215 - Federal Inspection Services	62,344	64,528	2,184	4	61,554	549,878	531,738	(18,140)	(3)	553,434
<b>Total Building and Other Rents</b>	<b>4,166,443</b>	<b>4,541,849</b>	<b>375,406</b>	<b>9</b>	<b>3,833,602</b>	<b>37,469,534</b>	<b>38,148,070</b>	<b>678,536</b>	<b>2</b>	<b>34,080,192</b>
<b>Security Surcharge</b>										
41310 - Airside Security Charges	548,033	548,031	(2)	0	512,275	4,932,300	4,932,303	3	0	4,610,469
41320 - Terminal Security Charge	1,662,792	1,662,794	2	0	1,568,513	14,965,125	14,965,146	21	0	14,116,611
<b>Total Security Surcharge</b>	<b>2,210,825</b>	<b>2,210,825</b>	<b>0</b>	<b>0</b>	<b>2,080,788</b>	<b>19,897,425</b>	<b>19,897,449</b>	<b>24</b>	<b>0</b>	<b>18,727,080</b>
<b>CUPPS Support Charges</b>										
41400 - CUPPS Support Charges	93,750	93,750	1	0	93,075	843,746	845,530	1,785	0	837,663
<b>Total CUPPS Support Charges</b>	<b>93,750</b>	<b>93,750</b>	<b>1</b>	<b>0</b>	<b>93,075</b>	<b>843,746</b>	<b>845,530</b>	<b>1,785</b>	<b>0</b>	<b>837,663</b>
<b>Other Aviation Revenue</b>										
43100 - Fuel Franchise Fees	13,610	16,830	3,221	24	14,552	120,333	117,811	(2,522)	(2)	119,171
43105 - New Capital Recovery	118,951	118,951	0	0	118,951	1,070,559	1,070,559	0	0	1,070,559
<b>Total Other Aviation Revenue</b>	<b>132,561</b>	<b>135,781</b>	<b>3,221</b>	<b>2</b>	<b>133,503</b>	<b>1,190,892</b>	<b>1,188,370</b>	<b>(2,522)</b>	<b>0</b>	<b>1,189,730</b>
<b>Non-Airline Terminal Rents</b>										
45010 - Terminal Rent - Non-Airline	125,493	103,467	(22,027)	(18)	114,750	1,124,106	923,306	(200,801)	(18)	835,287
<b>Total Non-Airline Terminal Rents</b>	<b>125,493</b>	<b>103,467</b>	<b>(22,027)</b>	<b>(18)</b>	<b>114,750</b>	<b>1,124,106</b>	<b>923,306</b>	<b>(200,801)</b>	<b>(18)</b>	<b>835,287</b>

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<b>Concession Revenue</b>										
45111 - Term Concessions-Food & Bev	\$635,836	\$703,542	\$67,706	11	\$656,265	\$5,689,963	\$6,299,056	\$609,093	11	\$5,662,497
45112 - Terminal Concessions - Retail	426,046	465,693	39,648	9	475,712	3,926,335	4,240,584	314,249	8	3,816,596
45113 - Term Concessions - Other	235,462	253,482	18,020	8	236,556	2,130,496	2,403,493	272,998	13	2,126,584
45114 - Term Concessions Space Rents	63,438	80,262	16,825	27	71,731	570,938	703,376	132,438	23	578,932
45115 - Term Concessions Cost Recovery	115,920	89,540	(26,380)	(23)	65,062	1,003,694	717,727	(285,967)	(28)	502,756
45116 - Rec Distr Center Cost Recovery	125,091	128,422	3,331	3	120,297	1,111,080	1,122,081	11,001	1	1,081,120
45117 - Concessions Marketing Program	35,774	40,617	4,843	14	38,501	323,892	368,125	44,233	14	210,095
45120 - Rental car license fees	2,232,775	2,428,914	196,140	9	2,340,970	18,529,708	19,246,566	716,858	4	18,419,936
45130 - License Fees - Other	337,382	367,793	30,410	9	362,822	3,105,705	3,284,704	179,000	6	2,956,092
<b>Total Concession Revenue</b>	<b>4,207,724</b>	<b>4,558,267</b>	<b>350,543</b>	<b>8</b>	<b>4,367,917</b>	<b>36,391,809</b>	<b>38,385,713</b>	<b>1,993,904</b>	<b>5</b>	<b>35,354,609</b>
<b>Parking and Ground Transportat</b>										
45210 - Parking	3,082,332	3,207,461	125,129	4	2,899,368	29,076,867	28,779,974	(296,894)	(1)	26,870,868
45220 - AVI fees	159,399	166,035	6,636	4	155,948	1,354,111	1,310,743	(43,368)	(3)	1,225,213
45240 - Ground Transportation Pe	2,634	49,413	46,778	1,776	15,636	916,601	937,387	20,786	2	669,093
45250 - Citations	2,694	15,360	12,666	470	12,556	31,243	103,405	72,162	231	68,061
<b>Total Parking and Ground Transportat</b>	<b>3,247,059</b>	<b>3,438,268</b>	<b>191,209</b>	<b>6</b>	<b>3,083,508</b>	<b>31,378,822</b>	<b>31,131,509</b>	<b>(247,313)</b>	<b>(1)</b>	<b>28,833,235</b>
<b>Ground Rentals</b>										
45310 - Ground Rental - Fixed	966,890	974,938	8,048	1	629,920	8,431,178	8,528,337	97,159	1	5,796,939
45320 - Ground Rental - Percenta	833	9,571	8,737	1,048	46,050	7,500	18,600	11,100	148	524,144
<b>Total Ground Rentals</b>	<b>967,723</b>	<b>984,509</b>	<b>16,785</b>	<b>2</b>	<b>675,970</b>	<b>8,438,678</b>	<b>8,546,937</b>	<b>108,259</b>	<b>1</b>	<b>6,321,084</b>
<b>Grant Reimbursements</b>										
45410 - TSA Reimbursements	24,800	24,800	0	0	24,800	219,200	219,130	(70)	0	295,585
<b>Total Grant Reimbursements</b>	<b>24,800</b>	<b>24,800</b>	<b>0</b>	<b>0</b>	<b>24,800</b>	<b>219,200</b>	<b>219,130</b>	<b>(70)</b>	<b>0</b>	<b>295,585</b>
<b>Other Operating Revenue</b>										
45510 - Finger Printing Fee	4,692	5,149	457	10	4,008	42,225	66,477	24,252	57	82,189
45520 - Utilities Reimbursements	18,437	14,686	(3,751)	(20)	14,686	165,933	132,177	(33,756)	(20)	132,177
45530 - Miscellaneous Other Reve	5,467	919	(4,547)	(83)	678	49,200	86,353	37,153	76	555,039
45540 - Service Charges	6,417	17,700	11,283	176	10,453	57,750	183,886	126,136	218	154,088
45570 - FBO Landing Fees	3,633	501	(3,132)	(86)	0	32,700	18,185	(14,515)	(44)	22,962
45580 - Equipment Rental	500	2,000	1,500	300	2,000	4,500	18,000	13,500	300	18,000
<b>Total Other Operating Revenue</b>	<b>39,145</b>	<b>40,955</b>	<b>1,810</b>	<b>5</b>	<b>31,825</b>	<b>352,308</b>	<b>505,078</b>	<b>152,770</b>	<b>43</b>	<b>964,456</b>



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<b>Total Operating Revenue</b>	<b>17,450,819</b>	<b>18,306,487</b>	<b>855,668</b>	<b>5</b>	<b>16,478,914</b>	<b>157,019,734</b>	<b>159,420,496</b>	<b>2,400,761</b>	<b>2</b>	<b>145,513,126</b>
<b>Personnel Expenses</b>										
<b>Salaries</b>										
51110 - Salaries & Wages	\$2,480,324	\$2,070,219	\$410,105	17	\$2,019,683	\$23,265,367	\$18,552,394	\$4,712,973	20	\$17,984,662
51210 - Paid Time Off	0	157,019	(157,019)	0	131,060	0	1,833,009	(1,833,009)	0	1,819,041
51220 - Holiday Pay	0	280	(280)	0	0	0	604,290	(604,290)	0	595,961
51240 - Other Leave With Pay	0	6,988	(6,988)	0	9,079	0	74,911	(74,911)	0	66,576
51250 - Special Pay	0	41,734	(41,734)	0	68,264	0	602,424	(602,424)	0	850,531
<b>Total Salaries</b>	<b>2,480,324</b>	<b>2,276,240</b>	<b>204,084</b>	<b>8</b>	<b>2,228,085</b>	<b>23,265,367</b>	<b>21,667,028</b>	<b>1,598,339</b>	<b>7</b>	<b>21,316,772</b>
52110 - Overtime	73,667	77,507	(3,840)	(5)	59,634	639,499	639,106	393	0	743,037
<b>Benefits</b>										
54110 - FICA Tax	192,997	181,761	11,236	6	170,077	1,721,210	1,576,988	144,221	8	1,540,439
54120 - Unemployment Insurance-S	0	2,558	(2,558)	0	0	0	15,427	(15,427)	0	34,755
54130 - Workers Compensation Ins	23,745	16,797	6,948	29	18,981	223,143	158,716	64,427	29	177,015
54135 - Workers Comp Incident Expense	0	1,754	(1,754)	0	757	0	27,906	(27,906)	0	37,804
54210 - Medical Insurance	388,173	314,918	73,255	19	314,741	3,405,377	2,943,168	462,209	14	2,847,273
54220 - Dental Insurance	28,579	24,602	3,978	14	24,177	245,001	220,326	24,675	10	218,454
54230 - Vision Insurance	3,280	2,996	284	9	2,968	29,492	26,848	2,644	9	26,392
54240 - Life Insurance	6,412	7,502	(1,090)	(17)	8,755	57,709	68,421	(10,712)	(19)	69,613
54250 - Short Term Disability	9,101	8,999	101	1	9,151	81,810	81,042	767	1	78,763
54310 - Retirement	559,349	450,178	109,171	20	389,199	5,256,410	4,346,179	910,231	17	3,756,171
54312 - GABS 68 -Non-funded Retirement	633,333	304,763	328,570	52	0	5,700,000	4,385,715	1,314,285	23	0
54315 - Retiree	208,512	(71,789)	280,301	134	208,281	1,876,610	1,876,250	360	0	1,796,123
54320 - Amortization of Retireme	0	50,192	(50,192)	0	46,359	0	451,732	(451,732)	0	417,235
54410 - Taxable Benefits	0	0	0	0	2,307	0	17,674	(17,674)	0	19,983
54430 - Accrued Vacation	0	59,698	(59,698)	0	38,743	0	(7,388)	7,388	0	(103,695)
<b>Total Benefits</b>	<b>2,053,481</b>	<b>1,354,929</b>	<b>698,552</b>	<b>34</b>	<b>1,234,496</b>	<b>18,596,760</b>	<b>16,189,003</b>	<b>2,407,756</b>	<b>13</b>	<b>10,916,325</b>
<b>Cap Labor/Burden/OH Recharge</b>										
54510 - Capitalized Labor Recha	(468,484)	(149,003)	(319,481)	(68)	(142,127)	(4,358,853)	(1,354,257)	(3,004,596)	(69)	(1,041,810)
54515 - Capitalized Burden Rech	0	(59,517)	59,517	0	(58,100)	0	(539,801)	539,801	0	(413,367)
<b>Total Cap Labor/Burden/OH Recharge</b>	<b>(468,484)</b>	<b>(208,519)</b>	<b>(259,964)</b>	<b>(55)</b>	<b>(200,227)</b>	<b>(4,358,853)</b>	<b>(1,894,058)</b>	<b>(2,464,795)</b>	<b>(57)</b>	<b>(1,455,177)</b>

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<b>QHP Labor/Burden/OH Recharge</b>										
54520 - QHP Labor Recharge	\$(51,663)	\$(31,915)	\$(19,748)	(38)	\$(25,355)	\$(481,200)	\$(273,549)	\$(207,650)	(43)	\$(250,031)
54525 - QHP Burden Recharge	0	(14,843)	14,843	0	(11,181)	0	(122,703)	122,703	0	(105,722)
54526 - QHP OH Contra Acct	0	(1,985)	1,985	0	(15,526)	0	(179,217)	179,217	0	(146,142)
<b>Total QHP Labor/Burden/OH Recharge</b>	<b>(51,663)</b>	<b>(48,743)</b>	<b>(2,920)</b>	<b>(6)</b>	<b>(52,062)</b>	<b>(481,200)</b>	<b>(575,468)</b>	<b>94,269</b>	<b>20</b>	<b>(501,895)</b>
<b>MM&amp;JS Labor/Burden/OH Recharge</b>										
54530 - MM & JS Labor Recharge	0	0	0	0	(26)	0	238	(238)	0	(420)
54531 - Joint Studies - Labor	0	0	0	0	26	0	67	(67)	0	428
54535 - MM & JS Burden Recharge	0	0	0	0	(12)	0	(32)	32	0	(206)
54536 - Maintenance-Burden	0	0	0	0	12	0	22	(22)	0	206
54599 - OH Contra	0	(324,237)	324,237	0	(280,245)	0	(2,262,879)	2,262,879	0	(2,127,348)
<b>Total MM&amp;JS Labor/Burden/OH Recharge</b>	<b>0</b>	<b>(324,237)</b>	<b>324,237</b>	<b>0</b>	<b>(280,245)</b>	<b>0</b>	<b>(2,262,585)</b>	<b>2,262,585</b>	<b>0</b>	<b>(2,127,339)</b>
<b>Total Personnel Expenses</b>	<b>4,087,326</b>	<b>3,127,176</b>	<b>960,150</b>	<b>23</b>	<b>2,989,680</b>	<b>37,661,573</b>	<b>33,763,026</b>	<b>3,898,546</b>	<b>10</b>	<b>28,891,723</b>
<b>Non-Personnel Expenses</b>										
<b>Contract Services</b>										
61100 - Temporary Staffing	9,894	78,881	(68,988)	(697)	33,726	101,658	366,933	(265,275)	(261)	290,872
61110 - Auditing Services	0	0	0	0	0	160,000	125,000	35,000	22	211,346
61120 - Legal Services	99,167	(92,941)	192,108	194	23,007	892,500	202,197	690,303	77	313,446
61130 - Services - Professional	862,862	882,544	(19,682)	(2)	719,217	7,123,880	5,684,173	1,439,707	20	6,020,224
61150 - Outside Svs - Other	292,390	200,786	91,604	31	286,120	2,526,493	2,001,147	525,346	21	2,308,660
61160 - Services - Custodial	1,706,746	1,589,634	117,112	7	1,608,738	14,351,446	14,023,925	327,521	2	13,927,569
61190 - Receiving & Dist Cntr Services	131,012	129,501	1,511	1	126,629	1,163,591	1,160,922	2,669	0	1,137,755
61990 - OH Contra	0	(139,085)	139,085	0	(219,215)	0	(1,279,359)	1,279,359	0	(1,363,747)
61998 - Capital Proj OH Alloc Co	(136,010)	0	(136,010)	(100)	0	(1,087,640)	0	(1,087,640)	(100)	0
<b>Total Contract Services</b>	<b>2,966,061</b>	<b>2,649,321</b>	<b>316,740</b>	<b>11</b>	<b>2,578,221</b>	<b>25,231,929</b>	<b>22,284,939</b>	<b>2,946,990</b>	<b>12</b>	<b>22,846,124</b>
<b>Safety and Security</b>										
61170 - Services - Fire, Police,	466,752	450,052	16,700	4	489,307	4,200,772	4,066,413	134,359	3	4,411,137
61180 - Services - SDUPD-Harbor	1,320,978	1,230,240	90,738	7	1,295,796	12,258,611	11,646,853	611,758	5	11,950,594
61185 - Guard Services	208,000	209,804	(1,804)	(1)	212,308	1,876,000	2,020,075	(144,075)	(8)	1,833,205
<b>Total Safety and Security</b>	<b>1,995,730</b>	<b>1,890,096</b>	<b>105,634</b>	<b>5</b>	<b>1,997,411</b>	<b>18,335,383</b>	<b>17,733,341</b>	<b>602,042</b>	<b>3</b>	<b>18,194,935</b>

**San Diego County Regional Airport Authority**  
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(Unaudited)

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	Month to Date					Year to Date				
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Space Rental</b>										
62100 - Rent	\$868,570	\$868,365	\$205	0	\$865,883	\$7,844,584	\$7,825,374	\$19,210	0	\$7,785,945
<b>Total Space Rental</b>	<b>868,570</b>	<b>868,365</b>	<b>205</b>	<b>0</b>	<b>865,883</b>	<b>7,844,584</b>	<b>7,825,374</b>	<b>19,210</b>	<b>0</b>	<b>7,785,945</b>
<b>Utilities</b>										
63100 - Telephone & Other Commun	41,000	30,486	10,514	26	23,721	365,355	287,681	77,674	21	254,160
63110 - Utilities - Gas & Electr	604,773	619,680	(14,907)	(2)	617,575	6,151,148	6,957,310	(806,162)	(13)	5,345,897
63120 - Utilities - Water	63,913	57,172	6,741	11	54,368	602,253	624,655	(22,402)	(4)	532,461
<b>Total Utilities</b>	<b>709,686</b>	<b>707,338</b>	<b>2,348</b>	<b>0</b>	<b>695,664</b>	<b>7,118,756</b>	<b>7,869,646</b>	<b>(750,890)</b>	<b>(11)</b>	<b>6,132,518</b>
<b>Maintenance</b>										
64100 - Facilities Supplies	84,381	52,523	31,858	38	99,086	747,191	574,630	172,561	23	492,818
64110 - Maintenance - Annual R	1,062,924	1,498,066	(435,143)	(41)	630,119	9,957,239	7,716,873	2,240,365	22	7,445,813
64122 - Contractor Labor	0	0	0	0	0	0	81	(81)	0	26
64123 - Contractor Burden	0	0	0	0	0	0	102	(102)	0	33
64124 - Maintenance-Overhead	0	54	(54)	0	120	0	566	(566)	0	1,297
64125 - Major Maintenance - Mat	113,833	(186,156)	299,989	264	129,969	946,500	1,414,174	(467,674)	(49)	703,021
64127 - Contract Overhead (co	0	0	0	0	0	0	91	(91)	0	29
64130 - Remediation	0	(9,094)	9,094	0	0	0	0	0	0	0
64140 - Refuse & Hazardous Waste	45,000	28,247	16,753	37	32,706	415,000	315,068	99,932	24	350,794
<b>Total Maintenance</b>	<b>1,306,138</b>	<b>1,383,641</b>	<b>(77,503)</b>	<b>(6)</b>	<b>892,000</b>	<b>12,065,930</b>	<b>10,021,585</b>	<b>2,044,345</b>	<b>17</b>	<b>8,993,831</b>
<b>Equipment and Systems</b>										
65100 - Equipment & Systems	95,296	6,762	88,534	93	14,044	436,731	145,833	290,898	67	180,277
65101 - OH Contra	(939)	21	(960)	(102)	(237)	(17,366)	(724)	(16,642)	(96)	(6,762)
<b>Total Equipment and Systems</b>	<b>94,357</b>	<b>6,783</b>	<b>87,574</b>	<b>93</b>	<b>13,806</b>	<b>419,365</b>	<b>145,109</b>	<b>274,256</b>	<b>65</b>	<b>173,515</b>
<b>Materials and Supplies</b>										
65110 - Office & Operating Suppl	27,993	56,730	(28,737)	(103)	24,603	272,630	293,803	(21,172)	(8)	233,850
65120 - Safety Equipment & Suppl	5,960	2,815	3,145	53	(301)	61,023	34,466	26,557	44	22,729
65130 - Tools - Small	1,250	838	412	33	4,132	14,050	7,607	6,443	46	15,495
65199 - OH Contra	(3,836)	(9,136)	5,300	138	(2,882)	(38,734)	(31,836)	(6,898)	(18)	(14,843)
<b>Total Materials and Supplies</b>	<b>31,367</b>	<b>51,247</b>	<b>(19,880)</b>	<b>(63)</b>	<b>25,553</b>	<b>308,969</b>	<b>304,039</b>	<b>4,930</b>	<b>2</b>	<b>257,230</b>

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Insurance</b>										
67170 - Insurance - Property	\$50,082	\$50,525	\$(443)	(1)	\$44,917	\$450,736	\$454,721	\$(3,985)	(1)	\$404,250
67171 - Insurance - Liability	17,254	14,296	2,957	17	17,254	155,283	152,326	2,957	2	155,283
67172 - Insurance - Public Office	11,842	11,424	419	4	10,766	106,581	102,813	3,768	4	97,842
67173 - Insurance Miscellaneous	10,107	9,384	723	7	9,319	90,967	84,460	6,507	7	83,231
67199 - Insurance - Claims	0	0	0	0	0	0	0	0	0	61
<b>Total Insurance</b>	<b>89,285</b>	<b>85,629</b>	<b>3,656</b>	<b>4</b>	<b>82,255</b>	<b>803,567</b>	<b>794,319</b>	<b>9,247</b>	<b>1</b>	<b>740,668</b>
<b>Employee Development and Suppo</b>										
66120 - Awards - Service	5,575	4,569	1,006	18	4,391	33,225	2,546	30,679	92	22,636
66130 - Book & Periodicals	5,703	4,144	1,559	27	3,026	56,152	41,849	14,302	25	38,657
66210 - Finger Printing Expenses	0	0	0	0	0	0	0	0	0	128
66220 - Permits/Certificates/Lic	6,326	32,141	(25,814)	(408)	5,613	121,408	145,687	(24,279)	(20)	157,095
66260 - Recruiting	2,458	46	2,412	98	1,525	11,500	5,207	6,293	55	28,645
66280 - Seminars & Training	33,691	38,478	(4,787)	(14)	43,052	315,915	230,406	85,510	27	234,512
66290 - Transportation	14,368	15,340	(972)	(7)	12,643	129,848	116,155	13,693	11	115,515
66299 - OH Contra	(4,000)	(3,091)	(909)	(23)	(3,438)	(38,056)	(19,259)	(18,797)	(49)	(14,548)
66305 - Travel-Employee Developm	18,073	35,877	(17,804)	(99)	9,936	165,187	106,061	59,126	36	89,932
66310 - Tuition	2,500	4,132	(1,632)	(65)	1,300	32,500	30,413	2,087	6	30,434
66320 - Uniforms	6,384	2,246	4,138	65	7,197	66,800	37,423	29,377	44	58,609
<b>Total Employee Development and Suppo</b>	<b>91,077</b>	<b>133,880</b>	<b>(42,803)</b>	<b>(47)</b>	<b>85,245</b>	<b>894,478</b>	<b>696,487</b>	<b>197,991</b>	<b>22</b>	<b>761,617</b>
<b>Business Development</b>										
66100 - Advertising	61,827	272	61,555	100	63,470	620,736	436,346	184,390	30	664,933
66110 - Allowance for Bad Debts	5,000	4,527	473	9	27,629	20,000	11,486	8,515	43	23,150
66200 - Memberships & Dues	25,433	14,146	11,287	44	26,090	348,813	285,669	63,144	18	267,373
66230 - Postage & Shipping	5,225	182	5,043	97	1,168	35,191	16,838	18,352	52	22,913
66240 - Promotional Activities	63,371	35,389	27,982	44	78,246	571,412	498,500	72,912	13	555,915
66250 - Promotional Materials	53,377	7,250	46,128	86	14,249	304,482	380,426	(75,944)	(25)	115,544
66300 - Travel-Business Developm	21,167	8,913	12,254	58	9,610	158,517	114,045	44,472	28	112,047
<b>Total Business Development</b>	<b>235,400</b>	<b>70,679</b>	<b>164,721</b>	<b>70</b>	<b>220,462</b>	<b>2,059,150</b>	<b>1,743,310</b>	<b>315,841</b>	<b>15</b>	<b>1,761,875</b>

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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Equipment Rentals and Repairs</b>										
66140 - Computer Licenses & Agre	\$85,879	\$29,957	\$55,922	65	\$52,658	\$430,129	\$335,844	\$94,285	22	\$329,227
66150 - Equipment Rental/Leasing	28,239	68,326	(40,087)	(142)	21,133	257,426	247,973	9,453	4	227,391
66160 - Tenant Improvements	83,333	479,519	(396,186)	(475)	0	849,997	638,003	211,994	25	0
66270 - Repairs - Office Equipme	178,045	202,849	(24,804)	(14)	228,277	1,542,975	1,257,881	285,094	18	1,689,001
66279 - OH Contra	(77,432)	(27,039)	(50,393)	(65)	(33,627)	(315,112)	(209,123)	(105,989)	(34)	(227,639)
<b>Total Equipment Rentals and Repairs</b>	<b>298,064</b>	<b>753,612</b>	<b>(455,548)</b>	<b>(153)</b>	<b>268,441</b>	<b>2,765,415</b>	<b>2,270,579</b>	<b>494,836</b>	<b>18</b>	<b>2,017,980</b>
<b>Total Non-Personnel Expenses</b>	<b>8,685,737</b>	<b>8,600,592</b>	<b>85,145</b>	<b>1</b>	<b>7,724,942</b>	<b>77,847,526</b>	<b>71,688,729</b>	<b>6,158,797</b>	<b>8</b>	<b>69,666,240</b>
<b>Total Departmental Expenses before Depreciation</b>	<b>12,773,063</b>	<b>11,727,768</b>	<b>1,045,295</b>	<b>8</b>	<b>10,714,622</b>	<b>115,509,099</b>	<b>105,451,755</b>	<b>10,057,344</b>	<b>9</b>	<b>98,557,963</b>
<b>Depreciation and Amortization</b>										
69110 - Depreciation Expense	6,711,435	6,711,435	0	0	20,526,179	60,212,653	60,212,652	0	0	59,533,947
<b>Total Depreciation and Amortization</b>	<b>6,711,435</b>	<b>6,711,435</b>	<b>0</b>	<b>0</b>	<b>20,526,179</b>	<b>60,212,653</b>	<b>60,212,652</b>	<b>0</b>	<b>0</b>	<b>59,533,947</b>
<b>Non-Operating Revenue/(Expense)</b>										
<b>Passenger Facility Charges</b>										
71110 - Passenger Facility Charg	3,864,779	3,713,860	(150,920)	(4)	3,655,238	27,070,146	28,326,936	1,256,790	5	26,357,006
<b>Total Passenger Facility Charges</b>	<b>3,864,779</b>	<b>3,713,860</b>	<b>(150,920)</b>	<b>(4)</b>	<b>3,655,238</b>	<b>27,070,146</b>	<b>28,326,936</b>	<b>1,256,790</b>	<b>5</b>	<b>26,357,006</b>
<b>Customer Facility Charges</b>										
71120 - Customer facility charges (Con	2,865,580	2,960,097	94,518	3	2,652,927	22,538,658	23,622,012	1,083,355	5	19,356,787
<b>Total Customer Facility Charges</b>	<b>2,865,580</b>	<b>2,960,097</b>	<b>94,518</b>	<b>3</b>	<b>2,652,927</b>	<b>22,538,658</b>	<b>23,622,012</b>	<b>1,083,355</b>	<b>5</b>	<b>19,356,787</b>

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<b>Quiter Home Program</b>										
71212 - Quieter Home - Labor	\$0	\$(31,915)	\$(31,915)	0	\$(25,355)	\$0	\$(273,549)	\$(273,549)	0	\$(250,031)
71213 - Quieter Home - Burden	0	(14,843)	(14,843)	0	(11,181)	0	(122,703)	(122,703)	0	(105,722)
71214 - Quieter Home - Overhead	0	(1,985)	(1,985)	0	(15,526)	0	(179,217)	(179,217)	0	(146,142)
71215 - Quieter Home - Material	(786,490)	(1,408,355)	(621,865)	(79)	(1,441,853)	(11,402,681)	(9,029,481)	2,373,200	21	(8,357,597)
71216 - Quieter Home Program	636,261	1,214,879	578,618	91	1,272,513	9,116,786	8,104,267	(1,012,519)	(11)	7,714,904
71217 - Contract Labor	0	(24,121)	(24,121)	0	(26,985)	0	(230,773)	(230,773)	0	(204,730)
71218 - Contractor Burden	0	(29,452)	(29,452)	0	(35,826)	0	(292,463)	(292,463)	0	(259,227)
71222 - Contractor Labor	0	(27)	(27)	0	(26)	0	(358)	(358)	0	(1,740)
71223 - Contractor Burden	0	(34)	(34)	0	(33)	0	(456)	(456)	0	(963)
71224 - Joint Studies Overhead	0	0	0	0	(30)	0	0	0	0	(30)
71225 - Joint Studies - Material	(16,670)	(13,115)	3,555	21	0	(149,990)	(101,474)	48,516	32	(89,443)
71226 - Contractor Overhead	0	(28)	(28)	0	(30)	0	(403)	(403)	0	(1,985)
<b>Total Quiter Home Program</b>	<b>(166,899)</b>	<b>(308,997)</b>	<b>(142,099)</b>	<b>(85)</b>	<b>(284,332)</b>	<b>(2,435,885)</b>	<b>(2,126,610)</b>	<b>309,275</b>	<b>13</b>	<b>(1,702,706)</b>
<b>Interest Income</b>										
71310 - Interest - Investments	199,356	173,490	(25,866)	(13)	123,917	1,887,584	1,604,221	(283,363)	(15)	1,110,269
71330 - Interest - Commercial Pa	0	0	0	0	0	0	1	1	0	1
71340 - Interest - Note Receivab	188,606	181,595	(7,010)	(4)	188,606	1,687,294	1,626,448	(60,847)	(4)	1,687,294
71350 - Interest - Other	0	(364)	(364)	0	(267)	0	(956)	(956)	0	(808)
71361 - Interest Income - 2010 Bonds	0	25,589	25,589	0	24,487	0	199,083	199,083	0	190,222
71363 - Interest Income - 2013 Bonds	0	36,388	36,388	0	43,963	0	324,657	324,657	0	494,641
71365 - Interest Income - 2014 Bond A	0	69,160	69,160	0	71,194	0	627,202	627,202	0	91,065
<b>Total Interest Income</b>	<b>387,962</b>	<b>485,859</b>	<b>97,897</b>	<b>25</b>	<b>451,900</b>	<b>3,574,878</b>	<b>4,380,655</b>	<b>805,777</b>	<b>23</b>	<b>3,572,684</b>
<b>Interest income BAB's rebate</b>										
71362 - BAB interest rebate	386,351	385,851	(500)	0	386,351	3,477,161	3,473,163	(3,998)	0	3,477,161
<b>Total Interest income BAB's rebate</b>	<b>386,351</b>	<b>385,851</b>	<b>(500)</b>	<b>0</b>	<b>386,351</b>	<b>3,477,161</b>	<b>3,473,163</b>	<b>(3,998)</b>	<b>0</b>	<b>3,477,161</b>

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<b>Interest Expense</b>										
71411 - Interest Expense- 2010 Bonds	\$(2,623,700)	\$(2,623,700)	\$0	0	\$(2,642,125)	\$(23,613,299)	\$(23,613,299)	\$0	0	\$(23,779,124)
71412 - Interest Expense 2013 Bonds	(2,901,393)	(1,539,625)	1,361,768	47	(1,539,625)	(26,112,533)	(13,856,625)	12,255,907	47	(13,856,625)
71413 - Interest Expense 2014 Bond A	0	(1,361,768)	(1,361,768)	0	(1,384,464)	0	(12,255,908)	(12,255,908)	0	(1,838,385)
71420 - Interest Expense - Comme	(38,016)	(25,356)	12,661	33	(6,846)	(337,240)	(184,719)	152,520	45	(66,624)
71430 - LOC Fees - C/P	(69,432)	(24,702)	44,729	64	(23,502)	(519,530)	(221,306)	298,225	57	(207,529)
71440 - Dealer Fees - C/P	(3,032)	0	3,032	100	0	(27,291)	(3,246)	24,045	88	(15,831)
71450 - Trustee Fee Bonds	0	(1,545)	(1,545)	0	0	(22,080)	(8,770)	13,310	60	(7,001)
71451 - Program Fees - Comm. Pap	0	0	0	0	0	(3,750)	(5,950)	(2,200)	(59)	0
71458 - Capitalized Interest	0	724,659	724,659	0	6,208,826	0	4,941,644	4,941,644	0	6,208,826
71460 - Interest Expense - Other	1,395,768	(73,825)	(1,469,593)	(105)	(6,397,309)	12,094,830	(947,441)	(13,042,271)	(108)	(4,824,726)
71461 - Interest Expense - Cap Leases	(58,605)	(58,605)	0	0	(59,767)	(531,324)	(471,864)	59,460	11	(602,122)
<b>Total Interest Expense</b>	<b>(4,298,409)</b>	<b>(4,984,466)</b>	<b>(686,057)</b>	<b>(16)</b>	<b>(5,844,811)</b>	<b>(39,072,216)</b>	<b>(46,627,485)</b>	<b>(7,555,268)</b>	<b>(19)</b>	<b>(38,989,141)</b>
<b>Amortization</b>										
69210 - Amortization - Premium	359,350	359,350	0	0	366,332	3,255,319	3,255,319	0	0	3,297,300
<b>Total Amortization</b>	<b>359,350</b>	<b>359,350</b>	<b>0</b>	<b>0</b>	<b>366,332</b>	<b>3,255,319</b>	<b>3,255,319</b>	<b>0</b>	<b>0</b>	<b>3,297,300</b>
<b>Other Non-Operating Income (Expense)</b>										
71510 - Legal Settlement Income	0	0	0	0	0	0	1,951	1,951	0	1,809
71520 - Fixed Asset Disposal-Pro	0	0	0	0	0	0	0	0	0	11,273
71530 - Gain/Loss On Investments	0	(958,479)	(958,479)	0	(645,318)	0	(1,016,961)	(1,016,961)	0	1,316,268
71540 - Discounts Earned	0	3,578	3,578	0	0	0	8,228	8,228	0	7,614
71610 - Legal Settlement Expense	(833)	0	833	100	0	(7,500)	(800)	6,700	89	0
71620 - Other non-operating revenue (e	0	8,910	8,910	0	4,859	0	59,820	59,820	0	175,114
71630 - Other Non-Operating Expe	0	(114,732)	(114,732)	0	0	0	(120,760)	(120,760)	0	0
<b>Total Other Non-Operating Income (Expense)</b>	<b>(833)</b>	<b>(1,060,723)</b>	<b>(1,059,890)</b>	<b>(127,187)</b>	<b>(640,459)</b>	<b>(7,500)</b>	<b>(1,068,522)</b>	<b>(1,061,022)</b>	<b>(14,147)</b>	<b>1,512,077</b>
<b>Total Non-Operating Revenue/(Expense)</b>	<b>3,397,881</b>	<b>1,550,831</b>	<b>(1,847,050)</b>	<b>(54)</b>	<b>(743,146)</b>	<b>18,400,561</b>	<b>13,235,469</b>	<b>(5,165,092)</b>	<b>(28)</b>	<b>(16,881,168)</b>
<b>Capital Grant Contribution</b>										
72100 - AIP Grants	725,310	89,934	(635,376)	(88)	685,934	7,610,750	3,053,018	(4,557,732)	(60)	3,000,553
<b>Total Capital Grant Contribution</b>	<b>725,310</b>	<b>89,934</b>	<b>(635,376)</b>	<b>(88)</b>	<b>685,934</b>	<b>7,610,750</b>	<b>3,053,018</b>	<b>(4,557,732)</b>	<b>(60)</b>	<b>3,000,553</b>
<b>Total Expenses Net of Non-Operating Revenue/ (Expense)</b>	<b>15,361,307</b>	<b>16,798,438</b>	<b>(1,437,131)</b>	<b>(9)</b>	<b>29,811,721</b>	<b>149,710,441</b>	<b>149,375,921</b>	<b>334,520</b>	<b>0</b>	<b>138,210,189</b>
<b>Net Income/(Loss)</b>	<b>2,089,512</b>	<b>1,508,049</b>	<b>(581,463)</b>	<b>(28)</b>	<b>(13,332,807)</b>	<b>7,309,293</b>	<b>10,044,575</b>	<b>2,735,282</b>	<b>37</b>	<b>7,302,937</b>

**San Diego County Regional Airport Authority**  
**Authority Detail Income Statement - Supplemental Schedule**  
For the nine months ended March 31, 2015  
(Unaudited)

Print Date: 4/9/2015  
Print Time: 5:27:48PM  
Report ID: GL0012

	Month to Date					Year to Date				
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
<b>Equipment Outlay</b>										
73200 - Equipment Outlay Expendi	\$(2,167)	\$0	\$2,167	100	\$0	\$(135,500)	\$(150,133)	\$(14,633)	(11)	\$(341,548)
73299 - Capitalized Equipment Co	0	0	0	0	0	0	150,133	150,133	0	341,548
<b>Total Equipment Outlay</b>	<b>(2,167)</b>	<b>0</b>	<b>2,167</b>	<b>100</b>	<b>0</b>	<b>(135,500)</b>	<b>0</b>	<b>135,500</b>	<b>100</b>	<b>0</b>





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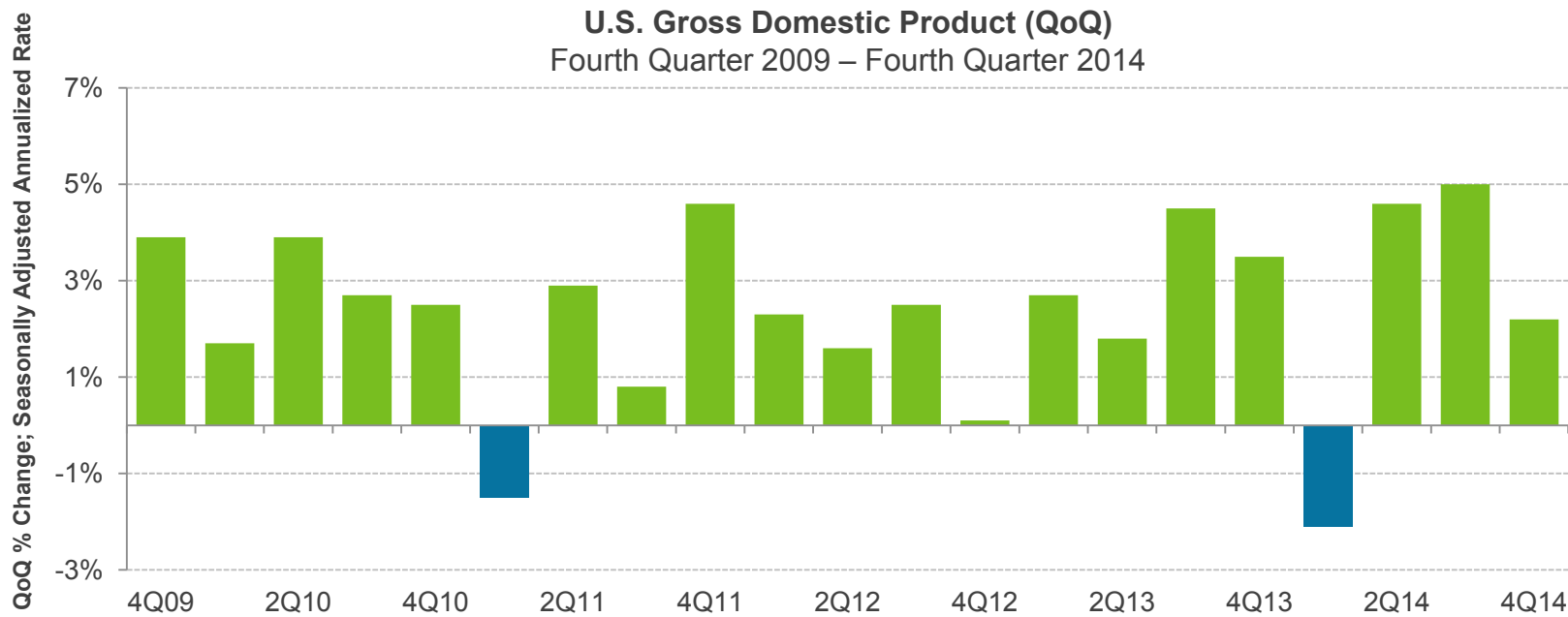
## Review of the Unaudited Financial Statements for the Nine Months Ended March 31, 2015 and 2014

Presented by:  
Scott Brickner, CPA  
Vice President, Finance and Asset Management/Treasurer  
Kathy Kiefer  
Senior Director, Finance & Asset Management

May 11, 2015

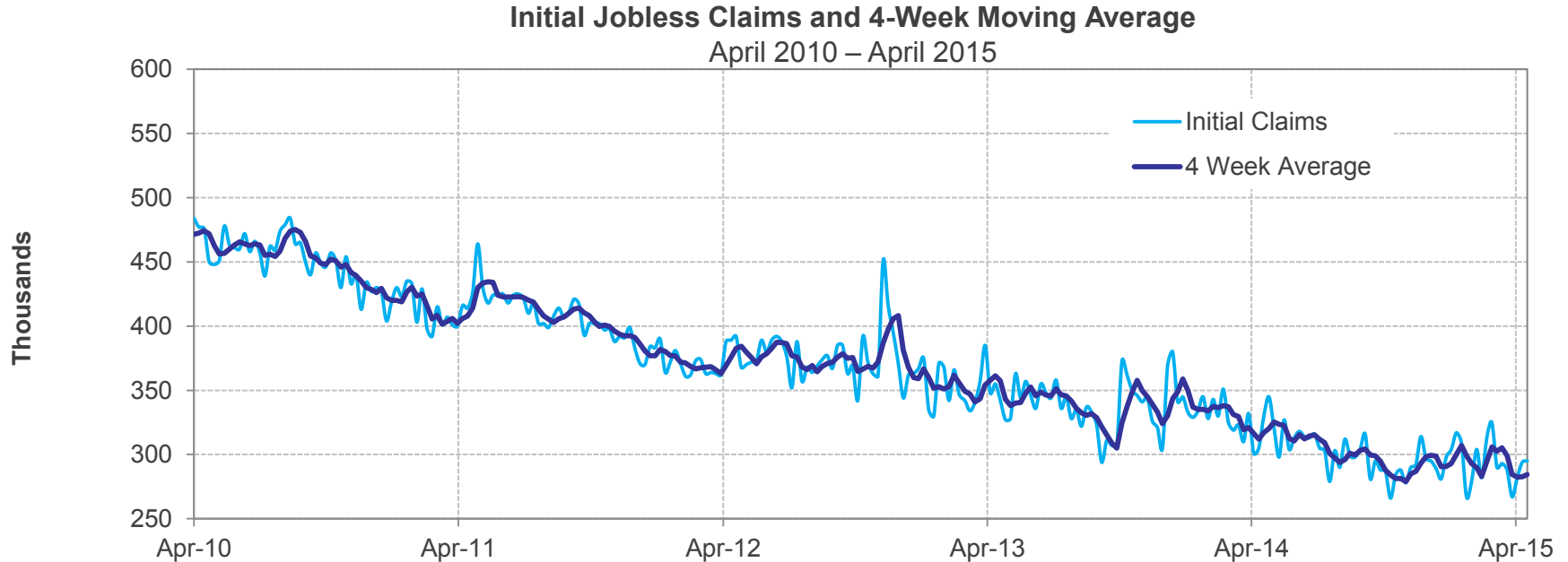
# Economic Growth Softens in the Fourth Quarter

The third estimate of fourth-quarter GDP came in at 2.2%, which was unchanged from the second estimate. While exports and personal consumption expenditures increased more than previously estimated, these increases were offset by a smaller increase in private inventories.



# Initial Claims for Unemployment

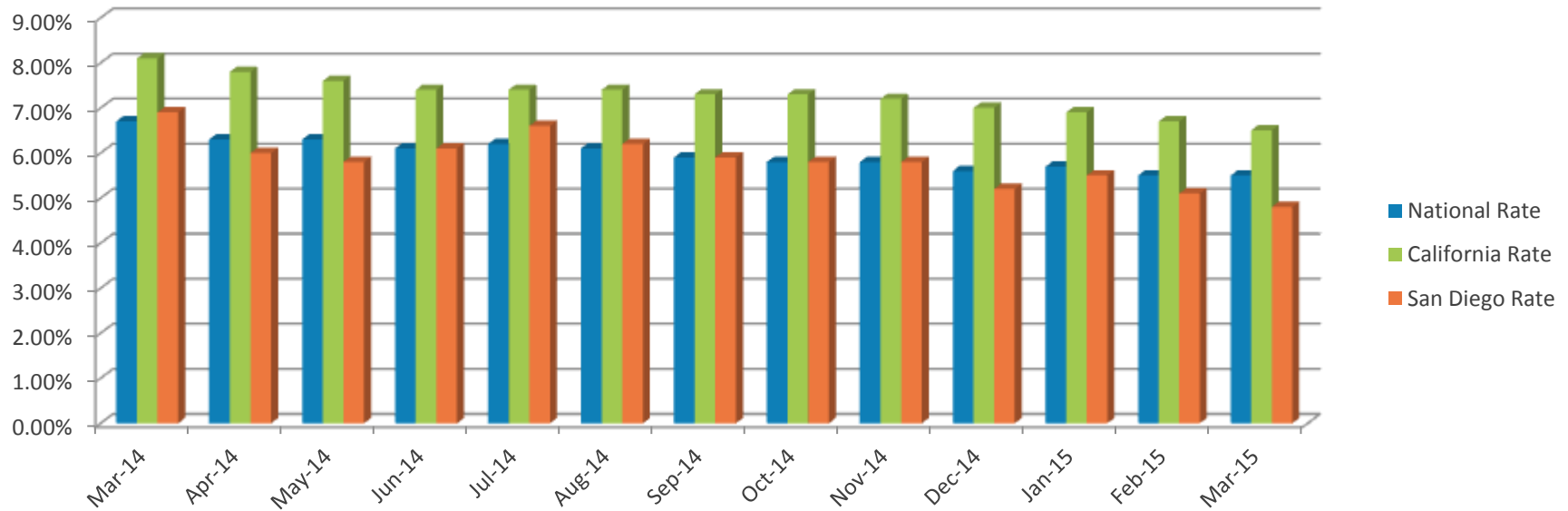
For the week ending April 18, 2015, initial claims for unemployment (seasonally adjusted) rose by 1,000 to 295,000. The 4-week moving average, which helps smooth out some of the weekly volatility, rose by 1,750 to 284,500. Although volatile on a weekly basis, initial claims have been averaging under 300,000 claims during 2015, which suggests continued strength in the labor markets.



# Little Change in March Unemployment Rates

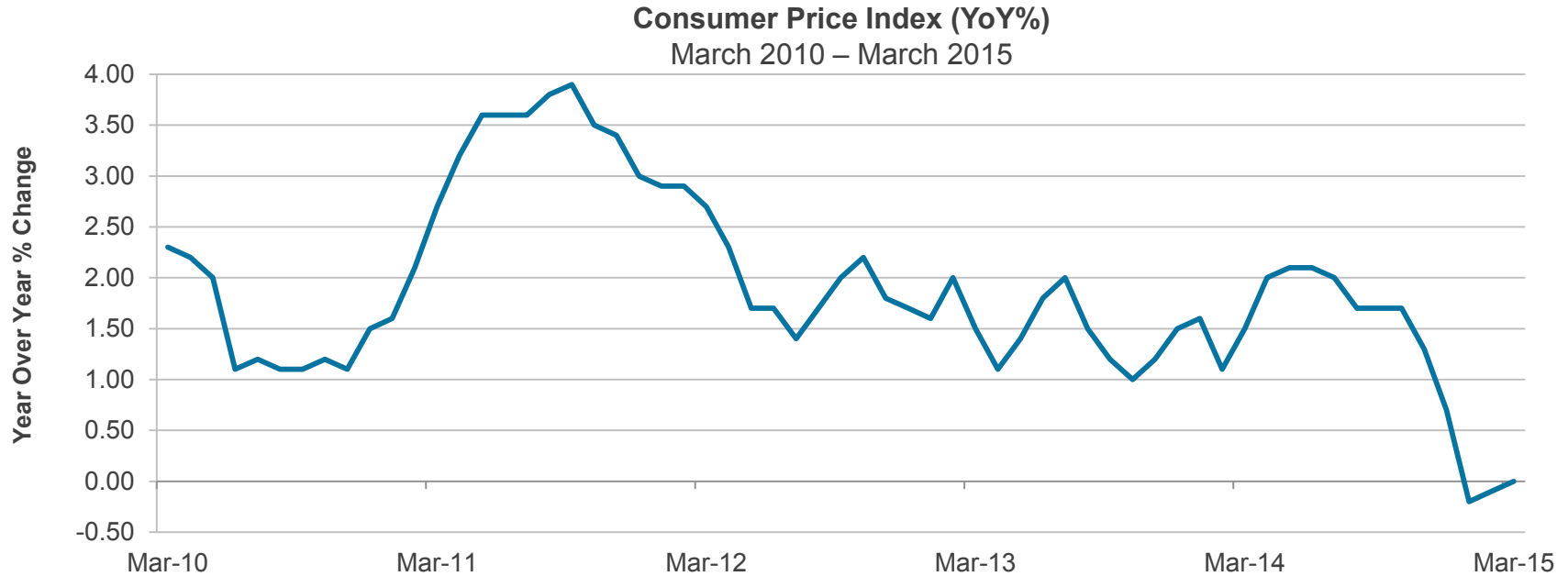
The National unemployment rate held steady at 5.5 percent in March. The National U-6 rate decreased marginally from 11 percent to 10.9 percent. In California, unemployment rates continue to trend downward, with the March State unemployment rate dropping 0.2 percent from February to 6.5 percent, down 1.6 percentage points from one year ago. Locally, San Diego's unemployment rate was 4.8 percent for March, down from 5.1 percent in February.

## Unemployment Rates



# Consumer Price Index

The Consumer Price Index for the twelve months ending March was flat at 0.0%, which was up slightly from the -0.1% decrease in February. A slight rise in energy prices helped boost the headline CPI number. However, the overall trend remains soft. Core CPI, excluding food and energy, was up 1.8% for the twelve months ending March, which was up slightly from the 1.7% increase in February.

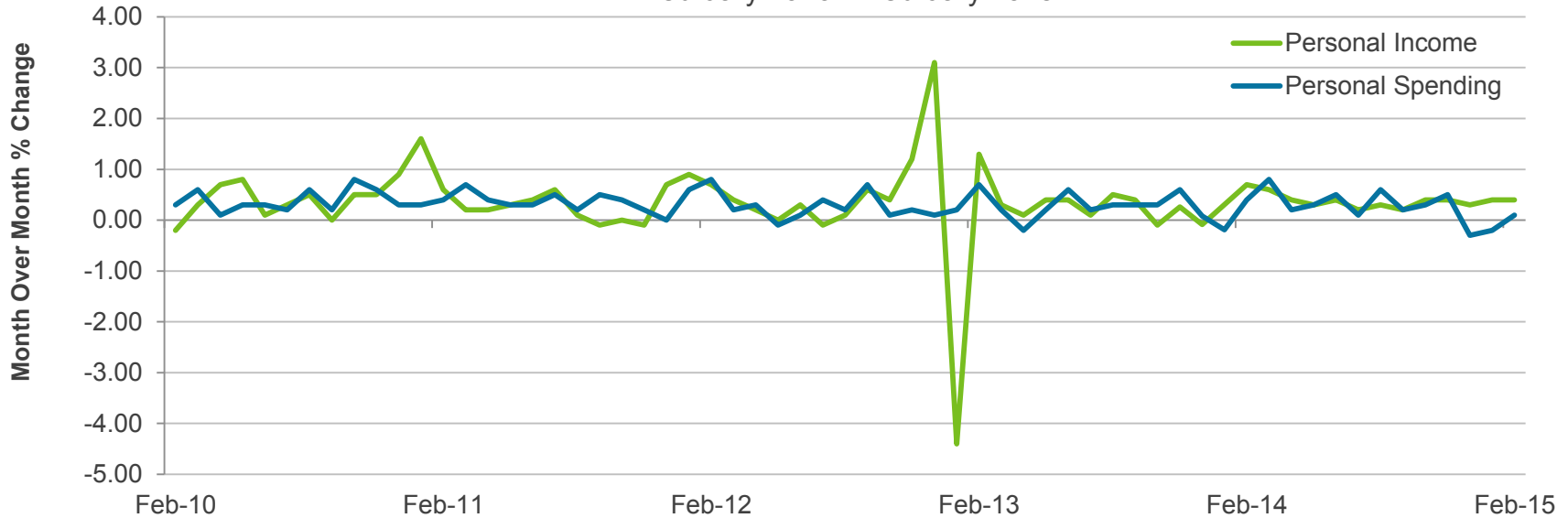


# Personal Income and Spending Mixed

Personal income grew by 0.4% in February which matched its 0.4% increase in January. Personal spending, which has been more volatile, rose by 0.1% in February up from a -0.2% decrease in January. While personal income growth remained healthy, spending was soft.

**Personal Income and Spending (MoM%)**

February 2010 – February 2015



# Consumer Confidence Up

The Consumer Confidence Index rose by a better than expected 2.5 points to 101.3 in March, up from a upwardly revised 98.8 points in February. While consumers were slightly less confident about current conditions, they were significantly more optimistic about their short-term expectations for gains in income and the jobs. March's number is just slightly below January's 103.8, which was a 7-1/2 year high.

**Consumer Confidence Index**  
March 2010 – March 2015



# Existing Home Sales Rebound

Existing home sales rose by 6.1% in March to a seasonally adjusted annualized rate of 5.19 million units, which was the strongest rate since September 2013. Year-over-year, existing home sales were up 10.4% over March 2014. A combination of low mortgage rates and stability in the labor market appear to have helped the housing demand during the month.

**U.S. Existing Home Sales (MoM)**  
March 2005 – March 2015

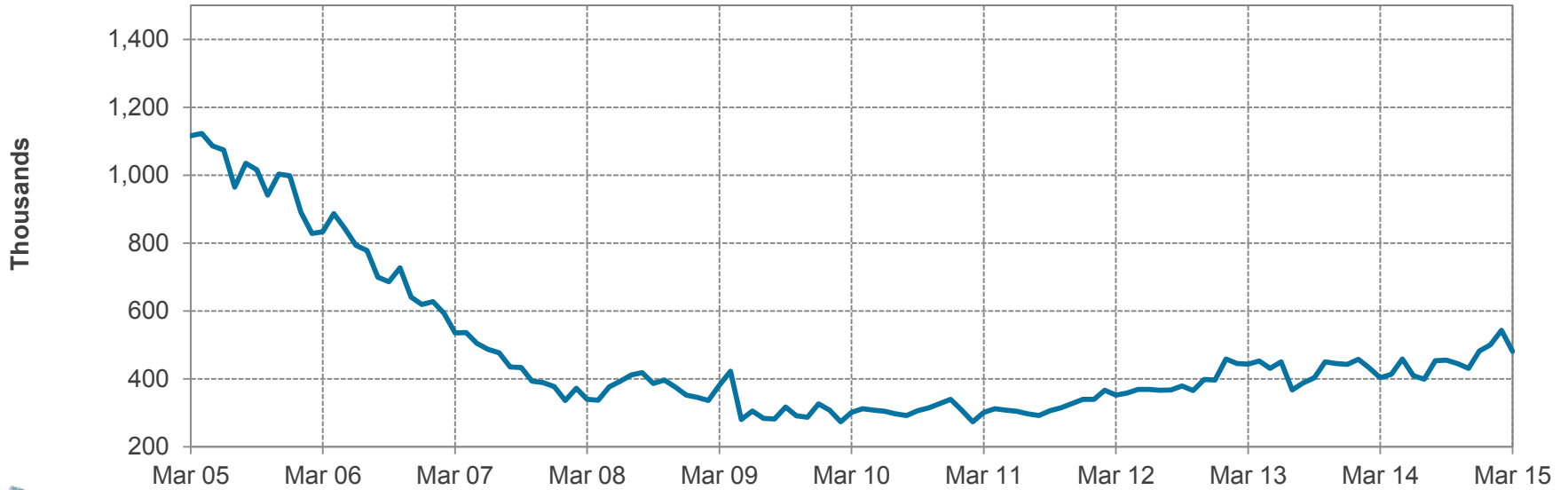




# New Home Sales Fall in March

After a strong increase in February, new home sales fell by 11.4% in March to a seasonally adjusted annualized rate of 481,000 units. March sales were 19.4% above March 2014 levels.

**U.S. New Home Sales (MoM)**  
March 2005 – March 2015

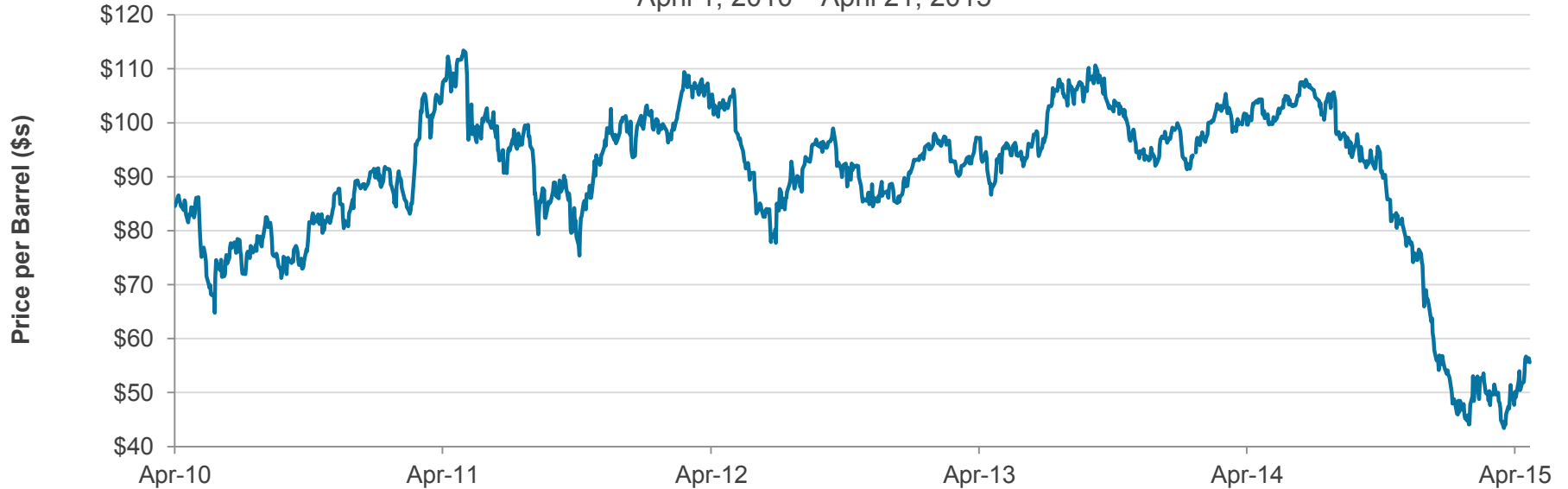


# Oil Prices Trending Higher

Oil (WTI spot) closed at \$55.58 on April 21<sup>st</sup>, which was just below its high for the year of \$56.69 reached on April 16<sup>th</sup>. Oil prices have been trending higher recently on concerns about Middle East oil supplies given the ongoing conflict in Yemen. U.S. oil production has also fallen recently, which may help reduce high oil stockpiles that have kept downward pressure on crude oil prices.

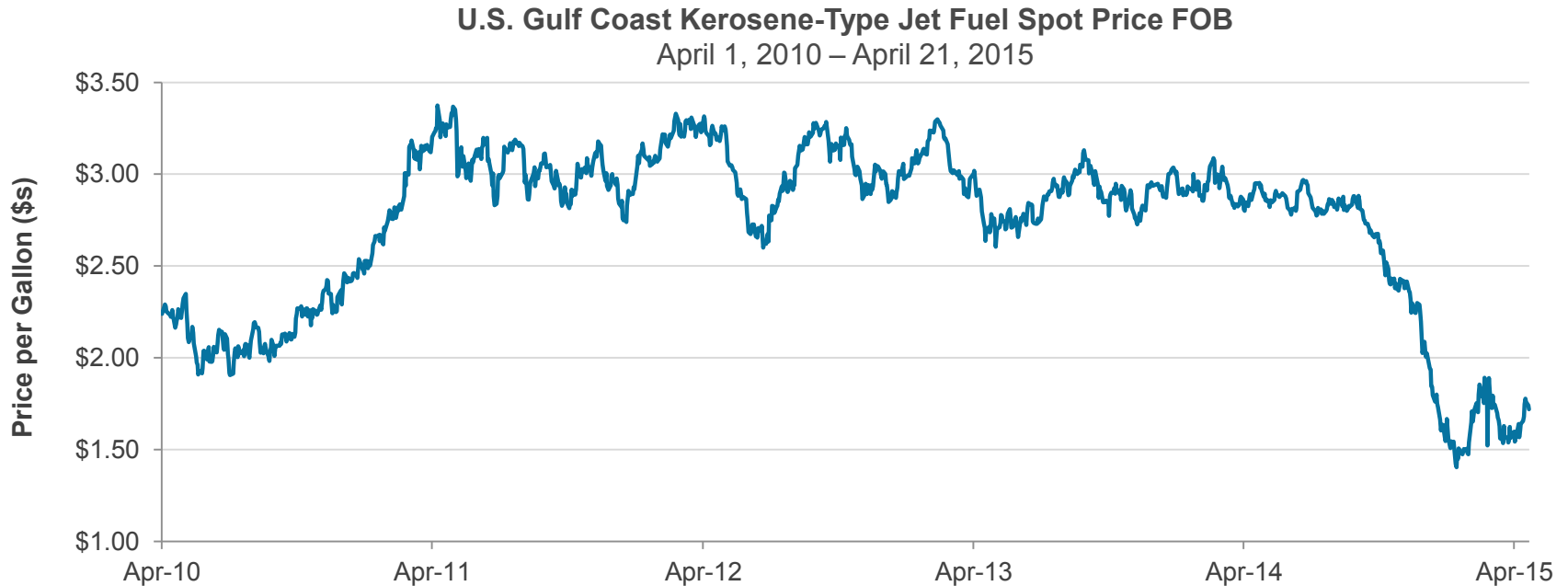
**West Texas Intermediate Oil Price Per Barrel (WTI Spot)**

April 1, 2010 – April 21, 2015



# Jet Fuel Prices Trending Higher

Jet fuel (U.S. Gulf Coast Spot) closed at \$1.719 on April 21st, which was 5% above its average of \$1.63 for 2015. Higher crude oil prices have helped push jet fuel prices higher over the past month.



# U.S. Equity Markets Remain Volatile

The equity markets remain volatile on mixed-economic news, uncertainty regarding Federal Reserve rate hikes, and global political and economic concerns. Year-to-date, the DJIA is up 1.21% and the S&P 500 is up 2.38%.

## Dow Jones Industrial Average and S&P 500 Indices

April 1, 2010 – April 22, 2015

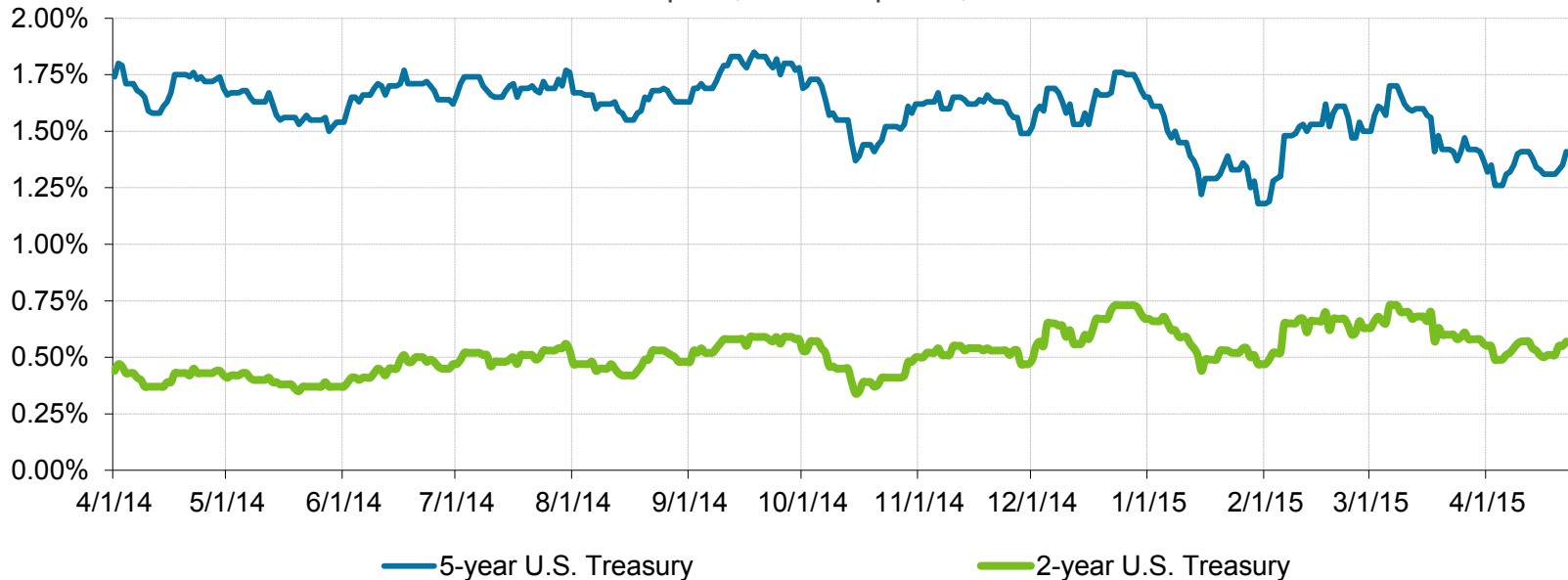


# Treasury Yields in Narrow Range

U.S. Treasury yields have traded in a narrow range during the past 12 months. In recent weeks, Treasury rates have been trading in the middle part of the trading range due to mixed economic news and continued uncertainty about when the Federal Reserve will start to raise interest rates.

## 2- and 5-year U.S. Treasury Yields

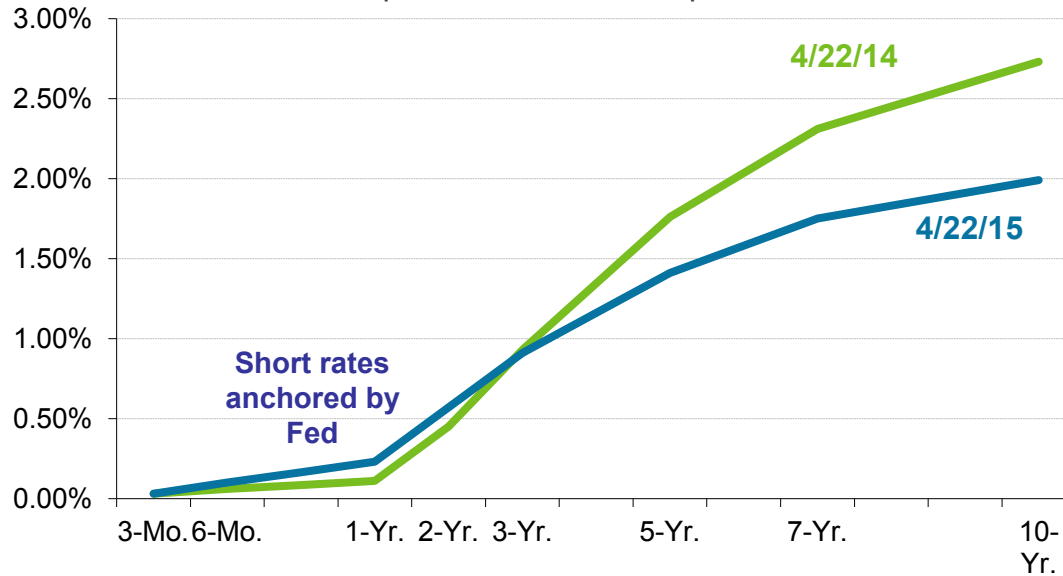
April 1, 2014 – April 22, 2015



# U.S. Treasury Yield Curve Flattens

The Treasury yield curve has flattened over the past year. Shorter-term yields are up on continued economic growth and expectations that the Federal Reserve might start raising interest rates in 2015 while longer-term yields are down due to low inflation expectations and low global sovereign debt yields.

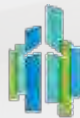
**U.S. Treasury Yield Curve**  
April 22, 2014 versus April 22, 2015



	4/22/14	4/22/15	Change
<b>3-Mo.</b>	0.03%	0.03%	0.00%
<b>6-Mo.</b>	0.06%	0.10%	0.04%
<b>1-Yr.</b>	0.11%	0.23%	0.12%
<b>2-Yr.</b>	0.45%	0.57%	0.12%
<b>3-Yr.</b>	0.93%	0.91%	(0.02%)
<b>5-Yr.</b>	1.76%	1.41%	(0.35%)
<b>10-Yr.</b>	2.73%	1.99%	(0.74%)
<b>20-Yr.</b>	3.25%	2.42%	(0.83%)
<b>30-Yr.</b>	3.50%	2.66%	(0.84%)



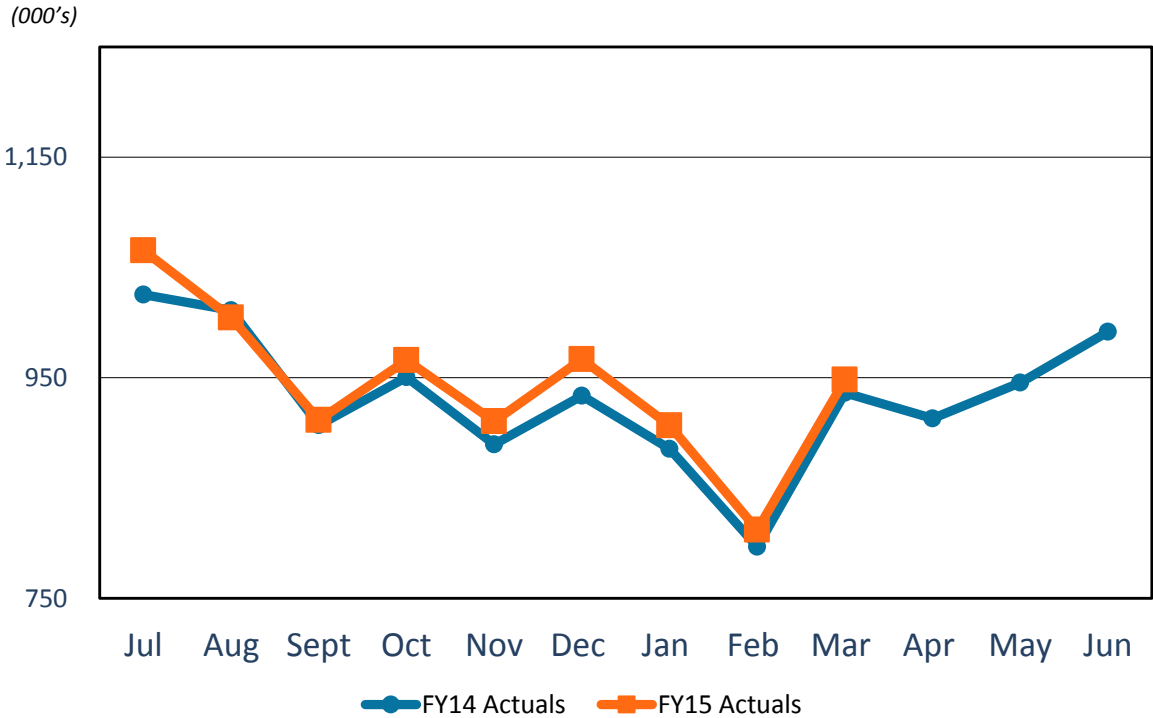
# Revenue & Expenses (Unaudited) For the Month Ended March 2015 and 2014



**SAN DIEGO**  
INTERNATIONAL AIRPORT.

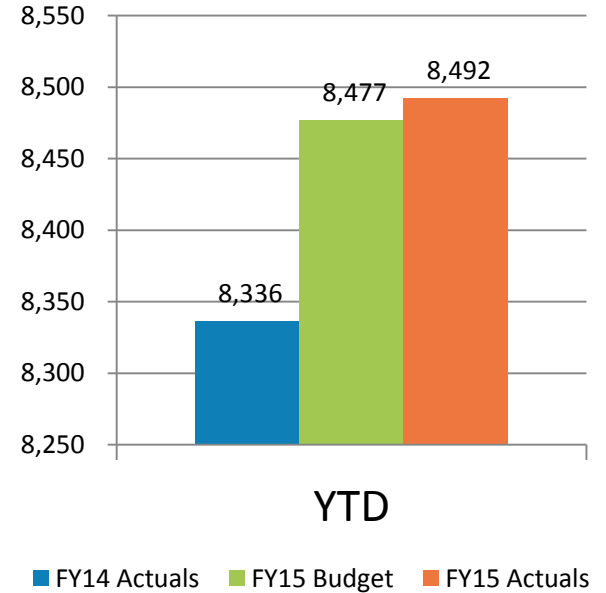
LET'S GO 

# Gross Landing Weight Units (000 lbs)



FY15 YTD Act Vs.  
FY14 YTD Act  
1.9%

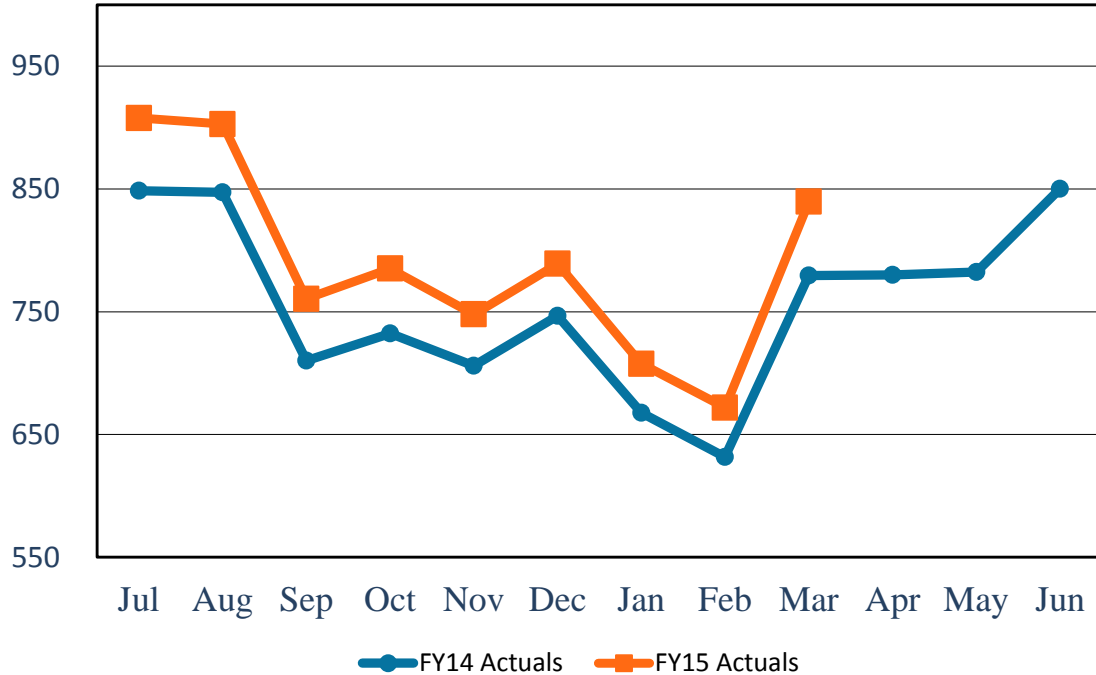
FY15 YTD Act Vs.  
FY15 YTD Budget  
0.2%





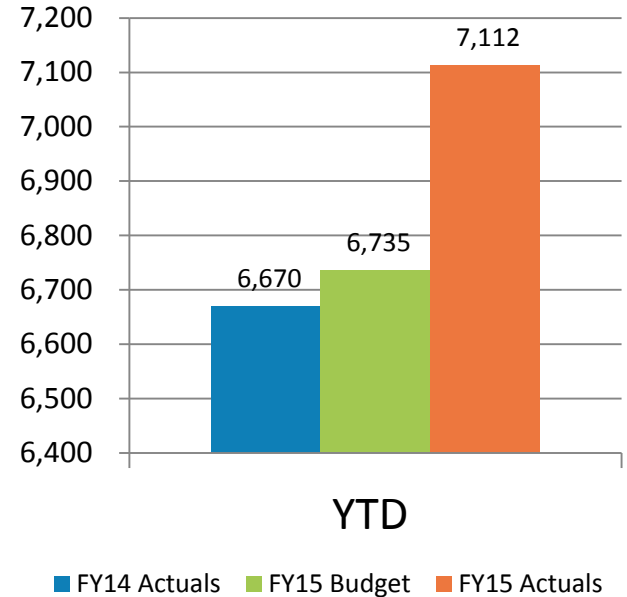
# Enplanements

(000's)

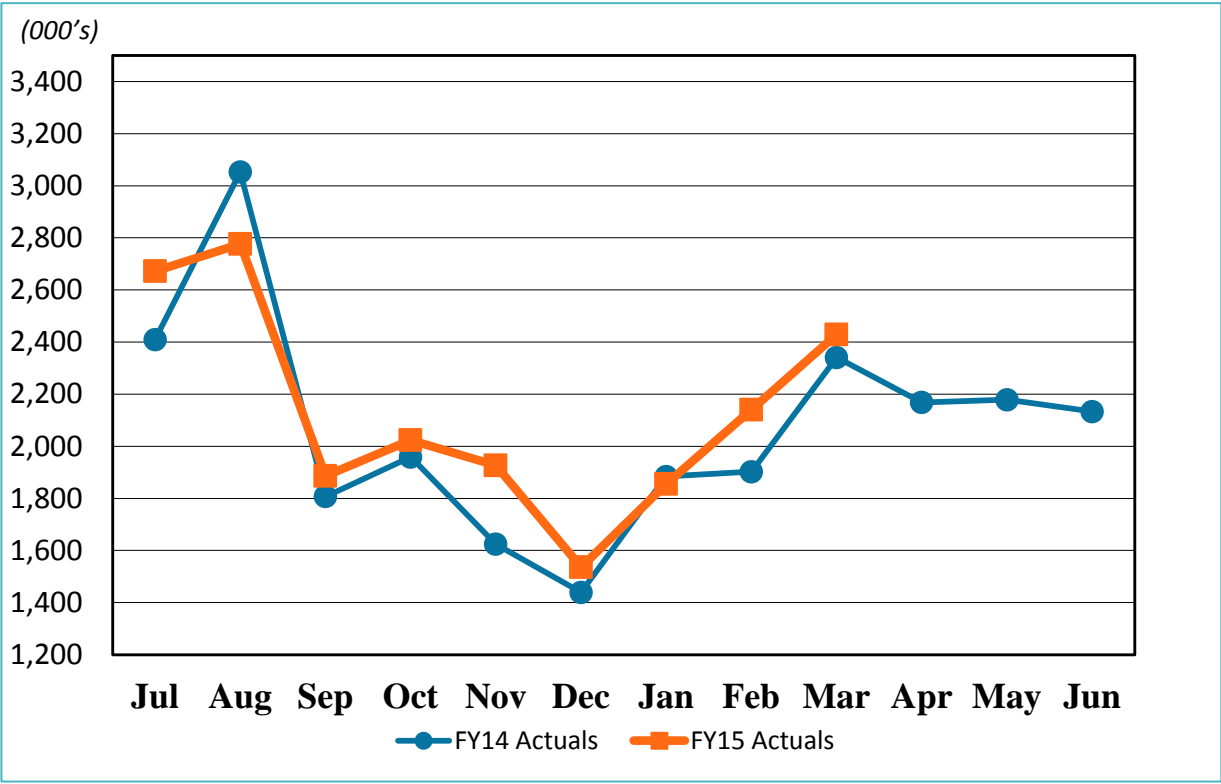


FY15 YTD Act Vs.  
FY14 YTD Act  
6.6%

FY15 YTD Act Vs.  
FY15 YTD Budget  
5.6%

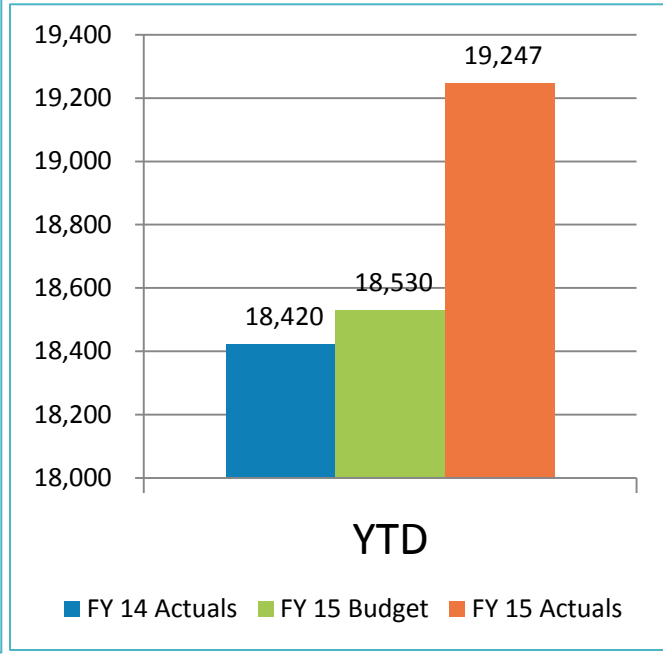


# Car Rental License Fees

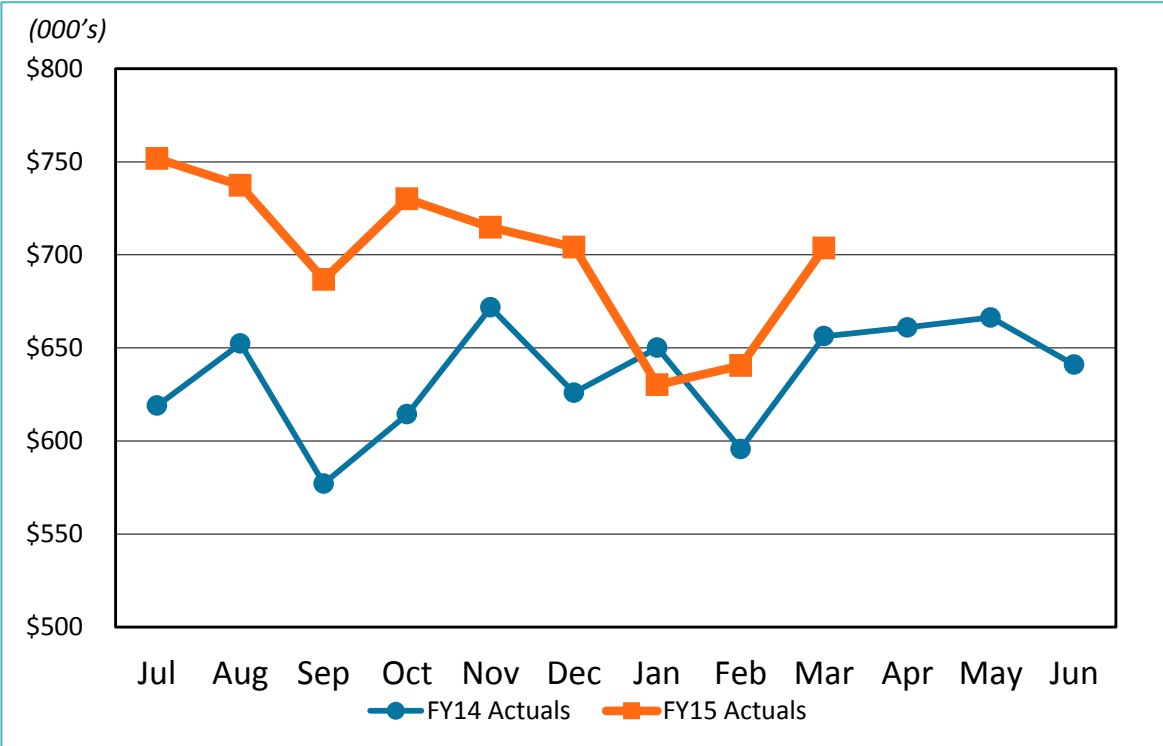


FY15 YTD Act Vs.  
FY14 YTD Act  
4.5%

FY15 YTD Act Vs.  
FY15 YTD Budget  
3.9%

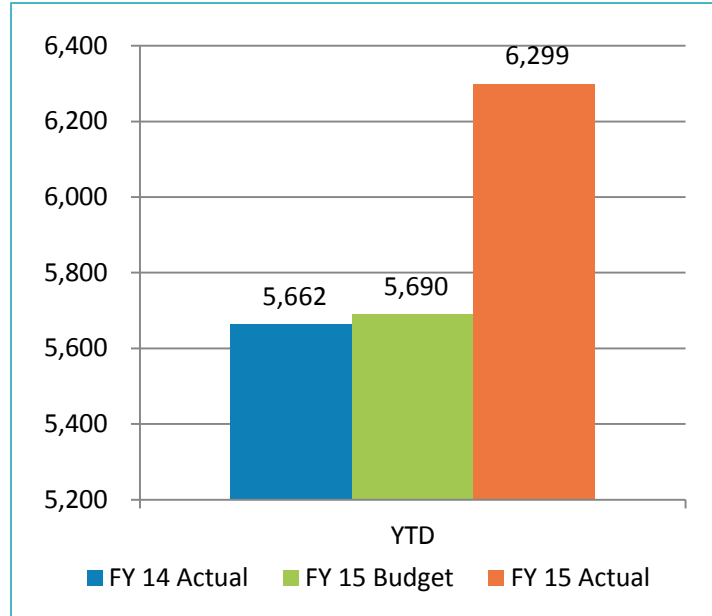


# Food and Beverage Concessions Revenue

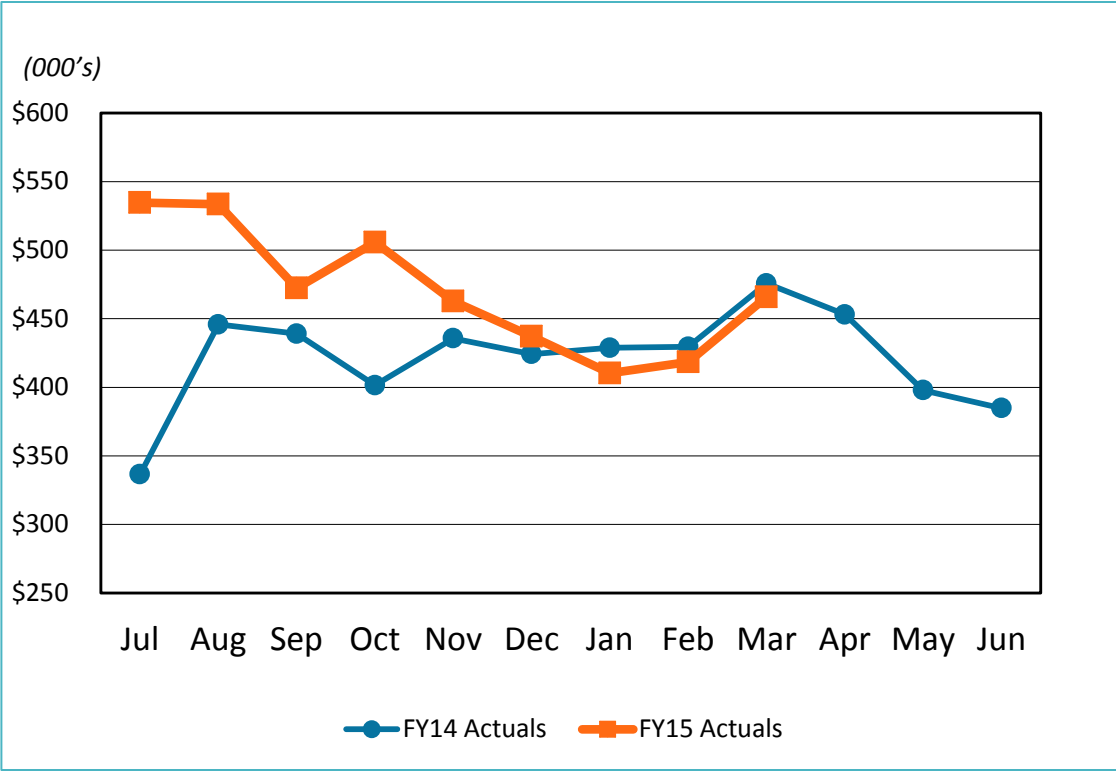


FY15 YTD Act Vs.  
FY14 YTD Act  
11.2%

FY15 YTD Act Vs.  
FY15 YTD Budget  
10.7%

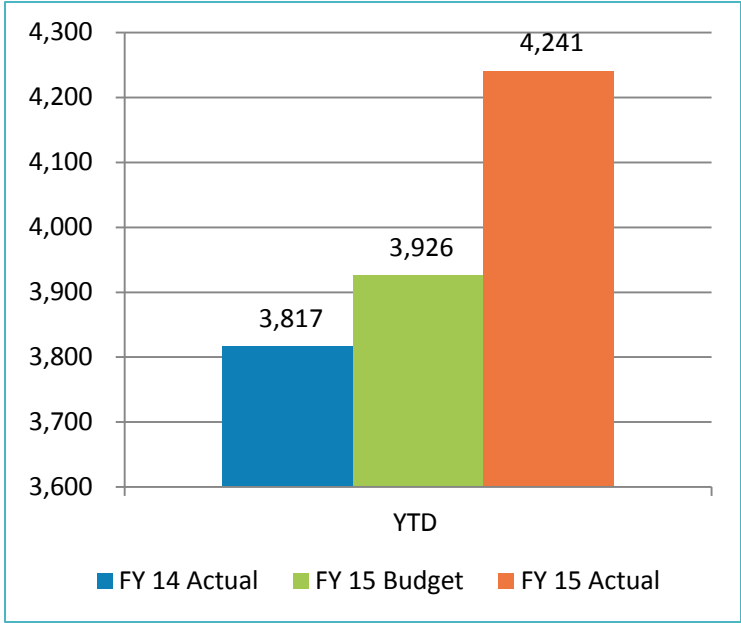


# Retail Concessions Revenue

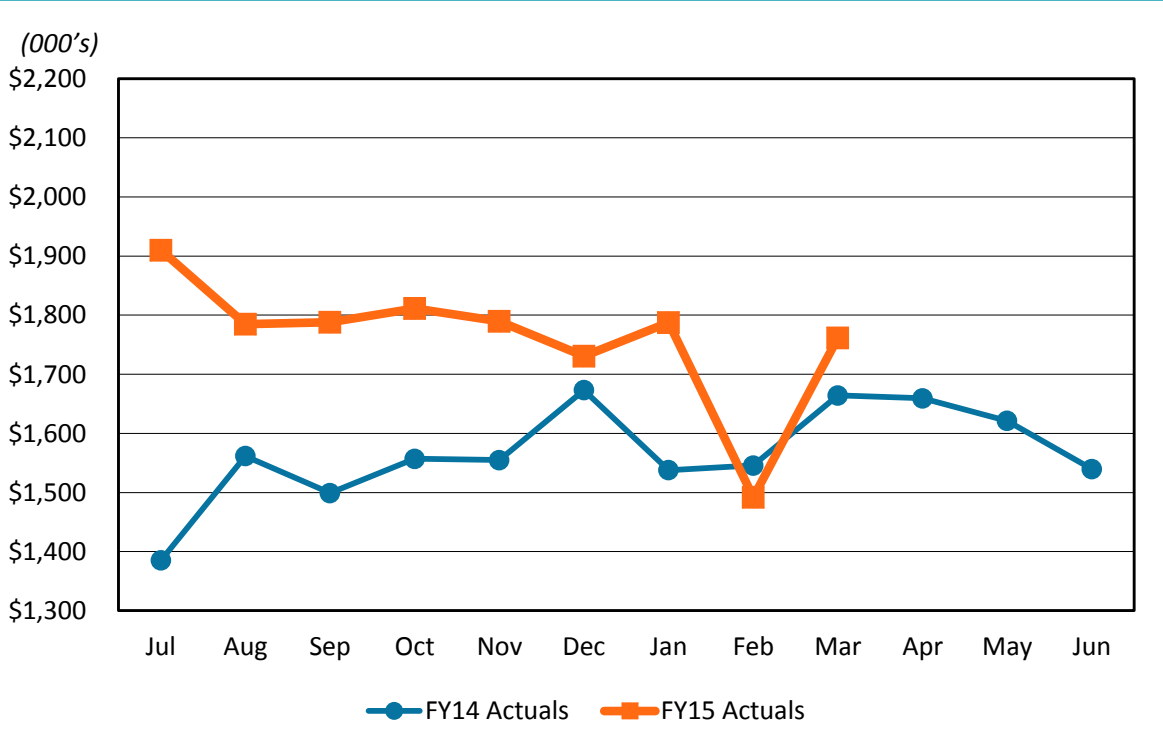


FY15 YTD Act Vs.  
FY14 YTD Act  
11.1%

FY15 YTD Act Vs.  
FY15 YTD Budget  
8.0%

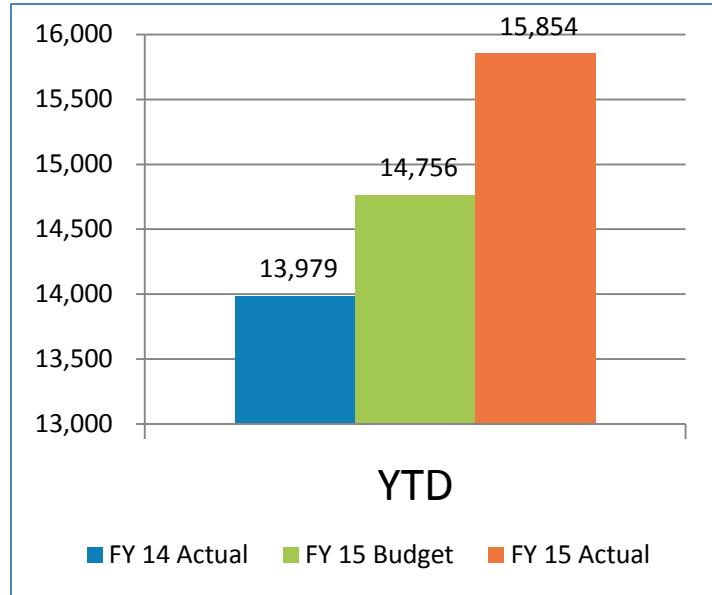


# Total Terminal Concessions (Includes Cost Recovery)

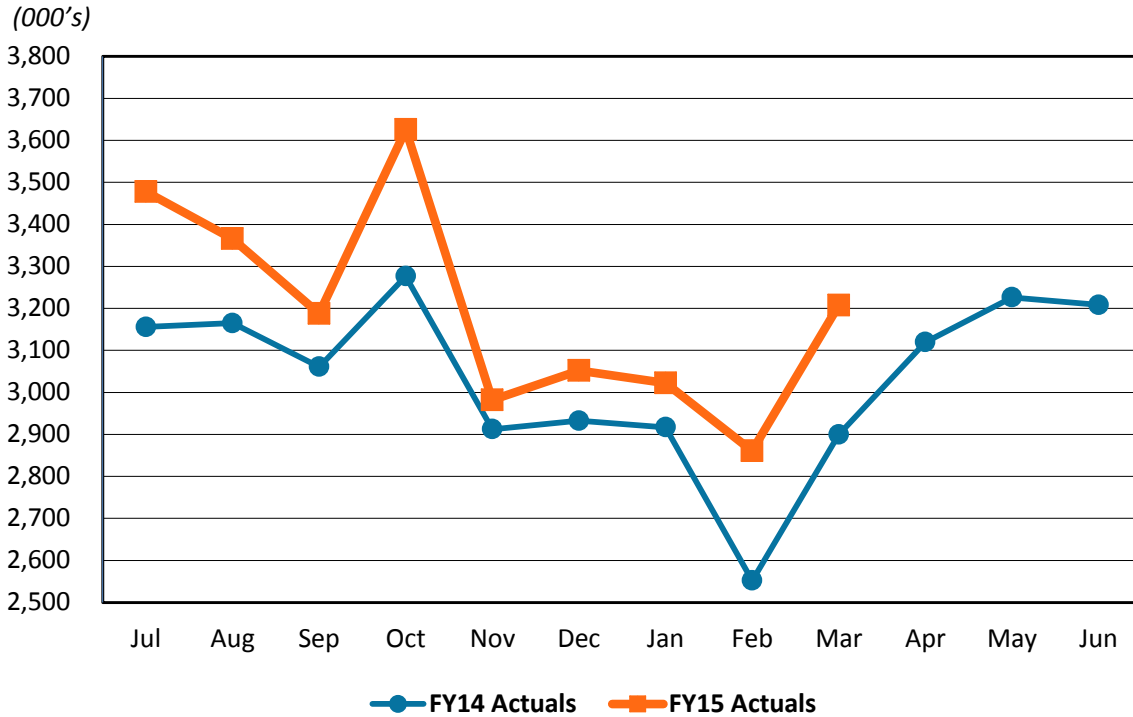


FY15 YTD Act Vs.  
FY14 YTD Act  
13.4%

FY15 YTD Act Vs.  
FY15 YTD Budget  
7.4%

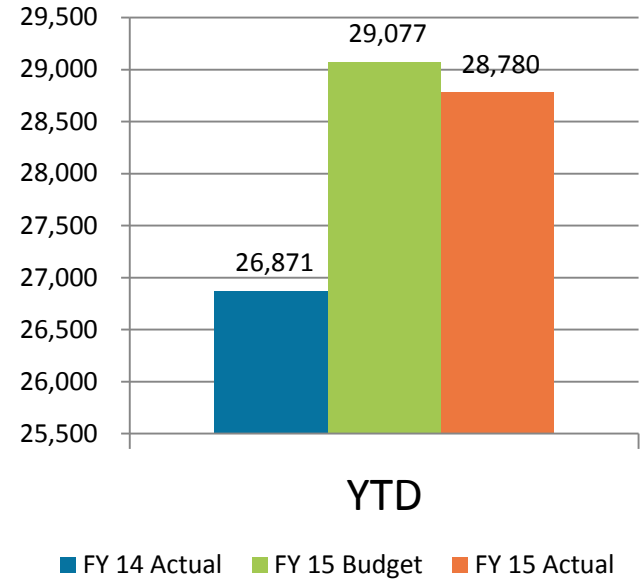


# Parking Revenue



FY15 YTD Act Vs.  
FY14 YTD Act  
7.1%

FY15 YTD Act Vs.  
FY15 YTD Budget  
-1.0%



# Operating Revenues for the Month Ended March 31, 2015

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Aviation revenue:</b>					
Landing fees	\$ 2,005	\$ 1,948	\$ (57)	(3)%	\$ 1,814
Aircraft parking fees	231	226	(5)	(2)%	225
Building rentals	4,166	4,542	376	9%	3,834
Security surcharge	2,211	2,211	-	-	2,081
CUPPS Support Charges	94	94	-	-	93
Other aviation revenue	133	136	3	3%	133
<b>Total aviation revenue</b>	<b>\$ 8,840</b>	<b>\$ 9,157</b>	<b>\$ 317</b>	<b>4%</b>	<b>\$ 8,180</b>

# Operating Revenues for the Month Ended March 31, 2015

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Terminal rent non-airline</b>	\$ 125	\$ 103	\$ (22)	(18)%	\$ 115
<b>Concession revenue:</b>					
<b>Terminal concession revenue:</b>					
Food and beverage	636	703	67	11%	656
Gifts and news	426	466	40	9%	476
Space storage	63	80	17	27%	72
Cost recovery	241	218	(23)	(10)%	185
Other <i>(Primarily advertising)</i>	271	294	23	8%	275
<b>Total terminal concession revenue</b>	<b>1,637</b>	<b>1,761</b>	<b>124</b>	<b>8%</b>	<b>1,664</b>
<b>Car rental and license fee revenue:</b>					
Rental car and license fees	2,233	2,429	196	9%	2,341
License fees-other	337	368	31	9%	363
<b>Total rental car and license fees</b>	<b>2,570</b>	<b>2,797</b>	<b>227</b>	<b>9%</b>	<b>2,704</b>
<b>Total concession revenue</b>	<b>\$ 4,207</b>	<b>\$ 4,558</b>	<b>\$ 351</b>	<b>8%</b>	<b>\$ 4,368</b>



# Operating Revenues

## for the Month Ended March 31, 2015

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Parking revenue:</b>					
Short-term parking revenue	\$ 2,049	\$ 2,097	\$ 48	2%	\$ 1,930
Long-term parking revenue	1,033	1,110	77	7%	969
<b>Total parking revenue</b>	<b>3,082</b>	<b>3,207</b>	<b>125</b>	<b>4%</b>	<b>2,899</b>
Ground transportation permits and citations	165	231	66	40%	184
Ground rentals	968	984	16	2%	676
Grant reimbursements	25	25	-	-	25
Other operating revenue	39	41	2	5%	32
<b>Subtotal</b>	<b>4,279</b>	<b>4,488</b>	<b>209</b>	<b>5%</b>	<b>3,816</b>
<b>Total operating revenues</b>	<b>\$ 17,451</b>	<b>\$ 18,306</b>	<b>\$ 855</b>	<b>5%</b>	<b>\$ 16,479</b>

# Operating Expenses

## for the Month Ended March 31, 2015

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$ 4,087	\$ 3,127	\$ 960	23%	\$ 2,990
Contractual services	2,966	2,649	317	11%	2,578
Safety and security	1,996	1,890	106	5%	1,998
Space rental	869	868	1	-	866
Utilities	710	707	3	-	696
Maintenance	1,306	1,384	(78)	(6)%	892
Equipment and systems	94	7	87	93%	14
Materials and supplies	31	51	(20)	(65)%	26
Insurance	89	86	3	-	82
Employee development and support	91	134	(43)	(47)%	85
Business development	236	71	165	70%	220
Equipment rental and repairs	298	754	(456)	(153)%	268
<b>Total operating expenses</b>	<b>\$ 12,773</b>	<b>\$ 11,728</b>	<b>\$ 1,045</b>	<b>8%</b>	<b>\$ 10,715</b>

# Financial Summary

## for the Month Ended March 31, 2015

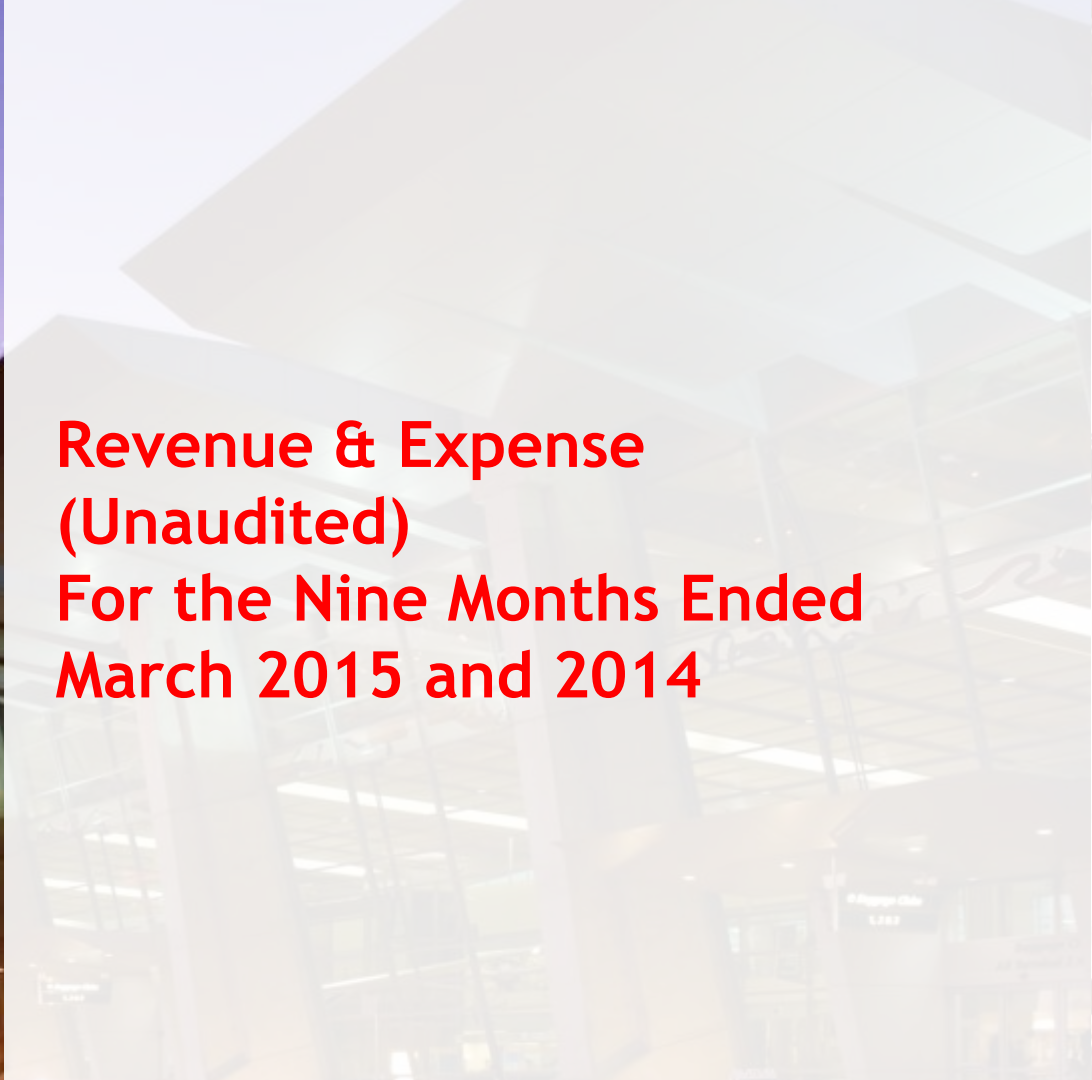
(In thousands)	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>% Change</b>	<b>Prior Year</b>
Total operating revenues	\$ 17,451	\$ 18,306	\$ 855	5%	\$ 16,479
Total operating expenses	12,773	11,728	1,045	8%	10,715
<b>Income from operations</b>	<b>4,678</b>	<b>6,579</b>	<b>1,900</b>	<b>41%</b>	<b>5,764</b>
Depreciation	6,711	6,711	-	-	20,526
<b>Operating income (loss)</b>	<b>\$ (2,033)</b>	<b>\$ (133)</b>	<b>\$ 1,900</b>	<b>93%</b>	<b>\$ (14,762)</b>

# Non-operating Revenues & Expenses for the Month Ended March 31, 2015

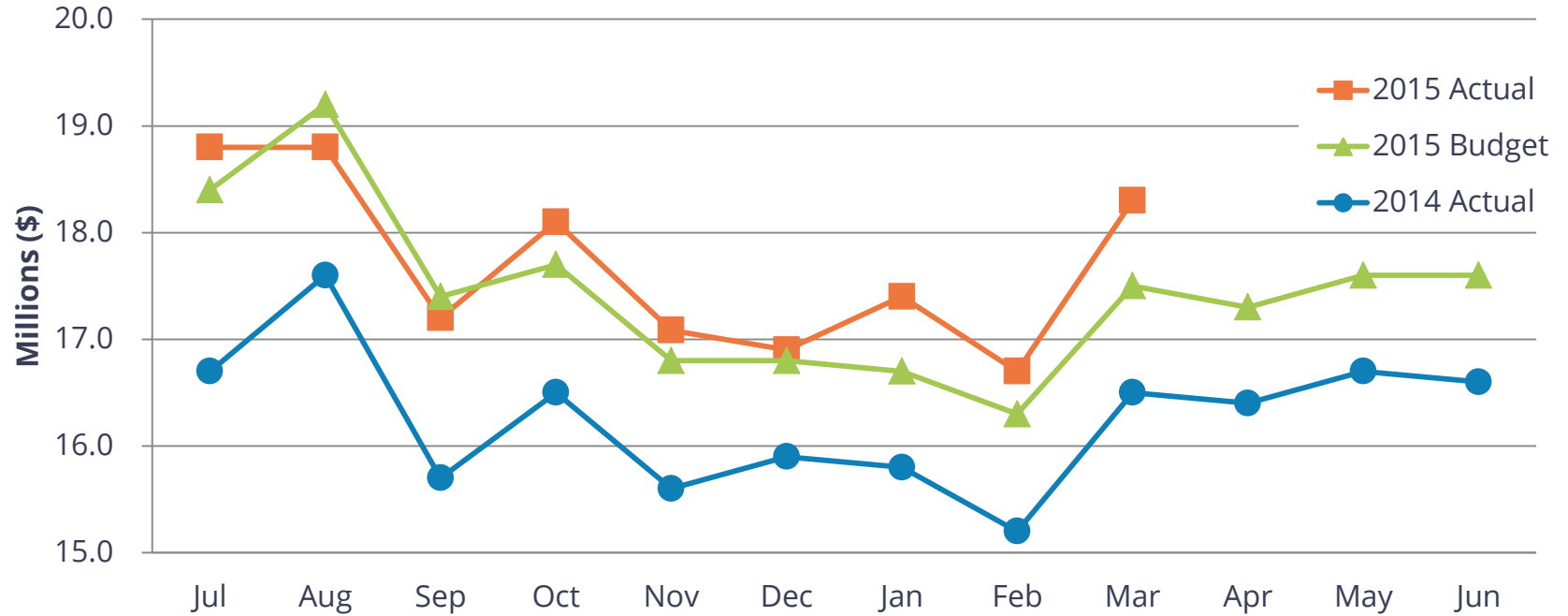
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$ 3,865	\$ 3,714	\$ (151)	(4)%	\$ 3,655
Customer facility charges (Rental Car Center)	2,866	2,960	94	3%	2,653
Quieter Home Program, net	(167)	(309)	(142)	(85)%	(284)
Interest income	388	486	98	25%	452
BAB interest rebate	386	386	-	-	386
Interest expense & debt issuance costs	(4,298)	(4,984)	(686)	(16)%	(5,845)
Bond amortization	359	359	-	-	366
Other nonoperating revenue (expenses)	(1)	(1,061)	(1,060)	-	(640)
<b>Nonoperating revenue, net</b>	<b>3,398</b>	<b>1,551</b>	<b>(1,847)</b>	<b>(54)%</b>	<b>743</b>
<b>Change in net position before grant contributions</b>	<b>1,365</b>	<b>1,418</b>	<b>53</b>	<b>4%</b>	<b>(14,019)</b>
Capital grant contributions	725	90	(635)	(88)%	686
<b>Change in net position</b>	<b>\$ 2,090</b>	<b>\$ 1,508</b>	<b>\$ (582)</b>	<b>(28)%</b>	<b>\$ (13,333)</b>



**Revenue & Expense  
(Unaudited)  
For the Nine Months Ended  
March 2015 and 2014**



# Monthly Operating Revenue, FY 2015 (Unaudited)



# Operating Revenues

## for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Aviation revenue:</b>					
Landing fees	\$ 17,637	\$ 17,584	\$ (53)	-	\$ 16,175
Aircraft parking fees	2,076	2,046	(30)	(1)%	1,900
Building rentals	37,470	38,148	678	2%	34,080
Security surcharge	19,897	19,897	-	-	18,727
CUPPS Support Charges	844	846	2	-	838
Other aviation revenue	1,191	1,188	(3)	-	1,190
<b>Total aviation revenue</b>	<b>\$ 79,115</b>	<b>\$ 79,709</b>	<b>\$ 594</b>		<b>\$ 72,910</b>

# Operating Revenues

## for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)			Variance		
	Budget	Actual	Favorable (Unfavorable)	%	Prior Year
				Change	
<b>Terminal rent non-airline</b>	\$ 1,124	\$ 923	\$ (201)	(18)%	\$ 835
<b>Concession revenue:</b>					
<b>Terminal concession revenue:</b>					
Food and beverage	5,690	6,299	609	11%	5,662
Retail	3,926	4,241	315	8%	3,817
Space storage	571	703	132	23%	579
Cost recovery	2,115	1,840	(275)	(13)%	1,584
Other <i>(Primarily advertising)</i>	2,454	2,772	318	13%	2,337
<b>Total terminal concession revenue</b>	<b>14,756</b>	<b>15,855</b>	<b>1,099</b>	<b>7%</b>	<b>13,979</b>
<b>Car rental and license fee revenue:</b>					
Rental car license fees	18,530	19,247	717	4%	18,420
License fees-other	3,106	3,285	179	6%	2,956
<b>Total rental car and license fees</b>	<b>21,636</b>	<b>22,532</b>	<b>896</b>	<b>4%</b>	<b>21,376</b>
<b>Total concession revenue</b>	<b>\$ 36,392</b>	<b>\$ 38,386</b>	<b>\$ 1,994</b>	<b>5%</b>	<b>\$ 35,355</b>

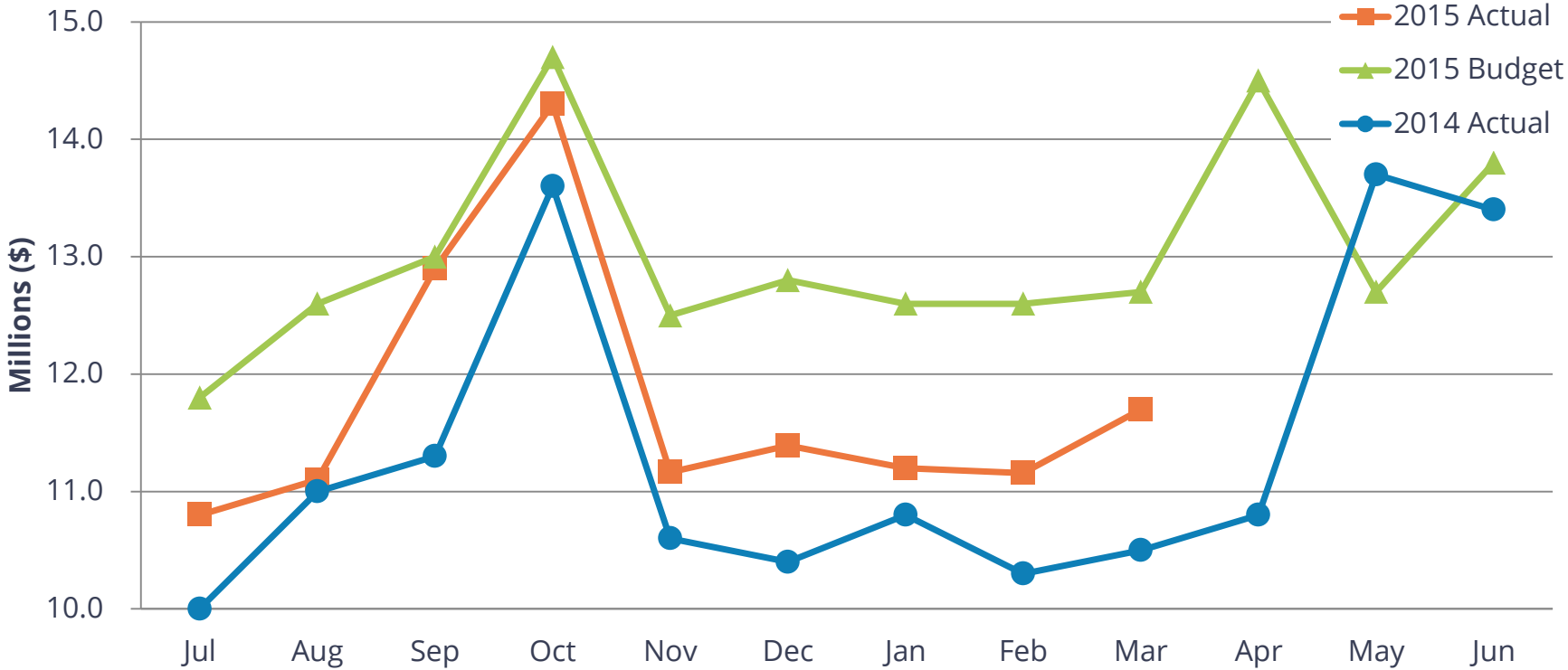


# Operating Revenues

## for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Parking revenue:</b>					
Short-term parking revenue	\$ 18,611	\$ 18,549	\$ (62)	-	\$ 17,028
Long-term parking revenue	10,466	10,231	(235)	(2)%	9,843
<b>Total parking revenue</b>	<b>29,077</b>	<b>28,780</b>	<b>(297)</b>	<b>(1)%</b>	<b>26,871</b>
Ground transportation permits and citations	2,302	2,352	50	2%	1,962
Ground rentals	8,439	8,547	108	1%	6,321
Grant reimbursements	219	219	-	-	296
Other operating revenue	352	505	153	43%	964
<b>Subtotal</b>	<b>40,389</b>	<b>40,403</b>	<b>14</b>	<b>-</b>	<b>36,414</b>
<b>Total operating revenues</b>	<b>\$ 157,020</b>	<b>\$ 159,421</b>	<b>\$ 2,401</b>	<b>2%</b>	<b>\$ 145,514</b>

# Monthly Operating Expenses, FY 2015 (Unaudited)



# Operating Expenses

## for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$ 37,662	\$ 33,763	\$ 3,899	10%	\$ 28,892
Contractual services	25,232	22,285	2,947	12%	22,846
Safety and security	18,335	17,733	602	3%	18,195
Space rental	7,845	7,825	19	-	7,786
Utilities	7,119	7,870	(751)	(11)%	6,132
Maintenance	12,066	10,022	2,044	17%	8,994
Equipment and systems	419	145	274	65%	173
Materials and supplies	309	304	5	2%	257
Insurance	804	794	10	1%	741
Employee development and support	894	696	198	22%	762
Business development	2,059	1,743	316	15%	1,762
Equipment rental and repairs	2,766	2,271	494	18%	2,018
<b>Total operating expenses</b>	<b>\$ 115,509</b>	<b>\$ 105,451</b>	<b>\$ 10,057</b>	<b>9%</b>	<b>\$ 98,558</b>

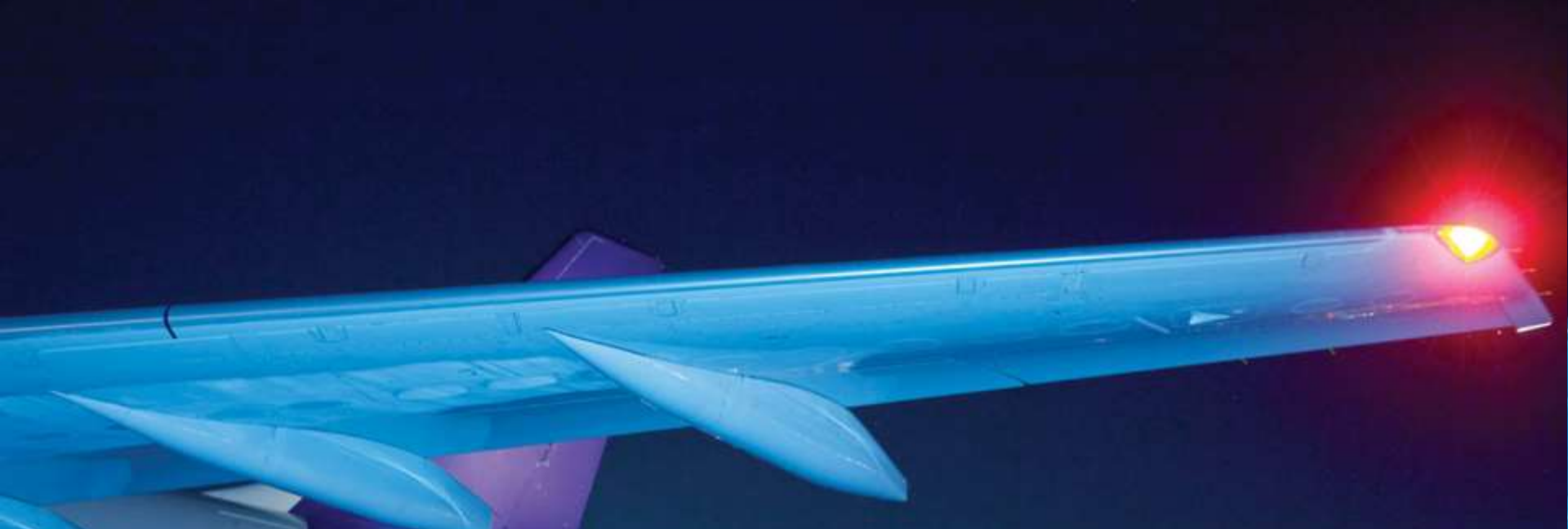
# Financial Summary

## for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 157,020	\$ 159,421	\$ 2,401	2%	\$ 145,514
Total operating expenses	115,509	105,451	10,058	9%	98,558
<b>Income from operations</b>	<b>41,511</b>	<b>53,970</b>	<b>12,459</b>	<b>30%</b>	<b>46,956</b>
Depreciation	60,213	60,213	-	-	59,534
<b>Operating income (loss)</b>	<b>\$ (18,702)</b>	<b>\$ (6,243)</b>	<b>\$ 12,459</b>	<b>67%</b>	<b>\$ (12,578)</b>

# Nonoperating Revenues & Expenses for the Nine Months Ended March 31, 2015 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$ 27,070	\$ 28,327	\$ 1,257	5%	\$ 26,357
Customer facility charges (Rental Car Center)	22,539	23,622	1,083	5%	19,357
Quieter Home Program, net	(2,436)	(2,127)	309	13%	(1,703)
Interest income	3,575	4,381	806	23%	3,573
BAB interest rebate	3,477	3,473	(4)	-	3,477
Interest expense & debt issuance costs	(39,072)	(46,627)	(7,555)	(19)%	(38,989)
Bond amortization	3,255	3,255	-	-	3,297
Other nonoperating revenue (expenses)	(8)	(1,069)	(1,061)	-	1,512
<b>Nonoperating revenue, net</b>	<b>18,400</b>	<b>13,235</b>	<b>(5,165)</b>	<b>(28)%</b>	<b>16,881</b>
<b>Change in Net Position before grant contributions</b>	<b>(302)</b>	<b>6,992</b>	<b>7,294</b>	<b>2418%</b>	<b>4,303</b>
Capital grant contributions	7,611	3,053	(4,558)	(60)%	3,000
<b>Change in Net Position</b>	<b>\$ 7,309</b>	<b>\$ 10,045</b>	<b>\$ 2,736</b>	<b>37%</b>	<b>\$ 7,303</b>



**Statements of Net Position (Unaudited)  
March 31, 2015 and 2014**

# Statements of Net Position (Unaudited)

(In thousands)

**March**

## Current assets:

	<b>2015</b>	<b>2014</b>
Cash and investments	\$ 68,701	\$ 94,575
Tenant lease receivable, net of allowance of 2015: (\$60,384) and 2014: (\$76,869)	8,517	9,273
Grants receivable	4,046	4,264
Notes receivable-current portion	1,529	1,447
Prepaid expenses and other current assets	6,507	6,407
<b>Total current assets</b>	<b>89,300</b>	<b>115,966</b>

<b>Cash designated for capital projects and other</b>	<b>\$ 22,410</b>	<b>\$ 16,564</b>
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# Statements of Net Position (Unaudited)

(In thousands)

**March**

**2015**

**2014**

## Restricted assets:

### Cash and investments:

Bonds reserve	\$ 54,943	\$ 54,965
Passenger facility charges and interest unapplied	63,021	54,541
Customer facility charges and interest applied	41,777	38,674
Commercial paper reserve	-	4
SBD bond guarantee	4,000	4,000
Bond proceeds held by trustee	338,368	536,571
Commercial paper interest held by trustee	-	13
Passenger facility charges receivable	5,033	4,679
Customer facility charges receivable	2,974	3,681
OCIP insurance reserve	5,433	5,109
<b>Total restricted assets</b>	<b>\$ 515,549</b>	<b>\$ 702,237</b>



# Statements of Net Position (Unaudited)

(In thousands)

**March**

	<b>2015</b>	<b>2014</b>
<b>Noncurrent assets:</b>		
<b>Capital assets:</b>		
Land and land improvements	\$ 71,082	\$ 70,943
Runways, roads and parking lots	575,159	563,883
Buildings and structures	1,042,821	1,007,766
Machinery and equipment	14,293	13,669
Vehicles	5,520	5,582
Office furniture and equipment	32,520	32,049
Works of art	3,424	2,468
Construction-in-progress	411,341	212,819
<b>Total capital assets</b>	<b>2,156,160</b>	<b>1,909,179</b>
Less: accumulated depreciation	(717,048)	(641,229)
<b>Total capital assets, net</b>	<b>\$ 1,439,112</b>	<b>\$ 1,267,950</b>

# Statements of Net Position (Unaudited)

(In thousands)

**March**

	<b>2015</b>	<b>2014</b>
<b>Other assets:</b>		
Notes receivable - long-term portion	\$ 37,221	\$ 38,811
Investments - long-term portion	87,968	67,332
Net pension asset	6,468	6,231
Security deposit	500	500
<b>Total other assets</b>	<b>132,157</b>	<b>112,874</b>
<b>Total noncurrent assets</b>	<b>1,571,269</b>	<b>1,380,824</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,198,528</b>	<b>\$ 2,215,591</b>

## Other assets:

Notes receivable - long-term portion

Investments - long-term portion

Net pension asset

Security deposit

**Total other assets**

**Total noncurrent assets**

**TOTAL ASSETS**

# Statements of Net Position (Unaudited)

(In thousands)

**March**

## **Current liabilities:**

Accounts payable and accrued liabilities

\$	63,369	\$	73,782
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Deposits and other current liabilities

4,050	4,630
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## **Total current liabilities**

<b>67,419</b>	<b>78,412</b>
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## **Current liabilities payable from restricted assets:**

Current portion of long-term debt

10,695	11,870
--------	--------

Accrued interest on bonds

and commercial paper

16,575	14,388
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## **Total liabilities payable from restricted assets**

<b>\$ 27,270</b>	<b>\$ 26,258</b>
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# Statements of Net Position (Unaudited)

(In thousands)

**March**

	<b>2015</b>	<b>2014</b>
<b>Long-term liabilities:</b>		
Revolving line of credit and commercial paper payable	\$ 44,884	\$ 43,216
Other long-term liabilities	13,732	10,131
Long-term debt - bonds net of amortized premium	1,308,162	1,323,208
<b>Total long-term liabilities</b>	<b>1,366,778</b>	<b>1,376,555</b>
<b>Total liabilities</b>	<b>\$ 1,461,467</b>	<b>\$ 1,481,224</b>

# Statements of Net Position (Unaudited)

(In thousands)

**March**

	<b>2015</b>	<b>2014</b>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	\$ 405,412	\$ 418,204
Other restricted	176,344	165,770
Unrestricted:		
Designated	28,050	22,795
Undesignated	127,255	127,597
<b>Total net position</b>	<b>737,061</b>	<b>734,366</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 2,198,528</b>	<b>\$ 2,215,591</b>



Questions?



Item 3

## San Diego County Regional Airport Authority

### Review of the Authority's Investment Report As of March 31, 2015



Presented by: Michael Sears  
Director of Financial Management

May 11, 2015

This report is prepared for the San Diego County Regional Airport Authority (the "Authority") in accordance with California Government Code Section 53646, which states that "the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency within 30 days following the end of the quarter covered by the report."

The investment report was compiled in compliance with California Government Code Section 53646 and the Authority's approved Investment Policy. All investment transactions made in the Authority's portfolio during this period were made on behalf of the Authority. Sufficient liquidity and anticipated revenue are available to meet expenditure requirements for the next six months.



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Scott Brickner, C.P.A.  
V.P. Finance & Asset Management / Treasurer  
San Diego County Regional Airport Authority



# Total Portfolio Summary

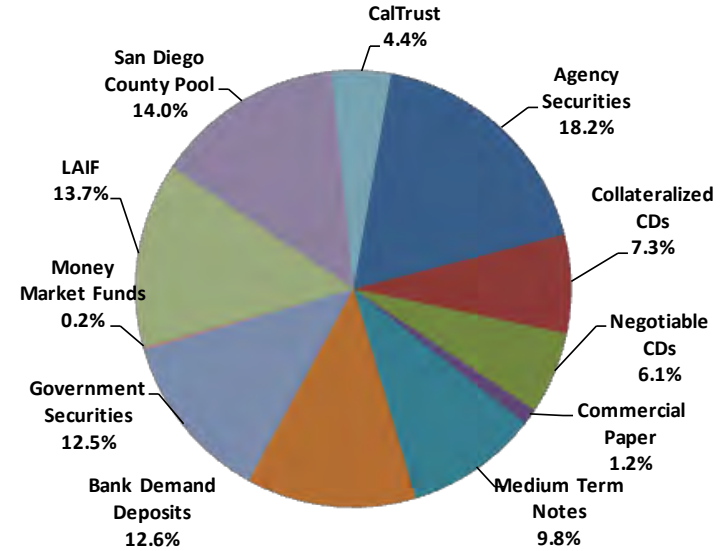
	Current Period	Prior Period	Change From
	March 31, 2015	December 31, 2014	Prior
Book Value (1)	\$346,484,000	\$340,123,000	\$6,361,000
Market Value (1)	\$346,325,000	\$339,696,000	\$6,629,000
Market Value%	99.95%	99.87%	0.08%
Unrealized Gain / (Loss)	(\$159,000)	(\$427,000)	\$268,000
Weighted Average Maturity (Days)	310 days	317 days	(7)
Weighted Average Yield as of Period End	0.57%	0.53%	0.04%
Cash Interest Received- Quarter-to-Date	\$675,000	\$341,000	\$334,000
Cash Interest Received- Year-to-Date	\$1,327,000	\$652,000	\$675,000
Accrued Interest	\$342,000	\$445,000	(\$103,000)

**Notes:**

(1) Increase in portfolio value is primarily due to operating receipts exceeding operating expenditures.

# Portfolio Composition by Security Type

	March 31, 2015		December 31, 2014		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 62,905,000	18.2%	\$ 64,659,000	19.0%	100%
Collateralized CDs	25,281,000	7.3%	25,250,000	7.4%	30%
Negotiable CDs	21,012,000	6.1%	16,958,000	5.0%	30%
Commercial Paper	3,997,000	1.2%	8,997,000	2.6%	25%
Medium Term Notes	33,811,000	9.8%	31,810,000	9.4%	15%
Bank Demand Deposits	44,289,000	12.6%	43,485,000	13.0%	100%
Government Securities	43,277,000	12.5%	37,146,000	10.9%	100%
Money Market Funds	683,000	0.2%	150,000	0.0%	20%
LAIF	47,619,000	13.7%	47,607,000	14.0%	\$50 million <sup>(1)</sup>
San Diego County Pool	48,378,000	14.0%	48,591,000	14.3%	\$50 million <sup>(2)</sup>
CalTrust	15,073,000	4.4%	15,043,000	4.4%	\$50 million <sup>(3)</sup>
<b>Total:</b>	<b>\$ 346,325,000</b>	<b>100.0%</b>	<b>\$ 339,696,000</b>	<b>100.0%</b>	

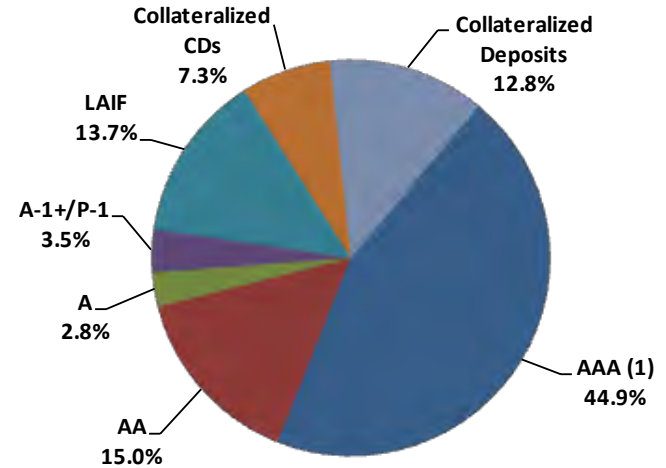


## Notes:

- 1.) The \$50 million limit on LAIF is a non-statutory LAIF internal limit. It does not apply to bond proceeds.
- 2.) The San Diego County Investment Pool mirrors the LAIF internal limit and does not apply to bond proceeds.
- 3.) The CalTrust mirrors the LAIF internal limit and does not apply to bond proceeds.

# Portfolio Composition by Credit Rating

	March 31, 2015		December 31, 2014	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA <sup>(1)</sup>	\$ 155,244,000	44.9%	\$ 165,588,000	48.8%
AA	52,027,000	15.0%	30,891,000	9.1%
A	9,869,000	2.8%	9,877,000	2.9%
A-1+/P-1	11,997,000	3.5%	16,997,000	5.0%
LAIF	47,619,000	13.7%	47,607,000	14.0%
Collateralized CDs	25,281,000	7.3%	25,250,000	7.4%
Collateralized Deposits	44,288,000	12.8%	43,486,000	12.8%
<b>Total:</b>	<b>\$ 346,325,000</b>	<b>100.0%</b>	<b>\$ 339,696,000</b>	<b>100.0%</b>

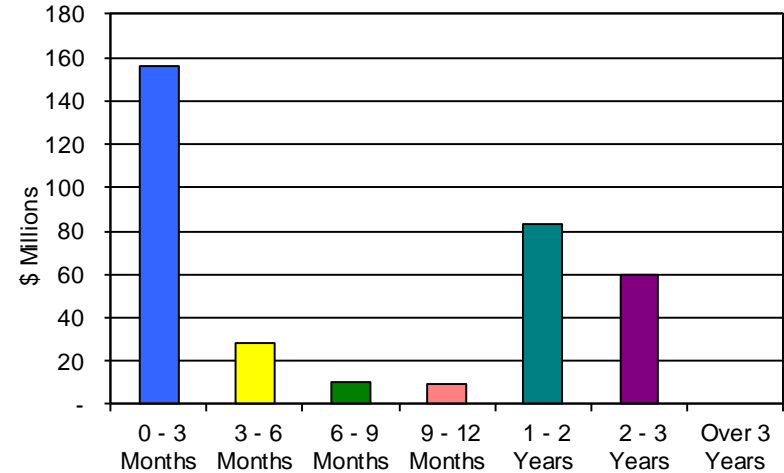


**Notes:**

1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)

# Portfolio Composition by Maturity (1)

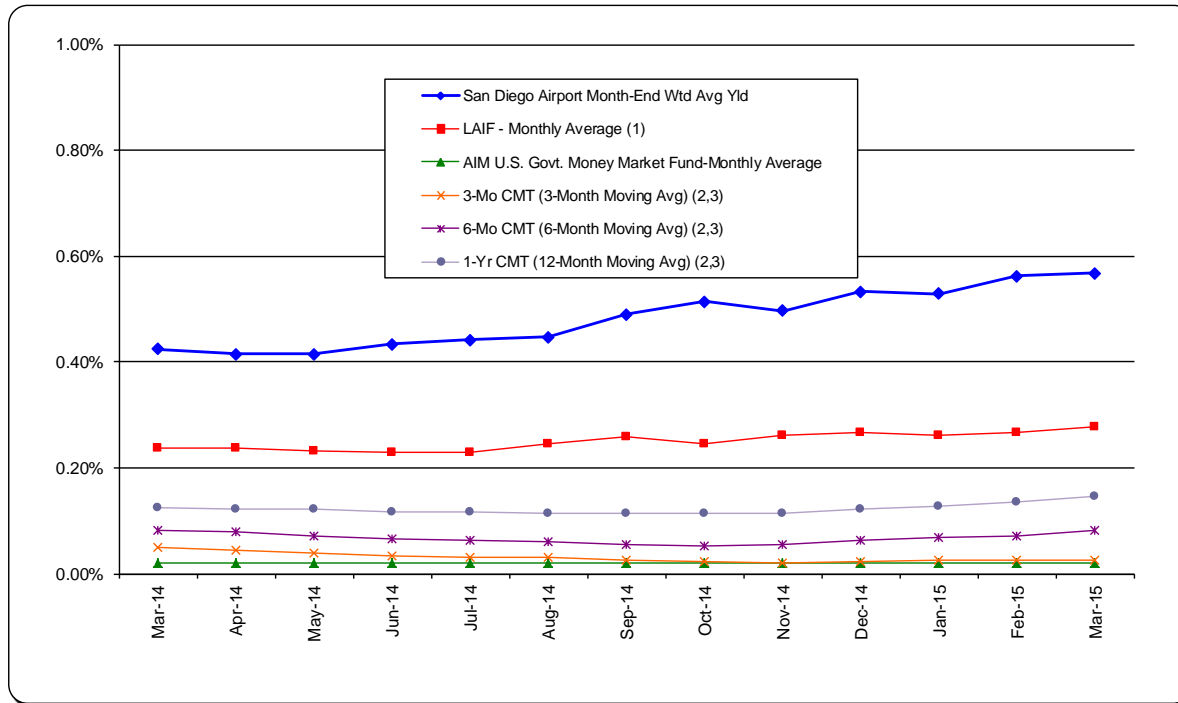
	March 31, 2015		December 31, 2014	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	\$ 156,042,000	45.0%	\$ 163,872,000	48.4%
3 - 6 Months	28,258,000	8.2%	-	0.0%
6 - 9 Months	10,023,000	2.9%	24,242,000	7.1%
9 - 12 Months	9,091,000	2.6%	13,038,000	3.8%
1 - 2 Years	83,062,000	24.0%	86,078,000	25.3%
2 - 3 Years	59,849,000	17.3%	39,464,000	11.6%
Over 3 Years	-	0.0%	13,002,000	3.8%
<b>Total:</b>	<b>\$ 346,325,000</b>	<b>100.0%</b>	<b>\$ 339,696,000</b>	<b>100.0%</b>



## Notes:

1.) The 0-3 Month category includes investments held in the LAIF, CalTrust, and the San Diego County Investment Pool.

# Benchmark Comparison



## Notes:

- 1.) Benchmark data for LAIF is the average monthly effective yield.
- 2.) CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities.
- 3.) The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year CMT is the daily average for the previous 12-months.

# Detail of Security Holdings As of March 31, 2015

Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
09/21/12	FHLMC	1.000	09/12/17	06/12/15	3,000,000	99.975	2,999,250	99.98	2,998,650	896	1.000
01/16/13	FHLMC	1.050	01/16/18	04/16/15	3,000,000	99.970	2,999,100	100.07	3,001,230	1022	1.056
01/30/13	FNMA	1.030	01/30/18	04/30/15	3,500,000	99.990	3,499,650	100.09	3,502,660	1036	1.032
06/13/13	FHLB	0.375	06/24/16	06/24/16	5,000,000	99.057	4,951,150	100.93	4,997,250	451	0.701
10/10/13	FHLMC	0.875	10/14/16	10/14/16	9,000,000	100.532	9,027,400	100.25	9,050,400	563	0.814
11/21/14	FHLMC	0.400	05/27/16	05/27/16	8,000,000	99.970	7,997,600	100.03	8,000,080	423	0.420
12/10/13	FHLB	0.625	12/28/16	12/28/16	5,000,000	99.816	4,990,800	100.31	5,006,100	638	0.438
08/07/14	FHLB	0.500	09/28/16	09/28/16	8,300,000	99.768	8,277,375	100.28	8,300,332	547	0.653
09/08/14	FNMA	1.000	09/27/17	09/27/17	10,000,000	99.722	9,972,200	100.66	10,037,800	911	1.093
06/12/13	FHLMC	0.500	05/13/16	05/13/16	8,000,000	99.652	7,976,568	100.42	8,010,160	409	0.601
<b>Agency Total</b>					<b>62,800,000</b>		<b>62,691,093</b>		<b>62,904,662</b>	<b>640</b>	<b>0.754</b>
07/02/14	East West Bk CD	0.500	07/02/15		10,221,314	100.000	10,221,314	100.00	10,221,314	93	0.500
10/21/14	East West Bk CD	0.500	10/21/15		10,022,513	100.000	10,022,513	100.00	10,022,513	204	0.500
09/05/14	Torrey Pines Bank CD	0.500	09/04/15		5,037,537	100.000	5,037,537	100.00	5,037,537	157	0.500
<b>Collateralized CDs Total</b>					<b>25,281,363</b>		<b>25,281,363</b>		<b>25,281,363</b>	<b>150</b>	<b>0.500</b>

# Detail of Security Holdings As of March 31, 2015

Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
08/14/14	Citibank CD	0.371	08/11/15		4,000,000	100.000	4,000,000	100.00	4,000,000	133	0.371
09/11/14	US Bank CD	1.375	09/11/17		4,000,000	100.000	3,993,560	99.97	3,992,320	895	1.430
02/13/15	HSBC Bank CD	0.880	08/15/16		4,000,000	100.000	4,000,000	100.48	4,019,200	503	0.880
09/29/14	Toronto Dominion CD	0.900	09/29/16		5,000,000	100.000	5,000,000	100.00	5,000,000	548	0.900
08/19/14	Goldman Sachs CD	0.900	08/12/16		4,000,000	100.000	4,000,000	100.00	4,000,000	500	0.900
<b>Negotiable CDs Total</b>					<b>21,000,000</b>		<b>20,993,560</b>		<b>21,011,520</b>	<b>517</b>	<b>0.896</b>
01/20/15	BANK OF TOKYO MITS CP	0.310	07/15/15		4,000,000	99.848	3,993,938	100.07	3,996,840	106	0.310
<b>Commercial Paper Total</b>					<b>4,000,000</b>		<b>3,993,938</b>		<b>3,996,840</b>	<b>106</b>	<b>0.310</b>
05/09/13	Apple Inc Notes	0.450	05/03/16		4,000,000	99.944	3,997,760	100.08	4,000,880	399	0.469
01/15/15	BERKSHIRE HATHAWAY 0.1	0.553	01/12/18		5,000,000	100.000	5,000,000	100.16	5,008,200	1018	0.554
07/18/14	WELLS FARGO CO Notes	3.678	06/15/16		4,700,000	106.815	4,961,273	98.09	4,866,615	442	0.737
06/03/13	Toyota Motor Corp Notes	2.800	01/11/16		4,000,000	106.218	4,204,560	96.77	4,068,920	286	0.812
08/30/13	Caterpillar Financial	0.411	08/28/15		5,000,000	100.000	5,000,000	100.05	5,002,650	150	0.411
10/10/13	GE CAP CORP	0.843	01/08/16		5,000,000	100.457	5,022,600	99.99	5,021,900	283	0.680
11/19/14	CHEVRON CORP	1.345	11/15/17		5,000,000	100.203	5,009,950	100.61	5,040,750	960	1.345
11/01/13	COCA COLA CORP NOTE	0.750	11/01/16		800,000	99.885	799,080	100.25	801,080	581	0.789
<b>Medium Term Notes</b>					<b>33,500,000</b>		<b>33,995,223</b>		<b>33,810,995</b>	<b>516</b>	<b>0.722</b>

# Detail of Security Holdings As of March 31, 2015

Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
02/26/15	U.S. Treasury	0.750	02/28/18		10,145,000	99.070	10,050,669	100.61	10,111,724	1065	1.015
02/24/14	U.S. Treasury	0.750	01/15/17		3,000,000	100.313	3,006,914	100.21	3,013,140	656	0.669
03/31/14	U.S. Treasury	1.000	03/31/17		6,000,000	100.401	6,013,594	100.61	6,050,160	731	0.940
03/05/14	U.S. Treasury	1.000	08/31/16		8,890,000	100.828	8,996,958	99.63	8,963,609	519	0.512
12/30/14	U.S. Treasury	0.750	12/31/17		6,600,000	99.115	6,528,242	100.91	6,587,658	1006	1.182
06/18/14	U.S. Treasury	0.875	01/31/17		5,000,000	100.199	5,009,961	100.46	5,032,800	672	0.798
06/18/14	U.S. Treasury	0.875	06/15/17		3,500,000	99.672	3,488,516	100.85	3,518,305	807	0.987
<b>Government Total</b>					<b>43,135,000</b>		<b>43,094,853</b>		<b>43,277,397</b>	<b>800</b>	<b>0.873</b>
	Torrey Pines Bank MM				5,036,908	100.000	5,036,908	100.00	5,036,908	1	0.400
	East West Bank				103,607	100.000	103,607	100.00	103,607	1	0.350
	East West Bank				21,519,784	100.000	21,519,784	100.00	21,519,784	1	0.350
	Wells Fargo Bank				4,051,591	100.000	4,051,591	100.00	4,051,591	1	0.220
	US Bank General Acct				13,576,435	100.000	13,576,435	100.00	13,576,435	1	0.035
	<b>Bank Demand Deposits</b>				<b>44,288,325</b>		<b>44,288,325</b>		<b>44,288,325</b>	<b>1</b>	<b>0.247</b>
	Reich & Tang MMF				683,127	100.000	683,127	100.00	683,127	1	0.000
	<b>Money Market Fund</b>				<b>683,127</b>		<b>683,127</b>		<b>683,127</b>	<b>1</b>	<b>0.000</b>
	Local Agency Invstmnt Fd				47,606,586	100.000	47,606,586	100.03	47,619,338	1	0.278
	San Diego County Inv Pool				48,782,868	100.000	48,782,868	99.17	48,378,214	1	0.500
	CalTrust				15,073,337	100.000	15,073,337	100.00	15,073,337	1	0.400
<b>Grand Total</b>					<b>\$ 346,150,606</b>	<b>100.13</b>	<b>\$ 346,484,273</b>	<b>99.95</b>	<b>\$ 346,325,118</b>	<b>310</b>	<b>0.568</b>



# Portfolio Investment Transactions

## From January 1<sup>st</sup>, 2015 - March 31<sup>st</sup>, 2015

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
<b>PURCHASES</b>								
01/12/15	US TREAS NTS	U.S. Treasury	912828UE8	0.750	12/31/17	--	99.332	\$ 1,987,138
01/15/15	BERKSHIRE HATHAWAY	MTN	084664CD1	0.553	01/12/18	--	100.000	5,000,000
01/20/15	BANK OF TOKYO MITS DC/P	CP - DISC	06538CUF6	0.310	07/15/15	--	99.848	3,993,938
02/13/15	HSBC BANK	Negotiable CD	40428AC54	0.880	08/15/16	--	100.000	4,000,000
02/19/15	US TREAS NTS	U.S. Treasury	912828UR9	0.750	02/28/18	--	98.926	5,108,066
02/19/15	FHLMC	AGCY	3137EADS5	0.875	10/14/16	--	100.404	5,035,391
02/26/15	US TREAS NTS	U.S. Treasury	912828UR9	0.750	02/28/18	--	99.219	4,979,480
								<b>\$ 30,104,013</b>
<b>CALLS</b>								
01/09/13	FHLMC	AGCY CALL	3134G33V0	1.375	01/09/18	01/09/15	1.375	\$ 2,000,000
								<b>\$ 2,000,000</b>
<b>MATURITIES</b>								
07/17/14	UBS FINANCE CP	CP - DISC	90262DNG6	0.210	01/16/15	--	99.893	\$ 3,999,720
								<b>\$ 3,999,720</b>
<b>WITHDRAWALS / SALES / TRANSFERS</b>								
01/15/15	BANK OF TOKYO MITS CP	CP - DISC	06538CQR5	0.230	03/25/15	--	99.885	\$ 4,994,250
02/13/15	US TREAS NTS	U.S. Treasury	912828C40	0.375	03/31/16	--	100.094	4,009,354
02/19/15	WALMART NOTES	MTN	931142CX9	1.500	10/25/15	--	100.810	3,038,550
02/19/15	FNMA	AGCY	3135G0SR5	0.560	06/27/16	03/27/15	99.960	5,002,044
02/19/15	US TREAS NTS	U.S. Treasury	912828VC1	0.250	05/15/16	--	99.880	749,589
02/19/15	US TREAS NTS	U.S. Treasury	912828B41	0.375	01/31/16	--	100.141	350,561
02/19/15	US TREAS NTS	U.S. Treasury	912828C40	0.375	03/31/16	--	100.098	1,002,439
								<b>\$ 19,146,788</b>

# Bond Proceeds Summary

## SUMMARY OF 2010, 2013 & 2014 BOND PROCEEDS \*

As of: March 31, 2015

(in thousands)

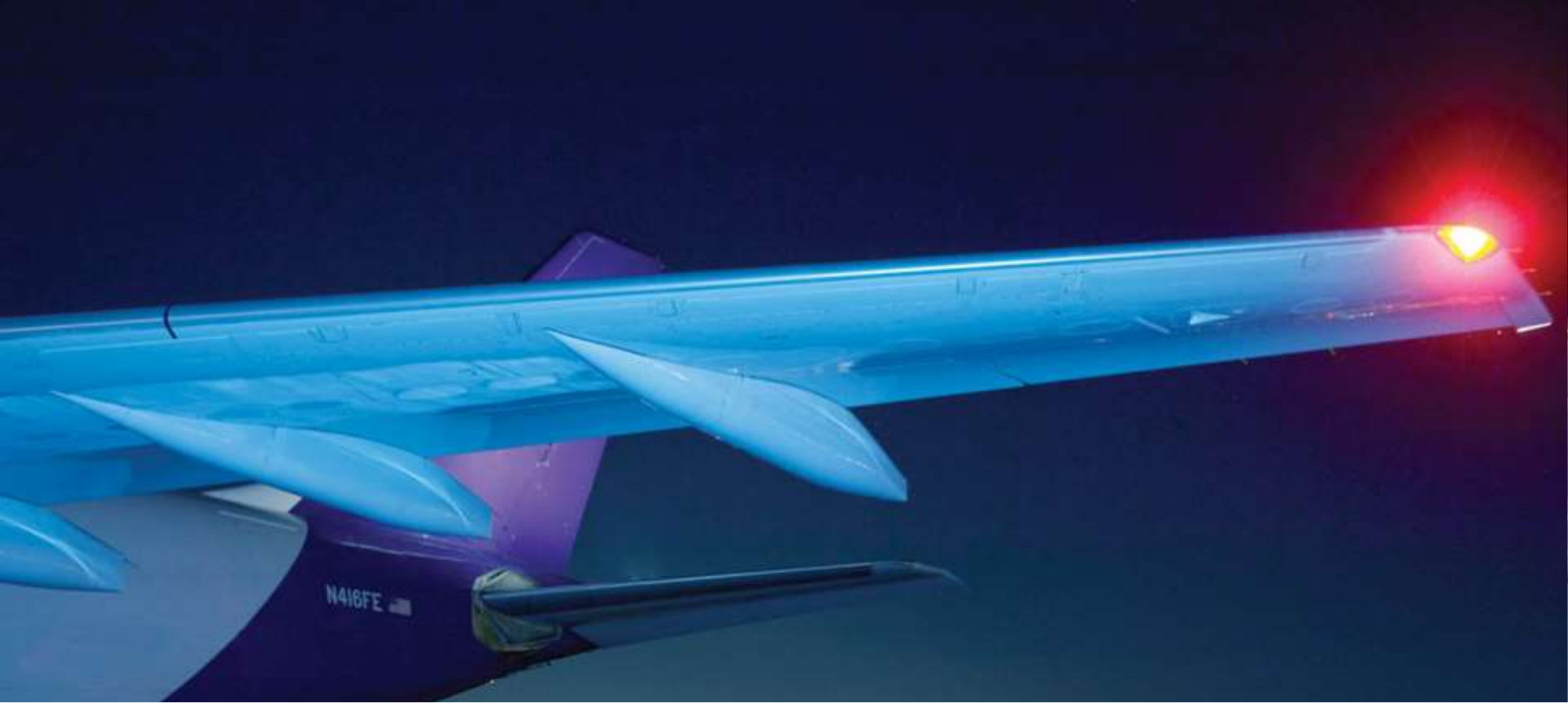
	Series 2010	Series 2013	Series 2014	Total	Yield	Rating
<b><u>Project Fund</u></b>						
LAIF	\$ -	\$ -	\$ 52,992	\$ 52,992	0.28%	N/R
SDCIP	-	56,995	79,121	136,116	0.50%	AAAf
	\$ -	\$ 56,995	\$ 132,113	\$ 189,108		
<b><u>Capitalized Interest</u></b>						
SDCIP	\$ -	219	\$ 16,294	\$ 16,513	0.50%	AAAf
	\$ -	\$ 219	\$ 16,294	\$ 16,513		
<b><u>Debt Service Reserve &amp; Coverage Funds</u></b>						
SDCIP	\$ 30,165	\$ 32,926	\$ 13,431	\$ 76,522	0.50%	AAAf
East West Bank CD	20,733	-	-	20,733	0.75%	N/R
Torrey Pines DDA	-	-	15,078	15,078	0.40%	N/R
	\$ 50,898	\$ 32,926	\$ 28,509	\$ 112,333		
	\$ 50,898	\$ 90,140	\$ 176,916	\$ 317,954	0.47%	

\*Bond proceeds are not included in deposit limits as applied to operating funds

# Bond Proceeds Investment Transactions

## From January 1<sup>st</sup>, 2015 - March 31<sup>st</sup>, 2015

Settle Date	Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
<b>PURCHASES</b>								
							\$	-
<b>CALLS</b>								
							\$	-
<b>MATURITIES</b>								
							\$	-
<b>DEPOSITS</b>								
							\$	-
<b>WITHDRAWALS / SALES</b>								
1/2/2015	SDCIP (2014 Bonds)	SDCIP		0.42			1.000	\$ 13,312,629
1/2/2015	Transfer to Debt Service P&I Funds (2013 Bonds)	SDCIP		0.42			1.000	236,920
1/2/2015	Transfer to Debt Service P&I Funds (2014 Bonds)	SDCIP		0.42			1.000	8,170,605
1/22/2015	LAIF (2014 Bonds)	LAIF		0.26			1.000	1,445,104
1/22/2015	LAIF (2014 Bonds)	LAIF		0.26			1.000	1,708,166
1/22/2015	LAIF (2014 Bonds)	LAIF		0.26			1.000	562,075
2/2/2015	SDCIP (2013 Bonds)	SDCIP		0.51			1.000	5,908,105
2/2/2015	SDCIP (2013 Bonds)	SDCIP		0.51			1.000	886,315
2/18/2015	SDCIP (2013 Bonds)	SDCIP		0.51			1.000	2,154,382
2/18/2015	SDCIP (2013 Bonds)	SDCIP		0.51			1.000	1,743,706
2/23/2015	LAIF (2014 Bonds)	LAIF		0.27			1.000	22,328,353
							\$	58,456,360



Questions ?



SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
**FINANCE COMMITTEE**

**Item No.  
4**

Meeting Date: **May 11, 2015**

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**Subject:**

**Annual Review and Approval Of Amendments To Authority Policy 4.40 – Debt Issuance And Management**

**Recommendation:**

Forward to the Board for approval.

**Background/Justification:**

The attached debt policy (Exhibit A) **was developed in conjunction with the Authority's** financial advisors and bond counsel and **serves as the foundation of the Authority's** debt issuance and management goals and priorities. The stated objectives are:

- Protect the assets and funds entrusted to the Authority;
- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors; and,
- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax and securities law compliance, and reimbursement agreement covenants;

**Page 2 of 3**

On an annual basis **staff reviews the policy with the Authority’s financial advisors and bond counsel. After this year’s review** staff recommends the following changes, as indicated on Exhibit A, to the policy:

- Add references to securities law changes to incorporate the role of Registered Municipal Advisor in relation to roles and responsibilities;
- Clarify that the Authority will regularly review its target debt affordability indicators;
- Clarify that credit ratings **are assigned to all the Authority’s public debt issuances**;
- Modify language to ensure consistency amongst short term variable rate products;
- Clarify the type of debt that can be used as an interim financing tool;
- Clarify the types of underwriters targeted in a RFP;
- Minor revisions to certain titles and descriptions;

The existence of an approved and current debt policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the public that it serves.

**Fiscal Impact:**

None.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. CEQA. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (“CEQA”), as amended. 14 Cal. Code Regs. § 15378. This Board action is not a “project” subject to CEQA. Cal. Pub. Res. Code § 21065.
- B. California Coastal Act Review: This Board action is not a “development” as defined by the California Coastal Act. Cal. Pub. Res. Code § 30106.

**Application of Inclusionary Policies:**

Not Applicable

**Prepared by:**

SCOTT BRICKNER  
VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/TREASURER

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## POLICIES

**ARTICLE 4 - FINANCE AND ACCOUNTING**  
**PART 4.4 - DEBT**  
**SECTION 4.40 - DEBT ISSUANCE AND MANAGEMENT POLICY**

---

**PURPOSE:** To establish a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”).

**POLICY STATEMENT:**

**SECTION I. INTRODUCTION & EXECUTIVE SUMMARY**

This comprehensive Debt Issuance and Management Policy (the “Policy”) contains the policies that govern existing and anticipated debt obligations. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority’s ability to manage its [outstanding debt and](#) projected debt issuance. It is expected that the Policy will be updated from time to time to reflect changes in law and market practices.

Debt plays an important role in meeting the financial needs of the Authority since it provides the funding for the Authority to build projects today which will subsequently be repaid from future revenues. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent financial management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Authority’s access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity. The term “debt” is used in this Policy to describe numerous types of financial obligations of the Authority which may include Bonds, Subordinate Obligations, Special Facility Obligations and other financings of the Authority.

The Authority’s debt issuance and management objectives are to:

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors;



- Comply with all Ffederal and Sstate laws and regulations, as well as bond indenture, federal tax and securities law post-issuance compliance, and reimbursement agreement covenants; and
- Protect the assets and funds entrusted to the Authority.

## **SECTION II. ROLES AND RESPONSIBILITIES**

The roles and responsibilities of key parties in administering, monitoring, and ensuring on-going compliance with this Policy include:

- 1) Board: The Authority is governed by an appointed board of nine members who represent all areas of San Diego County and three *ex-officio* members. The Board approves all bond issuances as well as the policies and guidelines pursuant to which debt is incurred and issued.
- 2) President/CEO and Vice President, Finance and Asset Management/Treasurer: The Vice President, Finance and Asset Management/Treasurer, under the direction of the President/CEO, is (i) responsible for developing, evaluating, implementing and monitoring the financing plan and debt strategies for the Authority in compliance with this policy, subject to Board approvals; and (ii) is in charge of federal tax and securities law post-issuance compliance with respect to all debt obligations.
- 3) Registered Municipal Advisor: The Authority has chosen to deliver a Notice of Representation by Registered Municipal Advisor pursuant to SEC Rule 17 CFR Section 240.15Ba1-1(d)(3)(vi)(B) dated August 27, 2014 to notify investment banking firms that the Authority has retained a financial advisor and, among other things, will rely on advice of the financial advisor for recommendations on the issuance of municipal securities provided by investment banking firms. The Authority may amend or modify this notice from time to time.
- 3)4) Financial Professionals: All financial professionals performing services for the Authority's debt programs, such as its financial advisor, bond counsel, disclosure counsel, investment advisor and underwriters, must comply with the policies and procedures set forth herein.

## **SECTION III. CAPITAL IMPROVEMENTS AND FINANCIAL PLANNING**

The Authority maintains a financing plan and model which projects the available sources and uses of funds and verifies the Authority's financial ability to deliver current and planned programs and services. The impact of the funding sources, particularly debt, on future commitments is a relevant consideration of this Policy. The financing plan is based on a set of assumptions developed through detailed collection and analysis of historical and forecasted data concerning revenues and expenses, economic forecasts and trend projections. The main sources of revenues include airline rates and charges, parking and concession revenues, and lease revenues, ~~and other revenues~~. Additionally, Passenger Facilities Charges (PFCs), Customer Facility Charges (CFCs), and federal grants-in-aid are included as a funding source for certain eligible projects.

The Authority's annual operating budget will ensure that sufficient resources are provided from current revenues to: 1) finance the current fiscal year's requirements for ongoing [operating and maintenance needs](#); 2) provide reserves for periodic replacement and renewal; 3) fund the annual requirements of the maintenance, operating and other reserves; and 4) meet any debt service coverage requirements.

Both the capital plan and the financing plan shall be updated periodically as part of the budget process. It is the goal of the Authority to adopt its capital plan on a rolling five year forward basis. Both plans will comply with the Policy, paying particular attention to all relevant target debt affordability indicators.

#### **SECTION IV. DEBT TARGETS**

The President/CEO and the Vice President, Finance and Asset Management/Treasurer will recommend to the Board the amount, term and type of debt needed to meet the Authority's short-term and long-term financing requirements. In such determinations, issues of debt capacity, amortization period and affordability will be considered, guided by the use of target debt affordability indicators for measuring the affordability of additional borrowing.

The following are the target debt affordability indicators for the Authority. [The Authority will regularly review and may re-evaluate certain targets from time to time as long-term master plan requirements may be defined.](#)

##### 1) Rate Covenants

The Authority has covenanted in the Master Indenture to comply with the senior lien Rate Covenant, as summarized below:

Bonds – Under the Master Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Net Revenues, which are generally defined as Revenues less Operation and Maintenance Expenses for a given period, in each Fiscal Year will be at least equal to 125% of the aggregate annual debt service for all Bonds.

“Bonds” are generally defined by the Master Indenture to mean any debt obligation of the Authority including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements, other agreements, certificates of participation, and bank repayment obligations. The term “Bonds” does not include Subordinate Obligations (which is defined hereinafter).

The Authority has covenanted in the Master Subordinate Indenture to comply with the subordinate lien Rate Covenant, as summarized below:

Subordinate Obligations – Under the Master Subordinate Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Subordinate Net Revenues (which are generally defined as Revenues less Operation and Maintenance Expenses less senior lien Bond debt service and reserve funding requirement for a given period) in each

Fiscal Year will be at least equal to 110% of the Aggregate Annual Debt Service for all Subordinate Obligations for such Fiscal Year (excluding the principal amount of Commercial Paper reissued during the Fiscal Year).

“Subordinate Obligations” shall mean any debt obligation of the Authority issued under the Master Subordinate Indenture and are generally defined to mean a subordinate lien debt obligation including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and bank repayment obligations.

2) Additional Bonds Test and Additional Subordinate Obligations Test

In order to issue additional parity debt under the Master Indenture, the Authority must comply with one of the two prongs of the Additional Bonds Test, as summarized below:

(A) The Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds were at least equal to 125% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Net Revenues are expected to be at least 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for each year of the forecast period.

In order to issue additional parity debt under the Master Subordinate Indenture, the Authority must comply with one of the two prongs of the Additional Subordinate Obligations Test, as summarized below:

(A) The Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations were at least equal to 110% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Subordinate Net Revenues are expected to be at least 110% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for each year of the forecast period.

3) Annual Debt Service Coverage Targets

The Authority has established debt service coverage targets for its Bonds and Subordinate Obligations in order to maintain adequate financial margins to accommodate unexpected events given the volatile nature of the aviation industry, preserve financial capacity for future funding needs, and maintain strong credit ratings.

The current minimum Debt Service Coverage targets are:

Bonds: 1.75x (for only senior lien bonds)

Aggregate Debt Service:

- 1.50x, based upon Net Revenues divided by Aggregate Annual Debt Service on Bonds and Subordinate Obligations (for total debt service)
- 1.20x, based upon an alternative “revenue method” calculation utilized by rating agencies where PFCs are added to Net Revenues (rather than deducted from Debt Service) with the sum divided by Aggregate Annual Debt Service for Bonds and Subordinate Obligations

These debt service coverage targets will be reviewed at least annually by the Authority and its financial advisor to determine appropriate adjustments that may be necessary.

4) Airline Costs Per Enplaned Passenger Target

The Authority will compare its airline costs per enplaned passenger (“CPE”) with available sources of data, including the rating agencies’ median reports and a selected peer group of airports. Due to the different ways that airports set airline rates and charges, it is recognized that comparisons between airports can be misleading.

The Authority will regularly review and monitor CPE and seek to maintain a competitive rate.

5) Debt Per O&D Enplaned Passenger Target

The Authority will compare its debt per O&D enplaned passenger with available sources of data, including the rating agencies’ median reports. Due to the different ways that airports finance their capital facilities, this measure is only one indicator of debt affordability.

The Authority has established a debt (excluding special facility financing) per O&D enplaned passenger goal of no more than \$150 per enplaned passenger.

The Authority will regularly review and update this metric from time to time as may be necessary.

6) Liquidity Target

Recognizing the inherently volatile nature of the aviation industry, the Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Authority’s budgeting and capital planning process.

The Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, and O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 500 days of budgeted operating and maintenance expenses for the current fiscal year.

7) Credit Ratings Target

~~Credit ratings are assigned to the Authority's Senior Lien Airport Revenue Bonds.~~—The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport. At a minimum, the Authority seeks to maintain ratings in the category of “A1/A+/A+” from all three rating agencies for its Senior Lien Airport Revenue Bonds.

## **SECTION V. TYPES OF FINANCING – DESCRIPTION AND APPROACH**

1) Bonds and Subordinate Obligations of the Authority

In general, issuing senior lien debt under the Authority's Master Indenture will achieve the lowest borrowing costs compared to other forms of borrowing. Under the Master Indenture, senior lien debt is defined as “Bonds”. Under the Master Subordinate Indenture, subordinate lien debt is defined as “Subordinate Obligations”.

Bonds issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Net Revenues generated by the Airport. Subordinate Obligations issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Subordinate Net Revenues generated by the Airport.

Revenues generally include all revenues, income, receipts, and money derived from the ownership and operation of the Airport and all gifts, grants, reimbursements, or payments received from governmental units or public agencies, which are not restricted by law or the payor to application for a particular purpose other than payment of bonds. Among other things, Revenues specifically exclude:

- (A) Passenger Facility Charges (PFCs)
- (B) Released Revenues, which are an identifiable portion of Revenues that have been excluded from Revenues after meeting certain requirements defined in the Master Indenture
- (C) State and/or federal Grants
- (D) Rental car Customer Facility Charges (CFCs)

2) PFC-Supported Bonds and Subordinate Obligations

The Authority intends to leverage PFCs to support investment in Airport infrastructure and facilities. In order to do this, the Authority may make an irrevocable pledge of PFCs to pay eligible debt service. The Authority will not include PFCs in estimates of

future revenues pledged to support Annual Debt Service unless approval for their imposition has been obtained or is expected to be obtained from the FAA.

3) Special Facility Financings

Special Facilities Obligations may be issued by the Authority to finance capital projects and must be secured by a defined revenue stream derived from or relating to discrete facilities such as cargo terminals or maintenance facilities. Such facilities may be leased to one or more tenants.

The Authority may designate facilities at the Airport as Special Facilities and the revenues therefrom as Special Facilities Revenue if such facilities or revenues meet the following tests from the Master Indenture:

(A) The estimated Special Facilities Revenue pledged to the payment of Special Facilities Obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due; and

(B) With respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as a “Special Facility” or “Special Facilities,” the estimated Net Revenues, calculated without including the new Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses of the Airport System, will be sufficient so that the Authority will be in compliance with the Rate Covenant; and

(C) No Event of Default then exists under the Indenture

If a facility meets these tests, the Special Facilities Revenues will not be Revenues for the period during which any Special Facilities Bonds-Obligations are outstanding.

Special Facilities Obligations are limited obligations of the Authority to be repaid solely by Special Facilities Revenues derived from or relating to a discrete facility and are not secured by a lien on Revenues or PFC Revenues. Bonds and Subordinate Obligations are not secured by Special Facilities Revenues.

Special Facilities Obligations may be used in lieu of issuance of Bonds or Subordinate Obligations for financing of discrete airport facilities or airport projects that have an independent revenue stream.

The Authority may permit tenants to undertake Special Facilities BondsObligations under the following specified terms and conditions:

(A) The financing must comply with the Master Indenture limitations on this type of financing;

(B) A pledge of leasehold mortgage or security interest in the underlying asset may be granted to the trustee or Bondholders in certain circumstances, taking into account any value the Airport receives from the tenant in return;

(C) Terms of bonds will be consistent with the standard terms and the provisions of the Airport's leasing policies;

(D) The Airport will not enhance the creditworthiness of Special Facilities Obligations (for example, through the granting of a re-letting provision), unless the Authority determines it is in the best interests of the Airport, taking into account any value the Airport receives from the tenant in return;

(E) The Special Facilities Obligations are amortized over a period that does not exceed the lesser of: (a) 40 years; or (b) the useful life of the facility (80% of the useful life of the facility for projects that are considered to be "private activities" under Federal tax regulations, if tax-exempt financing is used). "Bullet" maturities may be considered if they do not exceed the lesser of: (a) the useful life of the facility; or (b) 25 years, and are amortized on a straight line basis for purposes of calculating amortized cost (see below);

(F) The Authority reserves the right to acquire the facility at its amortized cost and the right to require notices exercising early call redemption provisions for the Special Facilities Obligations;

(G) Any refinancing of assets financed with Special Facilities Obligations will not be permitted without the consent of the Board;

(H) The tenant will reimburse the Authority for all of its costs associated with the Special Facilities Obligations;

(I) The Authority may assess an annual fee for Special Facilities Obligations;

(J) Bond Counsel(s) for the Authority will review all Disclosure documents and prepare the financing documents;

(K) The tenant will satisfy Continuing Disclosure and arbitrage rebate requirements and will provide the Authority with indemnities covering any exposure the Authority may have arising from the financing;

(L) The proposed facility must be compatible with Airport System land and capital use plans; and

(M) The Authority may establish minimum threshold Credit Ratings for airlines and other parties wishing to participate in Special Facilities Obligation financed projects. These threshold Credit Ratings will be reviewed by the Authority from time to time.

4) Bond Anticipation Notes ("BANs") and Grant Anticipation Notes ("GANs")

Bond Anticipation Notes ("BANs") are short-term debt instruments that will be repaid with proceeds of an upcoming bond issue.

Grant Anticipation Notes (“GANs”) are short-term instruments that will be repaid from expected future Federal AIP and TSA grants or other Federal or State grants accepted by the Authority. The FAA and TSA may issue Letters of Intent (“LOI”) to the Authority indicating their intent, although not their commitment, to fund “long term, high priority capacity projects” on a multi-year basis as appropriations become available. Once an LOI is in hand, notes may be issued that are secured by the grants anticipated to be received from the FAA and/or TSA. However, there typically must be an ancillary source of repayment for the notes in the event grant funding is ultimately not received.

Notes may be considered Balloon Indebtedness under the Master Indenture, which specifies that, for purposes of calculating the Aggregate Annual Debt Service of Balloon Indebtedness, such Bonds shall be assumed to be amortized in substantially equal annual amounts for principal and interest over a period of 30 years at an interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, or if that index is no longer published, another similar index selected by the Authority. If the Authority fails to select a replacement index, the rate shall be the rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Indenture. Issuance of BANs and GANs should not occur in amounts or result in amortization that would result in the failure by the Authority of its ability to satisfy its rate covenants and the debt coverage goals contained in this Policy.

5) Capital Appreciation Bonds and Zero Coupon Bonds

The Authority will not issue capital appreciation bonds or zero coupon bonds unless the Authority has determined, quantified and demonstrated that there is a significant benefit over traditional structures.

6) Commercial Paper

Commercial Paper is a short-term obligation with maturities ranging from 1 to 270 days. The payment when due of principal and interest on each series of the Notes also is secured by separate irrevocable, direct-pay letters of credit.

The Authority may refinance, refund or purchase outstanding Commercial Paper by issuing new Commercial Paper, by issuing Bonds, or by using available Authority funds.

For purposes of calculating Aggregate Annual Debt Service for a Commercial Paper Program, the principal and interest shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 35 years commencing in the year in which such Commercial Paper Program is implemented and with substantially level Annual Debt Service payments. The interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a



reasonable market rate for fixed rate Subordinate Obligations of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Subordinate Obligations bear interest which is or is not excluded from gross income for federal income tax purposes.

Any outstanding Commercial Paper anticipated to be paid off and not reissued within the current fiscal year shall be excluded from any calculations of variable rate exposure for internal debt management purposes.

The Authority may issue Commercial Paper as sources of interim ~~construction~~ financing for capital projects. Before issuing such Commercial Paper notes, the take out of such Commercial Paper must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

#### 7) Floating Rate Notes

Floating Rate Notes (FRNs) are notes that have a variable coupon, equal to a money market reference rate, such as SIFMA (Securities Industry and Financial Markets Association) or LIBOR (the London Interbank Offered Rate), plus a spread. The spread is a rate that remains constant. At the beginning of each coupon period, the coupon is calculated by taking the fixing of the reference rate for that day and adding the spread. Because the coupon resets based on a short-term index, the issuer is exposed to rising interest rates unless it has swapped the debt to a fixed rate. However, unlike variable rate demand obligations or Commercial Paper, FRNs are not supported by a bank liquidity facility, and therefore do not pose short-range liquidity/refinancing risk to the issuer.

The Authority may issue FRNs as a source of interim financing for capital projects. [Before issuing such FRNs, the take out of such notes must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.](#)

#### 8) Equipment Leases

Equipment leases are basically loans pursuant to which the lender buys and owns certain equipment (e.g., jet bridges, baggage systems, flight and baggage information display systems) and then "rents" it to the Authority at a flat monthly rate for a specified number of months. At the end of the lease, the Authority may purchase the equipment for its fair market value (or a fixed or predetermined amount), continue leasing, lease new equipment or return the equipment. The Authority may explore equipment leases as a financing vehicle and alternative to debt if the terms and conditions of the lease (including the interest rate charged) are more favorable.

#### 9) Installment Payment Agreement

The Authority may also finance certain facilities under an agreement with a third-party whereby the third-party funds the investment in the facility and the Authority agrees to pay the third party as rental/payment for the use and occupancy of the facility specific installment payments. The installment payments would be made from the Authority's available funds after payment of all Operation and Maintenance Expenses, all funds necessary to pay debt service on and to fund the reserves for the Authority's Outstanding Senior and Subordinate Debt Obligations and amounts necessary to fund the Authority's Operation and Maintenance Reserve Subaccount and Renewal and Replacement Subaccount in accordance with the Master Trust Indenture.

10) Direct Loans

The Authority may also enter into a direct loan with a financial institution to meet certain of its financing needs. A direct loan is made directly with a financial institution and may be a fixed or variable product. The Authority may use direct loans as interim or permanent financing for capital projects or to refinance outstanding debt.

## **SECTION VI. FEATURES OF LONG-TERM DEBT**

The Vice President, Finance and Asset Management/Treasurer will recommend to the Board the structure and term of long-term debt according to the general policies described below.

1) Selection of Final Maturity and Amortization of Principal

The final maturity of borrowings should not exceed, and preferably be less than, the projected economic life of the improvements that are financed or such shorter period as required by Federal tax law, if tax-exempt debt has been used.

2) Use of Capitalized Interest

The Vice President, Finance and Asset Management/Treasurer will evaluate whether or not to capitalize the early years' interest cost in a bond issue by taking into account the impact this action would have on the size of the bond issue, future Annual Debt Service requirements, accounting treatments and budgetary impacts.

3) Tax Status

The Vice President, Finance and Asset Management/Treasurer will evaluate whether or not to issue taxable bonds in lieu of bonds that are subject to the Alternative Minimum Tax (AMT) for certain maturities for private activity financing needs. In some market conditions, the cost for taxable debt may be less than the cost for AMT bonds for certain maturities.

4) Sizing of Debt Service Reserve Funds

Except in limited circumstances, the Master Indenture and the Master Subordinate Indenture require either the funding of a common Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for all existing and proposed Bonds or Subordinate Obligations under the respective master indenture participating in such master reserve fund, or the funding of a Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for only the proposed issue. With each issuance of Bonds or Subordinate Obligations, the Vice President, Finance and Asset Management/Treasurer will compare the costs of funding required increases to the reserve requirement from bond proceeds with the costs of satisfying the reserve requirement through the use of a reserve fund surety. The potential effect on credit ratings will also be considered when comparing reserve requirement funding alternatives.

5) Selection of Redemption Provisions

Redemption provisions will be established on a case-by-case basis, taking into consideration market conditions and the results of a call option analysis prior to the time of sale.

The issuance of non-callable Bonds or Subordinate Obligations should be considered only in special circumstances based upon the specific transaction. Because the issuance of non-callable debt may restrict future financial flexibility, cost will not be the sole determinant in the decision to issue non-callable bonds. The preference of the Authority is to issue debt with standard redemption provisions.

6) Use of Discount Bonds

Prior to issuing Bonds or Subordinate Obligations at a dollar price less than 97.0% of par, the Vice President, Finance and Asset Management/Treasurer will request from the financial advisor an analysis of the reduced option value resulting from the assignment of a lower interest coupon. The Authority will consider issuing the discount debt, where permissible under tax law, if the present value debt service savings provided by the lower interest coupon is greater than the reduction in call option value. Other benefits such as the participation of new investors will be an additional consideration.

7) Use of Premium Bonds

Prior to issuing Bonds at a dollar price greater than par, the Vice President, Finance and Asset Management/Treasurer will request from the Authority's financial advisor a brief cost/benefit analysis of the interest saved using premium debt versus other possible pricing structures.

8) Minimum Criteria for Debt Financing Equipment Items

The Authority will not issue long-term debt to finance individual items of equipment with a useful life less than five (5) years, except under a master lease program.

## **SECTION VII. REFUNDING OPPORTUNITIES**

The Vice President, Finance and Asset Management/Treasurer and the Authority's financial advisor will monitor refunding opportunities for all outstanding debt obligations on a periodic basis applying established criteria in determining when to issue refunding bonds for debt service savings.

(It is acknowledged that refunding issues may be executed for reasons beyond economic purposes, such as to restructure debt service, to change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove undesirable covenants.) The refunding criteria will include a comparison of expected present value savings with the option value of the existing callable bonds. Generally, the Authority will pursue refunding opportunities if the expected net present value savings provide sufficient compensation for the exercise of the optional redemption provision. Recommendations as to the sufficiency of the net present value savings will be provided by the Authority's financial advisor.

An Advance Refunding involves refunding tax-exempt bonds more than 90 days in advance of the bond's first optional redemption date. Currently, only Governmental Purpose tax-exempt bonds (as that term is defined in the Internal Revenue Code) may be advance refunded. An Advance Refunding is an important debt management tool for the Authority. Advance Refundings are commonly used to achieve interest cost savings, to remove or change burdensome bond covenants or to restructure future debt service payments. For bonds issued after December 31, 1985, only one Advance Refunding of Governmental Purpose tax-exempt bonds may occur under Federal tax law and thus the Authority must carefully evaluate the appropriateness of Advance Refunding when an opportunity arises. A current refunding involves issuing refunding bonds no earlier than ninety (90) days prior to the bond's optional redemption date. Federal tax law does not limit the number of current refundings of any bond.

The Authority will anticipate the potential for Advance Refundings when issuing new debt. Careful attention will be given to pricing considerations that will affect future Advance Refunding flexibility such as optional redemption provisions and interest characteristics.

The following considerations apply when the Authority considers refunding opportunities:

1) Monitor Potential Savings:

The Vice President, Finance and Asset Management/Treasurer, with the assistance of the Authority's financial advisor, will monitor on an ongoing basis potential savings available by refinancing outstanding debt of the Authority. Savings will be analyzed on a present value basis by using a percentage of the refunded par amount. All costs and benefits of the refinancing will be taken into account.

2) Target Savings Amounts:

A present value analysis must be prepared to identify the economic effect of any proposed refunding. To proceed with a refinancing for economic savings, the Authority will evaluate the net present value savings as a percentage of the refunded par amount

relative to the time to the first call date of the bonds and the maturity date of the bonds, using the following guidelines:

<i>Years from the date of first call to Maturity Date of the Bonds</i>	Years to the first Call Date		
	After the First Call Date to Up to 1 Year Before	1 to 3 Years Before the First Call Date	More than 3 Years Before the First Call Date
0-5 Years	0.5%	1.0%	2.0%
6-10 Years	1.0%	2.5%	4.0%
11-20 Years	3.0%	4.0%	5.0%

3) Other Considerations:

Some refundings may be executed for other than economic purposes, such as to restructure debt, to change the type of debt instrument, or to retire a bond issue and indenture for more desirable covenants. In addition, if the benefits outweigh the costs and the refunding opportunity would otherwise be lost, the Authority may proceed with a refunding that has economic benefit but does not meet the criteria stated above in the “Target Savings Amount” paragraph above.

4) Non-Traditional Refundings:

Refundings executed with non-traditional structures such as swaps, require a full analysis of the benefits and risks, and may require higher economic benefits.

**SECTION VIII. ISSUANCE OF VARIABLE RATE DEBT**

Variable Rate Debt typically is issued for a term of up to 30 years, although the interest rate on this debt instrument is reset daily, weekly, monthly or less commonly, periodically.

The Authority recognizes that variable rate securities are a useful debt management tool that traditionally has had lower interest rate costs than fixed rate debt. The Authority’s current goal is to maintain a debt program which may include both fixed and variable rate debt, as well as Commercial Paper.

1) Purposes of Variable Rate Debt

The Vice President, Finance and Asset Management/Treasurer may recommend that variable rate securities be issued for the following purposes:

(A) Interim Financing Tool

The Authority may consider issuing Variable Rate ~~Indebtedness Debt or Commercial Paper (whose stated maturity cannot exceed 270 days)~~ in connection with its major debt-financed capital projects, especially when interest rates associated with a fixed rate, long term borrowing far exceed the interest rates that can be earned on the construction and capitalized interest

funds (resulting in a significant amount of negative arbitrage). Because Variable Rate Debt ~~or Commercial Paper~~ can be retired or redeemed without penalty, these instruments may better suit circumstances where a refunding or restructuring of a potential debt issue is likely for any reason, (for example, if a change in use of the facility to be funded may reasonably be anticipated, or if grant or another source of funds may be obtained to substitute for bond funding).

Certain variable rate products—most notably, Commercial Paper—can be issued incrementally as funds are needed to finance current construction, and can reduce the long-term cost of construction financing.

(B) Statement of Net Position Management Tool

The maintenance of Variable Rate Indebtedness and Commercial Paper liabilities at a level that takes into consideration the amount of short-term assets maintained by the Authority prudently reduces the Authority's risk of exposure to changes in interest rates. Since the Authority invests its free cash balances in short term instruments, it is exposed to interest rate fluctuations at the short end of the yield curve. Conversely, a large portion of its liabilities are in the form of long term, fixed-rated debt. When interest rates fall, the Authority's assets earn less, while its liabilities are fixed. Offsetting this exposure by better matching the variability of earnings on its assets with variable, rather than fixed, rate liabilities serve as a hedge against interest rate risk and reduces the overall cost of funds.

(C) Diversify Investor Base to Lower Costs

Typically, variable rate debt is sold to a different segment of investors than long-term fixed rate bonds. By tapping short-term investors, an issuer broadens and diversifies its investor base. By becoming a familiar and respected credit among short-term investors, the Authority will be in a better position to gain access to these buyers at those times when it is less advantageous to borrow in the fixed-rate market.

(D) Management of Negative Arbitrage

Issuing debt in a variable rate mode reduces or at times may even eliminate negative arbitrage in Construction, Capitalized Interest and Debt Service Reserve Funds. (See "A" above)

2) Criteria for Use of Variable Rate Debt

The Authority's net variable rate debt composition (defined as variable rate debt less unrestricted cash reserves)- ~~Excluding-excluding~~ interim financings (defined as financings the Authority intends to take out with permanent long term financings) will not exceed the greater of 15% of total debt or \$100 million.

Statement of Net Position Risk Mitigation - In determining the appropriate amount of variable rate debt to be issued for risk mitigation purposes, the following factors should be taken into account, and analyzed on the basis of the funds that will be repaying the debt:

- (i) The historic average of cash balances analyzed over the course of several prior fiscal years.
- (ii) Projected cash balances based on known demands on the given fund.
- (iii) Any basis risk, such as differences in the performance or average life of the Authority's investment vehicle (e.g., swaps, as discussed in Section IX) and the variable rate debt instrument.

3) Diversification of Remarketing Agents and Counterparties

In selecting remarketing agents for variable rate debt, the Authority will seek to choose a diversity of remarketing agents to better foster competition. For similar reasons, the Authority will seek to diversify its counterparties when selecting institutions to provide liquidity or credit enhancement for Airport variable rate debt.

4) Budgeting

The Vice President, Finance and Asset Management/Treasurer will determine the appropriate method for budgeting the interest cost of variable rate debt by considering historic interest rates, projected interest rates and the effect of risk mitigation products such as interest rate swaps or caps.

5) Monitoring and Reporting

The Vice President, Finance and Asset Management/Treasurer will monitor the performance of actual interest rates on variable rate debt and periodically report the results. Reports will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and with rules promulgated by the General Accounting Standards Board (GASB). With the assistance of its financial advisor, the Vice President, Finance and Asset Management/Treasurer will regularly review the performance of the individual remarketing agents in relation to other remarketing agents, similar programs and market indices.

## **SECTION IX. DERIVATIVES**

The Authority has adopted and will maintain a separate policy for derivatives (Policy 4.21 "Policy Regarding the Use and Management of Derivative Products").

## **SECTION X – METHOD FOR SALE OF DEBT**

There are two methods of issuing debt obligations: a Competitive Sale and a Negotiated Sale. In a Competitive Sale, Underwriters submit sealed bids, and the Underwriter or Underwriting Syndicate with the lowest True Interest Cost (TIC) is awarded the sale. In a Negotiated Sale, the Underwriter or Underwriting Syndicate is selected through a Request for Proposal (RFP) process. The interest rate and Underwriter's fee are negotiated prior to the sale, based on market conditions.

It is usually not feasible to issue bonds through a Competitive Sale for certain types of financings, such as Variable Rate Debt, Commercial Paper and specialized financings like Special Facility Revenue Bonds. Further, there are factors (e.g., flexibility as to timing and the mix of the underwriting syndicate) that support the use of a Negotiated Sale. Still, a competitive process should be used to choose the appropriate Underwriter and financing team to ensure the most qualified firms are used for a specific financing. The current policy of the Authority establishes a preference for Negotiated Sales of its Bonds.

#### *Role of Underwriters in Negotiated Sale*

The Authority expects its underwriters to: 1) participate in a valuable and significant way with respect to the structuring and pricing of each debt issue and sales performance; 2) cooperate fully with other financing team members in a way that provides the maximum benefit to the Authority; and 3) attend meetings, when requested, related to the issuance of debt.

The book running senior manager, in conjunction with the financial advisor, is responsible for developing a time and responsibility schedule that will allow for the timely and successful completion of the financing. The book running senior manager is responsible for communicating the Authority's plan of finance and timing to the other managing underwriters in the syndicate.

#### *Underwriter Selection in Negotiated Sale*

The Authority may select underwriters for an individual financing or to serve as part of a pre-qualified pool of underwriters available for appointment for anticipated financings. In either case, the Authority would conduct a competitive selection process, which should include:

- Developing an RFP that meets the financial and policy goals of the Authority.
- Meeting the Authority procurement requirements.
- Circulating the RFP to a wide range of ~~large and small capially funded~~ Underwriters (e.g. national and regional firms, DBE and majority firms, and firms that specialize in certain types of debt),.
- Diligently evaluating the Underwriters' proposals received in response to the RFP.
- Conducting follow-up interviews with any or all of the proposing firms (optional).
- Selecting candidates to be recommended for appointment to an individual financing or to an Underwriter pool.



Should the Board appoint underwriters to a pre-qualified pool after an RFP process, the Vice President, Finance and Asset Management/Treasurer may recommend such firms for appointment to specific financings, without a subsequent RFP process.

#### **SECTION XI. INVESTMENT OF BOND PROCEEDS**

The Authority shall invest proceeds generated through the issuance of debt in compliance with the terms of eligible investments under the relevant bond indenture and related bond documents; its Investment Policy; and applicable state laws.

#### **SECTION XII. COMPLIANCE WITH FEDERAL TAX LAW AND MARKET DISCLOSURE OBLIGATIONS**

##### 1) Compliance with Federal Tax Law

The Vice President, Finance and Asset Management/Treasurer shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Federal tax code and ensure compliance with other Federal tax regulations and post-issue compliance as required by Bond Counsel at the time of issuance of the debt. This effort shall include tracking expenditures of bond proceeds to ensure such expenditures comply with federal tax law requirements, tracking investment earnings on proceeds, retention of a rebate consultant to prepare and calculate rebate payments in compliance with tax law and remitting any earnings subject to rebate to the Federal government in a timely manner in order to preserve the tax-exempt status of the Authority's outstanding debt issues that have been issued on a tax-exempt basis.

The Authority will comply with all covenants contained in tax certificates.

Trustee banks have been appointed for the Authority's outstanding debt. The trustees shall perform all functions and duties required under the terms and conditions set forth in the respective bond indentures and trust agreements, including maintaining records of fund balances and investments.

##### 2) Initial Disclosure

The Authority acknowledges its responsibilities under the securities laws to avoid material misstatements and omissions in offering documents used in the marketing of Authority debt. The Vice President, Finance and Asset Management/Treasurer shall manage and coordinate the disclosure documentation preparation process and shall establish a system of procedures to ensure the preparation of appropriate disclosure documentation when required, with assistance from the Authority's General Counsel and the Authority's Bond and/or Disclosure Counsel. When necessary, the Vice President, Finance and Asset Management/Treasurer shall provide training covering new developments and disclosure responsibilities to staff members.

##### 3) Continuing Disclosure

To assist Underwriters to comply with Securities and Exchange Commission ("SEC") Rule 15c2-12, except where exceptions apply, the Authority has entered into and

expects in the future to enter into additional continuing Disclosure undertakings. The Authority is required to provide 1) Annual Reports, containing the Authority's audited financial statements as well as updates of operating and financial data included in the Authority's offering documents, and 2) notices of certain enumerated events.

i) Notice of the occurrence of any of the following events shall be given, or caused to be given by the Authority, with respect to any bonds, not later than ten business days after the occurrence of the event:

- (A) Principal and interest payment delinquencies;
- (B) Unscheduled draws on the Debt Service Reserve Funds reflecting financial difficulties;
- (C) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (D) Substitution of credit or liquidity providers, or their failure to perform;
- (E) Adverse tax opinions with respect to the tax status of any bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to any bonds;
- (F) Tender offers;
- (G) Defeasances;
- (H) Rating changes; or
- (I) Bankruptcy, insolvency, receivership or similar event of the obligated person:

Note: for the purposes of the event identified in subparagraph (I), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(ii) Notice of the occurrence of any of the following events with respect to any bonds, if material, shall be given, or caused to be given by the Authority, not later than ten business days after the occurrence of the event:

- (A) Unless described in paragraph 3(i)(E), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of any bonds or other material events affecting the tax status of any bonds;
- (B) Modifications to rights of the owners of any bonds;
- (C) Optional, unscheduled or contingent bond calls;
- (D) Release, substitution or sale of property securing repayment of any bonds;
- (E) Non-payment related defaults;
- (F) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
- (G) Appointment of a successor or additional trustee or the change of name of a trustee;

### **SECTION XIII. RATINGS AGENCIES AND INVESTOR RELATIONS**

The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority's Credit Rating agency relationship. The Authority recognizes the importance of immediate and timely Disclosure of relevant financial and program information concerning its debt programs to the rating agencies and pursuant to its continuing disclosure undertakings. This effort shall include periodic meetings with the rating agencies and shall provide the rating agencies with the Authority's annual budget projections, financial statements and other relevant information.

The Vice President, Finance and Asset Management/Treasurer shall be responsible for implementing and managing the Authority's investor relations program. The Authority shall attempt to promptly respond to any reasonable inquiry from an institutional or retail investor concerning information generally available to the investing public.

### **SECTION XIV. AMENDMENTS TO DEBT ISSUANCE AND MANAGEMENT POLICY**

The Policy codifies and explains the guidelines and the policies that govern existing and anticipated debt obligations of the Authority. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority's ability to manage its projected debt issuance. The Policy will require changes and modifications over time. The Vice President, Finance and Asset Management/Treasurer shall be responsible for ensuring the policy is current and will review the Policy annually, at a minimum. In the event that changes to the Policy are necessary, the Vice President, Finance and Asset Management/Treasurer shall propose such changes to the CEO. Upon CEO approval, the proposed amended Policy will be submitted to the Board requesting approval.

## **GLOSSARY**

**Additional Bonds Test:** The earnings test which must be satisfied under the provisions of a revenue bond contract before bonds of an additional issue having the same lien on a pledged revenue source can be issued. Typically, the test required that historical or future estimated pledged revenues exceed total debt service (existing and proposed) by a certain ratio. The test provides protection to investors that the bond issuer will not issue additional parity bonds without providing ample security to the investors in the previous financing(s).

**Advance Refunding:** A refunding that occurs more than 90 days in advance of the first optional redemption date. Under current IRS regulations, Governmental Purpose tax-exempt bonds issued after December 31, 1985 are permitted only one advance refunding. Additionally, certain private activity bonds may not be advanced refunded.

**Airline Costs per Enplaned Passenger (“CPE”):** A comparative statistic used to demonstrate the affordability of airline operations at an airport. CPE is often used in the process of determining the credit quality of an issue. It is typically calculated as total passenger airline revenue divided by the number of enplaned passengers in any fiscal year.

**Airport Revenue Bonds:** Airport Revenue Bonds (also known as General Airport Revenue Bonds, or “GARBs”) are bonds issued pursuant to the terms of a trust indenture or ordinance which are secured either by a pledge of gross or net airport revenues.

**Alternative Minimum Tax:** Other than for certain private activity bonds issued during the AMT “waiver” period authorized by the American Recovery and Reinvestment Act of 2009 (“ARRA”), interest on tax-exempt private activity bonds issued after August 7, 1986 (other than bonds for 501(c)(3) organizations and refundings of pre-August 8, 1986 bonds) is generally subject to the Alternative Minimum Tax (“AMT”) as a specific item of tax preference. ARRA exempted new money and certain refundings of private activity bonds issued in 2009 and 2010 from the AMT penalty.

**Amortization:** The process of paying the principal amount of an issue of securities by periodic payments either directly to holders of the securities or to a sinking fund for the benefit of security holders.

**Arbitrage:** With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with tax-exempt bonds.

**Arbitrage Rebate:** A payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made.

**Balloon Maturity:** A bond structure wherein the principal amount becomes due and payable on one date, generally at the end of the bond term.

Basis Point: Yields on bonds are usually quoted in increments of basis points. One basis point is equal to 1/100 of one (1%) percent. For example, the difference between 6.00% and 6.50% is 50 basis points.

Bond Counsel: A law firm retained by the bond issuer to give a legal opinion that the bond issuer is authorized to issue proposed securities, the bond issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation. Usually, bond counsel will prepare authorizing resolutions and ordinances, trust indentures and other bond documents with the exception of the Official Statement.

Bondholder: The owner of a municipal bond. The owner of a bearer bond is the person having possession of it, while the owner of a registered bond is the person whose name is noted on the bond register.

Bond Insurance: Insurance which guarantees the timely payment of principal and interest of either an entire bond issue or specified maturities. In exchange for payment of the bond insurance premium, a higher credit rating (historically, AAA) is assigned to the insured bonds and a lower cost of funds is attained. With a competitive sale, generally the bidding dealer bears the cost of insurance to the benefit of the firm's bid. The bond issuer pays the cost of bond insurance from bond proceeds with a negotiated sale.

Bond Purchase Agreement: The contract between the Syndicate and the bond issuer setting forth the final terms, prices and conditions upon which the Syndicate will purchase a new issue.

Book Running Senior Manager: The managing underwriter that controls the book of orders for the transaction and is primarily responsible for the successful execution of the transaction.

Broker-Dealer: A securities firm engaged in both buying and selling securities on behalf of customers and also buying and selling securities on behalf of its own account.

Build America Bonds ("BABs"): Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The most widely used version was authorized under the American Recovery and Reinvestment Act ("ARRA") that allowed BABs to be issued in 2009 and 2010 with a 35% of interest subsidy to the issuer received as direct payments from the federal government. The proceeds of BABs authorized under ARRA could only be used to fund non-private activity, governmental purposes.

Bullet Maturity: See Balloon Maturity.

Callable Bond: A bond where the bond issuer is permitted to redeem it before the stated maturity date at a specified price by giving notice of redemption in the manner specified in the bond document.

Capital Appreciation Bond: A municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return. It differs from a Zero Coupon Bond in that only the initial principal amount is counted against an issuer’s statutory debt limit, rather than the total par value at maturity.

Capitalized Interest: A portion of the proceeds of an issue which is set-aside to pay interest on the bonds for a specified period of time. Interest is commonly capitalized during the construction period of a revenue-producing project.

Commercial Paper: Short-term (1 to 270 days) promissory notes usually issued to provide for interim financing of projects through the construction period and backed by a letter or line of credit from a commercial bank. Following the completion of the projects, principal and interest due on commercial paper is often redeemed through the issuance of long-term refunding bonds.

Competitive Sale: The sale of a new issue of bonds by an issuer through a bidding process where underwriters are awarded the bonds on the basis of offering the lowest cost of funds for the issuer usually as measured on a true interest cost (TIC) basis. The bid parameters for the public sale are established in the notice of sale or notice inviting bids.

Credit Enhancement: The use of the credit of an entity other than the issuer to provide additional security in a bond or note financing. This term typically is used in the context of bond insurance, letters of credit and other similar facilities.

Credit Ratings: Evaluations of the credit quality of bonds made by independent ratings services such as Moody’s Investors Service, Standard & Poor’s Ratings Group and Fitch. Credit ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities. Credit ratings are assigned before issuance of the bonds and are periodically reviewed or may be amended to reflect changes in the issuer’s credit position. Bonds with investment grade ratings are assigned credit ratings between Baa3/BBB- and Aaa/AAA.

Current Refunding: A current refunding involves refunding bonds within 90 days of the bond’s first optional redemption. Federal tax law does not limit the number of current refundings of any tax-exempt bond.

Customer Facility Charge (CFC): A fee imposed by a car rental company upon a car rental customer arriving at the airport and renting a vehicle from an on-airport or off-airport car rental company serving the airport. The CFC is collected by the car rental company generally for use by the airport in funding rental car facility-related projects or debt associated with such projects.

Debt Ratios: Comparative statistics showing the relationship between a bond issuer’s outstanding debt and factors affecting repayment. Such ratios are often used in the process of determining the credit quality of an issue. Examples of debt ratios applied to airport bonds include: debt/revenues/costs per enplaned passenger, debt service coverage ratio, utilization per gate, operating ratio and net takedown.

Debt Service: The amount due for repayment of interest and principal on outstanding debt, including required contributions to a sinking fund for term bonds. Debt service may be computed on a bond year, fiscal year or calendar year basis.

Debt Service Coverage: The ratio of Net Revenues annually available to pay debt service on bonds to the annual debt service requirement. This ratio is one indicator of the credit quality of a bond issue. For example, a coverage ratio of “1.50x” means that for every \$1.00 of annual debt service, the bond issuer has \$1.50 of annual net revenues.

Debt Service Reserve Fund: The fund in which moneys are placed which may be used to pay debt service if Net Revenues are insufficient to satisfy the debt service requirements. The size of this fund is generally established by the reserve requirement, which is generally equal to the lesser of: (i) 10% of new issue par, (ii) maximum annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund), and (iii) 125% of average annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund).

Debt Service Reserve Fund Surety Policy: A debt service reserve fund insurance policy provided by a highly-rated municipal bond insurer or a letter of credit provided by a highly-rated commercial bank which guarantees the funding of the reserve requirement.

Defeasance: Bonds for which the payment of debt service has been assured through the structuring of a portfolio of government securities, the principal and interest on which will be sufficient to pay debt service on the outstanding bonds. The rights and interest of the bondholders and of their lien on pledged revenues is terminated in accordance with the bond documents through a defeasance. Defeasance usually occurs through the issuance of refunding bonds.

Disclosure: From the perspective of the bond issuer, it is taken to mean the dissemination of accurate and complete information material to an existing or proposed bond issuance which an investor is likely to consider important in making an investment decision. The material facts pertinent to a new bond offering are disclosed in the Official Statement.

Disclosure Counsel: A law firm retained by the bond issuer to prepare the Official Statement and provide a 10b-5 opinion.

Discount Bond: A bond sold for less than its face value as a result of the yield exceeding the coupon rate.

Financial Advisor: A consultant who advises the bond issuer on matters such as bond structure, timing, marketing, pricing, documentation and credit ratings. The consultant may also provide non-bond related advice relating to capital planning and investment management.

Fixed Rate Debt: Securities with an interest rate that is established for the life of the securities.

Forward Refunding: A Forward Refunding is an agreement, usually between an issuer and the underwriter, whereby the issuer agrees to issue bonds on a specified future date and an underwriter agrees to purchase such bonds on such date. The proceeds of such bonds, when issued, are generally used to refund the issuer's outstanding bonds.

Group Net Order: An order for bonds submitted by a Syndicate member in which the takedown is distributed to Syndicate members according to their respective liability shares in the issue.

Interest Rate Risk: The risk associated with changes in general interest rate levels or Yield Curves (see Yield Curves below).

Letter of Credit: A commitment usually made by a commercial bank to honor demands for timely payment of debt service upon compliance with pre-established conditions and/or the occurrence of certain events specified in the agreement between the bank and the issuer of the debt. Letters of credit are often issued as additional sources of security for issues of notes, commercial paper or bonds, with the bank issuing the letter of credit committing to pay debt service on the bonds. Debt issued with a letter of credit may be assigned the credit rating (short- and/or long-term) of the letter of credit provider. Letters of credit may also provide liquidity support for such debt issues.

Master Indenture: The Trust Indenture that governs all the senior lien bond obligations of the issuer.

Master Subordinate Indenture: The Trust Indenture that governs all the subordinate lien bond obligations of the issuer.

Negotiated Sale: The sale of a new issue of bonds by an issuer through an agreement with an underwriter or underwriting Syndicate selected by the issuer. Bonds are generally sold on a negotiated basis when market conditions, issue structure or issue credit quality indicate that a competitive sale would result in higher borrowing costs for the issuer.

Official Statement: A document published by the bond issuer, and often prepared by Disclosure Counsel, which discloses material information on a new bond issue including the purpose of the issue, source of repayment, bond covenants as well as financial, economic, demographic and legal characteristics of the bond issuer. The Official Statement is used by investors to determine the credit quality of the bond issue. An Official Statement is deemed preliminary prior to the determination of the interest rates on the bond issue.

Parity Bonds: Two or more subsequent issues of bonds which have the same priority of claim or lien against pledged revenues.

Passenger Facility Charge (PFC): A fee, in amounts up to \$4.50, assessed to enplaned passengers at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. Federal law limits use of PFC funds strictly to the above categories.

Premium Bond: A bond sold for greater than its face value as a result of the coupon rate exceeding the yield.

Redemption Provisions: Terms set out in the bond documents which give the bond issuer the right or requirement to redeem or “call” all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specified price.



Remarketing Agent: A broker-dealer responsible for reselling to new investors securities (such as variable rate demand obligations and other tender option bonds) that have been tendered for purchase by their owner. The remarketing agent also typically is responsible for resetting the interest rate for a variable rate issue and also may act as tender agent.

Retail Order: An order for bonds placed by an individual or, as determined by the bond issuer, a retail order may also include an order placed by a bank trust department or an investment advisor for an individual.

Secondary Market Disclosure: Disclosure of information relating to outstanding municipal securities made following the end of the underwriting period by or on behalf of the issuer of the securities.

Securities and Exchange Commission (SEC): The Federal agency responsible for supervising and regulating the securities industry. In general, municipal securities are exempt from the SEC's registration and reporting requirements. Brokers and dealers in municipal securities, however, are subject to SEC regulation and oversight. The SEC also has responsibility for the approval of Municipal Securities Rulemaking Board (MSRB) rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

SEC Rule 15(c)2-12: A regulation of the SEC which requires underwriters participating in primary offerings of municipal securities of \$1,000,000 or more (i) to obtain, review, and distribute to investors copies of the issuer's disclosure documents; (ii) to obtain and review a copy of an Official Statement deemed final by an issuer of the securities, except for the omission of specified information; (iii) to make available upon request, in non-competitively bid offerings, the most recent preliminary official statement, if any; (iv) to contract with an issuer of the securities, or its agent, to receive, within specified time periods, sufficient copies of the issuer's final official statement, both to comply with this rule and any rules of the Municipal Securities Rulemaking Board; and (v) to provide, for a specified period of time, copies of final Official Statements to any potential customer upon request. The rule contains exemptions for underwriters participating in certain offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors, have short-term maturities, or have short-term tender or put features. The release also modifies, in limited respects, a previously published interpretation of the legal obligations of municipal securities underwriters.

Senior Lien Bonds: Bonds which have a prior claim against pledged revenues.

Serial Bonds: Bonds of an issue in which principal is amortized in successive years without interruption.

Subordinate Lien Bonds: Bonds which have a subordinate, or junior, claim against pledged revenues.

Special Facility Bonds Obligations: The issuance of bonds by a governmental entity to finance a project with repayment secured by a defined revenue stream derived from or relating to the use of the completed project.

Syndicate: A group of underwriters formed to purchase and re-offer a bond issuer's bonds for sale to the public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase a bond issue and for broader distribution of the issue to the general public. Each syndicate member has a share in the liability of the issue.

Takedown: The total discount at which members of syndicates buy bonds from an issuer.

Tax Events Risk: Risk to the issuer of variable rate bonds created by either a change in the taxable equivalent yield of comparable investments or loss of tax-exempt status. For an issuer of variable rate bonds, a reduction in federal income tax rates would increase interest costs. Re-classification of outstanding variable rate bonds as taxable would also increase interest costs.

Term Bonds: Bonds comprising a large part of the issue which come due in a single maturity. The bond issuer usually makes periodic payments into a sinking fund for mandatory redemption of term bonds before maturity or for payment at maturity.

True Interest Cost: The rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received on the closing date of the bond issue.

Trust Indenture: A contract between a bond issuer and a trustee, for the benefit of bondholders. The trustee administers the funds specified in the indenture and implements the remedies provided in case of default.

Underwriter: A dealer which purchases a new issue of bonds for resale either by negotiation with the issuer or by award on the basis of a competitive bid.

Underwriter's Counsel: A law firm retained by the Underwriter to represent their interests in connection with the negotiated purchase of a new issue of bonds. The firm's duties may include review of all bond documents, preparation of the agreement among Underwriters and negotiation of the bond purchase contract between the Underwriter and the bond issuer.

Underwriter's Gross Spread: In a negotiated sale, the difference between the price the Underwriter pays the bond issuer and the original reoffering price to the public; includes the management fee, expenses, and sales commissions (takedown and concession).

Variable Rate Debt: Securities with an interest rate that changes at intervals according to an index or formula, or is periodically (daily, weekly or monthly) reset at the market clearing rate. Variable rate debt is also known as "floating rate debt".

Yield Curve: Refers to the graphical or tabular representation of interest rates across different maturities. The presentation often starts with the shortest-term rates and extends towards longer maturities. It reflects the market's views about implied inflation/deflation, liquidity, economic and financial activity, and other market forces.

Zero Coupon Bond: An original issue discount bond on which no periodic interest payments are made but which is issued at a deep discount from par, accreting (at the rate represented by the offering yield at issuance) to its full value at maturity.

[Amended by Resolution 2014-0050 dated June 5, 2014.]

[Amended by Resolution 2013-0048 dated June 6, 2013.]

[Amended by Resolution 2012-0060 dated June 7, 2012.]

[Amended by Resolution 2011-0078 dated July 7, 2011.]

[Adopted by Resolution. 2010-0046 dated May 6, 2010.]



**SAN DIEGO**  
INTERNATIONAL AIRPORT

LET'S **GO.**

# ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40

**Presented by:**

Michael Sears,

*Director, Financial Management*

**FORM NUMBER:** **San Diego County Regional Airport Authority**  
**ISSUE DATE:** **11/11/2013**

As the authority for San Diego County Regional Airport Authority, the undersigned hereby certifies that the information contained herein is true and correct to the best of my knowledge and belief, and that the same is a true and correct copy of the original as the same appears in the records of the authority.



**\$213,500,000**  
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Subordinate Vehicle Revenue Bonds**

<b>\$40,000,000</b> Series 2013A (Three-Year)	<b>\$40,000,000</b> Series 2013B (Three-Year)	<b>\$73,500,000</b> Series 2013C (Five-Year)
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(Fully Secured - Backed America's Bonds - Structured Pensions to Invest)

Printed: 11/11/2013 10:45:00 AM

The San Diego County Regional Airport Authority (the "Authority") is a public agency established by the voters of San Diego County, California, and is a public agency within the meaning of the California Public Access Law. The Authority is a public agency within the meaning of the California Public Access Law. The Authority is a public agency within the meaning of the California Public Access Law. The Authority is a public agency within the meaning of the California Public Access Law.

The Authority hereby certifies that the information contained herein is true and correct to the best of my knowledge and belief, and that the same is a true and correct copy of the original as the same appears in the records of the authority.

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**Witness:** **Richard White & Co., LLP** **J.P. Morgan**  
**Witness:** **Richard White & Co., LLP** **Witness:** **Richard White & Co., LLP**

**FORM NUMBER:** **San Diego County Regional Airport Authority**  
**ISSUE DATE:** **11/11/2013**

As the authority for San Diego County Regional Airport Authority, the undersigned hereby certifies that the information contained herein is true and correct to the best of my knowledge and belief, and that the same is a true and correct copy of the original as the same appears in the records of the authority.



**\$274,000,000**  
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Single Payment Revenue Bonds**

<b>\$100,000,000</b> Series 2013A (Three-Year)	<b>\$174,000,000</b> Series 2013B (Three-Year)
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Printed: 11/11/2013 10:45:00 AM

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# ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40 DEBT ISSUANCE AND MANAGEMENT

# Debt Issuance and Management Policy - Overview

- Governs existing and anticipated debt obligations
- Sets forth certain financial management practices in capital budgeting that supports the Authority's ability to manage its outstanding debt and projected debt issuance
- Updated annually to reflect changes in the law and the market

# Debt Issuance and Management Policy - Objectives

- Protect the Authority's assets and funds
- Manage and monitor existing debt to:
  - Optimize financial structure
  - Control costs
  - Ensure compliance with bond financing covenants
- Oversee the issuance of new debt in order to maintain access to capital markets

# Debt Issuance and Management Policy - Objectives

- Explore and implement prudent debt structuring
- Obtain and maintain the highest possible credit ratings on debt
- Provide the required secondary market disclosure to the rating agencies and investors
- Comply with all federal and state laws and regulations as well as bond indenture and federal tax and securities law compliance

# Debt Policy Amendments

The follow pages present the substantive changes to the Debt Issuance and Management Policy.

Certain minor clarifications and revisions are not presented here but can be seen in the red-lined version of the policy



# Debt Policy Amendments

Section (II)(4) Roles and Responsibilities: Added language to incorporate the role of Registered Municipal Advisor. The register Municipal advisor rule became effective 1 July 2014.

“Registered Municipal Advisor: The Authority has chosen to deliver a Notice of Representation by Registered Municipal Advisor pursuant to SEC Rule 17 CFR Section 240.15Ba1-1(d)(3)(vi)(B) dated August 27, 2014 to notify investment banking firms that the Authority has retained a financial advisor and, among other things, will rely on advice of the financial advisor for recommendations on the issuance of municipal securities provided by investment banking firms. The Authority may amend or modify this notice from time to time.”

# Debt Policy Amendments

Section (IV) Debt Targets: Added language to clarify that Authority debt targets will be re-evaluated as long-term master plan requirements are incorporated. Titles were also adjusted to consistently incorporate the word “target” in association with the debt affordability indicators of Airline Cost Per Enplanement, Debt Per O&D Enplaned Passenger, Liquidity and Credit Ratings.

“The following are the target debt affordability indicators for the Authority. The Authority will regularly review and may re-evaluate certain targets from time to time as long-term master plan requirements may be defined.”

# Debt Policy Amendments

Section (IV) (7) Debt Targets: Clarification that Credit ratings are assigned to all the Authority's public debt issuances.

“7) Credit Ratings Target

~~Credit ratings are assigned to the Authority's Senior Lien Airport Revenue Bonds.~~ The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport...”

# Debt Policy Amendments

Section (V)6&7 Types of Financing Commercial Paper and Floating Rate Notes : Modified language to ensure consistency amongst short term variable rate products.

“The Authority may issue Commercial Paper as sources of interim **construction** financing for capital projects. Before issuing such Commercial Paper notes, the take out of such Commercial Paper must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority ”

And

“The Authority may issue FRN’s as sources of interim financing for capital projects. Before issuing such FRNs, the take out of such notes must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority ”

# Debt Policy Amendments

Section (VIII)1)(A) modified language to clarify type of debt that can be used as an interim financing tool.

## “(A) Interim Financing Tool

The Authority may consider issuing Variable Rate Debt ~~Indebtedness or Commercial Paper (whose stated maturity cannot exceed 270 days)~~ in connection with its major debt-financed capital projects, especially when interest rates associated with a fixed rate, long term borrowing far exceed the interest rates that can be earned on the construction and capitalized interest funds (resulting in a significant amount of negative arbitrage). Because Variable Rate Debt ~~or Commercial Paper~~ can be retired or redeemed without penalty...”

# Debt Policy Amendments

Section (X) Method for Sale of Debt: Modified language clarify that Underwriter selection would encompass a broad range of Underwriters:

“The Authority may select underwriters for an individual financing or to serve as part of a pre-qualified pool of underwriters available for appointment for anticipated financings. In either case, the Authority would conduct a competitive selection process, which should include....

- Circulating the RFP to a wide range of ~~large and small capially funded~~ Underwriters (e.g. national and regional firms, DBE and majority firms, and firms that specialize in certain types of debt)”

# Action Requested

- Forward Resolution approving amendments to Authority Policy 4.40 – Debt Issuance and Management to the Board for approval

Questions?







SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
**FINANCE COMMITTEE**

**Item No.**  
**5**

Meeting Date: **MAY 11, 2015**

**Subject:**

**Annual Review And Approval of Amendments To Authority Policy 4.20 - Guidelines For Prudent Investments, And Delegation Of Authority To Invest And Manage Authority Funds To The Vice President, Finance And Asset Management/Treasurer**

**Recommendation:**

Forward to the Board for approval.

**Background/Justification:**

The attached Investment Policy (Exhibit A) **serves as the foundation of the Authority's investment goals and priorities. The Authority's** internal policy guidelines compel the **Authority's Treasurer to invest Authority funds in a** manner that will provide the highest security of funds while meeting the daily cash flow demands. The foremost stated objective is safety, with the requirement that all transactions are structured to avoid capital losses from issuer or broker/dealer default, or erosion of market value.

State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, the Investment Policy requires the Authority shall seek to achieve a return on funds throughout all economic cycles, taking **into consideration the Authority's investment risk constraints and cash flow requirements.**

**The Authority's Investment Policy was developed in conjunction with our financial and investment advisors and it adheres to or exceeds the policies and requirements of investment types as authorized by the California Government Code §§ 16429.1 and 53600 et seq (Code).**

The recommended changes to the policy include language that reflect updates to Code to allow investments in certain supranational issuers providing the Authority with another high quality investment option. The supranational issues authorized under the recommended policy changes are all AAA rated with yields that will be comparable to Federal Agency issues. Staff also recommend the elimination of separate maturity requirements by ratings category for Negotiable Certificate of Deposits (NCD) and Medium Term Notes (MTN). **(i.e. NCD's and MTN's rated A, AA or AAA can be invested for a term up to 5 years. Prior to this change A and AA were limited to 24 and 36 months respectively).**

**Page 2 of 3**

The changes to NCDs and MTNs are recommended as a result of transitions in the fixed-income markets characterized by:

- Historically low yields
- **Significant** and ongoing Federal Reserve intervention
- Changing supply/demand dynamics
- **General deleveraging of the financial**, banking and investment sectors
- **Continuation of a secular** trend of lower credit ratings

As a result of these changing dynamics, staff is recommending the Board adopt the modification to NCD and MTN maturity requirements to increase investment flexibility, **enhance portfolio diversification, and improve the portfolio's return potential.** Staff believes that this change will not result in unwarranted risk. The Authority not only relies on credit ratings but also is advised by an investment advisor whose approach to managing credit risk involves a rigorous and dynamic credit process that incorporates a detailed analysis of issuers before they are added to the investment advisors approved issuer list and includes ongoing monitoring of all issuers on the approved list. This change reflects current Code in the case of MTNs (the Code does not have a credit requirement for NCDs) as well as the current investment policy the San Diego County Investment Pool, Local Agency Investment Fund (LAIF) and other local agencies including the cities of San Diego and Los Angeles (includes LAX investments)

Section 53646(a) of the Code states that the treasurer or chief fiscal officer of any local agency may annually render to its legislative body and any oversight committee an investment policy, which the legislative body shall adopt at a public meeting.

While an annual review and adoption is not required by statute, both the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association have established policy standards recommending a review be conducted annually.

Since this Investment Policy serves as the guidelines for prudent management of the **Authority's** investments, the attached resolution and accompanying policy are submitted to ensure a regular review and approval by the Authority Board.

In addition, the Board delegates the authority to invest and manage the funds of the **Authority to the Authority's Treasurer. Such delegation is on a fiscal year basis and** subject to renewal by the Board, at its option. Based on the investment record, the attached resolution requests reappointment of the Vice President of Finance and Asset Management/Treasurer to continue this role for another year.

The existence of an approved investment policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the **public that it serves. This annual review is done to ensure the Authority Board's** continued oversight and approval of the policies, rules, and performance regarding the investment of Authority funds.

**Page 3 of 3**

**Fiscal Impact:**

None.

**Authority Strategies:**

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy     Customer Strategy     Employee Strategy     Financial Strategy     Operations Strategy

**Environmental Review:**

- A. CEQA. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. § 15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code § 21065.
  
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code § 30106.

**Application of Inclusionary Policies:**

Not Applicable.

**Prepared by:**

SCOTT BRICKNER,  
VICE PRESIDENT FINANCE AND ASSET MANAGEMENT/TREASURER

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## POLICIES

- ARTICLE 4 - FINANCE AND ACCOUNTING
  - PART 4.2 - INVESTMENTS
  - SECTION 4.20 - POLICY GUIDELINES FOR PRUDENT INVESTMENTS
- 

**PURPOSE:** To establish a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”), including risk management.

**POLICY STATEMENT:**

It is the policy of the Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Authority. The investment policies and practices of the Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds.

This policy also addresses risk management because risk management is an integral part of managing a fixed income portfolio. To focus only on maximizing return is imprudent; therefore, policy issues will be directed to limiting the investment portfolio’s exposure to each issue and issuer of debt and criteria for establishing minimum credit requirements that firms must have in order to effect security transactions with the Authority.

(1) Scope. This investment policy applies to all the Authority’s investment activities, except for the Employees Retirement and Deferred Compensation funds, which are administered separately. In addition, in the event of a conflict between this policy and permitted investments of bond proceeds as defined by a master indenture or supplemental indenture (“**Indenture**”) associated with any Authority debt issuance, the more restrictive parameters of either Cal. Gov. Code or the Indenture will take precedence. The financial assets of all other Authority funds shall also be administered in accordance with the provisions of this policy.

(2) Objectives.

(a) Safety of Principal. Safety of principal is the Authority’s foremost objective. To accomplish this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default or erosion of market value. The Authority shall seek to preserve principal by mitigating credit risk and market risk.

(i) Credit risk is the risk of loss due to failure of the issuer to repay an obligation and shall be mitigated by investing in only the highest quality credits and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the Authority's cash flows.

(ii) Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by:

(A) structuring the portfolio so that securities mature at the same time major cash outflows occur, thereby eliminating the need to sell securities prior to their maturity; and

(B) limiting the average maturity of the Authority's portfolio to three years, Furthermore, no investments will be made in any security with a maturity greater than five years unless the Board has granted its express authority to make such investment specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

It is explicitly recognized, however, that in a diversified portfolio occasional losses may be inevitable and must be considered within the context of overall investment return.

(b) Liquidity. The Authority's investment portfolio will be structured to provide sufficient liquidity to meet the operating requirements of the Authority.

(c) Return on Investment. State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, investment officials shall seek to achieve a return on the funds under their control throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

(3) Authority to Invest Funds.

(a) Policy principles for investment of Authority funds. Monies entrusted to the Authority will be invested and actively managed pursuant to applicable California statutory limitations and the guidance and limitations set forth in the Authority's written policies. Authority for the management and investment of Authority funds rests with the Authority Board of Directors ("**Board**"). The Board promulgates the policy for investment and management of Authority funds and conducts periodic reviews to ensure compliance with policy and statutory requirements. All persons authorized to make investment decisions for the Authority are trustees of the Authority and owe the Authority a fiduciary duty. All trustees are bound by the prudent investor rule, which requires trustees in making decisions with regards to the Authority's funds to act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Trustees of Authority funds are relieved of personal responsibility for an individual security's risk or market price changes where the trustees at all times were acting in accordance with written procedures and this investment policy, exercising due diligence, taking timely and appropriate action to control adverse developments, and provided timely appropriate reports to the Board regarding the adverse developments with an investment.

(b) Delegation of investment authority to Treasurer. The Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation shall be on a fiscal year basis and subject to renewal by the Board, at its option, after appropriate review of the investment record. The Board reserves the right to revoke the delegation of investment authority at its discretion. The Treasurer shall report to the board the status of Authority's investment portfolio in accordance with Sections (10)(a) and (b) of this policy. Whenever a security is sold at a loss, the Treasurer will record the loss as such in the Authority's accounting system. The Treasurer shall designate in writing an officer or employee of the Authority who shall have authority to execute or authorize execution of an investment trade on behalf of the Authority when the Treasurer is not reasonably available and circumstances require timely action.

(c) Treasurer's responsibility for investments. Investment and management of the Authority's funds shall be solely the responsibility of the Authority's Treasurer, who shall take necessary measures to be fully informed on current market conditions and market trends in general and the condition of the Authority's investment portfolio in particular. The Treasurer shall establish and periodically review for currency and adequacy a system of controls to ensure compliance with the applicable statutory requirements and the Authority's investment policies. The system of controls shall also provide for regulation of subordinate officers and employees as well as investment advisors under contract with the Authority.

(d) Execution of trades by authorized investment advisor. Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of investment responsibilities and where the Treasurer has approved in writing a strategy to guide the investment of Authority funds, the Treasurer may authorize the investment advisor to execute trades on behalf of the Authority to effectuate the approved investment strategy. The Treasurer shall make such delegation via a document that specifies the boundaries of the delegated authorization. The investment advisor designated to execute trades on behalf of the Authority shall be bound by this policy of the Authority and the Treasurer's written approval of the investment strategy. Authorizing the investment advisor to execute trades on behalf of the Authority does not relieve the Treasurer of responsibility for management and oversight of all investment transactions involving Authority funds. The Treasurer or designated Authority officer or employee, as provided in Section 3(b), when the Treasurer is not reasonably available and circumstances require timely action, must approve in writing all investment transactions that exceed a market value of five million dollars (\$5,000,000) prior to execution of the trade. The investment advisor shall not execute any trade through any security broker in whom the investment advisor holds an ownership interest or has a financial interest. The investment advisor shall not take possession of or act as custodian for the cash, securities or other assets. The investment advisor shall provide a written report of all trades made on behalf of the Authority to the Treasurer within twenty-four (24) hours of trade execution.

(4) Ethics and Conflicts of Interest. The Board, Authority officers or Authority employees involved in the investment process shall refrain from any activity that could conflict with proper execution of the investment program or which could impair the Authority's Treasurer's ability to make impartial investment decisions. Authority staff involved with the investment process shall disclose to the Authority's Treasurer any financial interest in financial institutions that conduct business with the Authority and they shall further disclose any personal financial and/or investment positions that could be related to the performance of the Authority's portfolio. Board members, Authority officials and Authority employees shall subordinate their personal investment transactions to those of the Authority, particularly with regard to the time of purchases and sales.

(5) Placement of Trade Execution Orders.

- (a) Whenever possible, investment transactions shall be made via a competitive process to ensure the Authority's security transactions are made on terms most favorable to the Authority. Trade execution shall be only through firms registered with the Financial Industry Regulatory Authority (FINRA) and approved by the Treasurer. To ensure security transactions are made via the most competitive process, solicitation of bids to transact a security trade shall be provided equally to all security dealers approved by the Treasurer pursuant to the section (5)(b) of this policy. This policy permits the Authority to purchase investments directly from approved issuers who require no competitive process (e.g., Local Agency Investment Fund (LAIF), the San Diego County Investment Pool (SDCIP), and Local Government Investment Pools (LGIPs).
- (b) Other than investments with depository institutions and approved pools, the Treasurer shall only execute trades with security dealers that have been approved to execute security trades on behalf of the Authority. Prior to approving a security dealer to execute security trades, the Treasurer shall determine that the dealer is fully qualified to execute security trades for the Authority. In evaluating whether a specific dealer is so qualified, the Treasurer shall evaluate, at a minimum, the dealer's security registration, financial condition, standing in the investment community, and experience with security trades of the nature to be executed on behalf of the Authority. To be qualified, all financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following information on an annual basis: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) a trading resolution; (4) proof of California registration; and (5) a completed broker/dealer questionnaire.
- (c) Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of the investment responsibilities, the Treasurer may rely on the advisor's assurances that specific security dealers are fully qualified to execute trades on behalf of the Authority. The investment advisor shall provide such assurances in writing and shall renew the assurances based on an annual review of the financial condition and registrations of qualified bidders.

(6) Authorized Investments.

The Authority is authorized by the applicable sections of Cal. Gov. Code §16429.1, §53600 *et seq.* and §53630 *et seq.* to invest in the following types of securities, further limited herein:

(a) United States Treasury Bills, Bonds and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(b)

(b) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(f)

(c) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed 30 percent of the portfolio. Cal. Gov. Code §53601(q)

(ed) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances which are eligible for purchase by the Federal Reserve System and are rated in the highest category by a nationally recognized statistical rating organization (NRSRO), may not exceed 180 days to maturity or 40% of the market value of the portfolio. No more than 10% of the market value of the portfolio may be invested in banker's acceptances issued by any one bank. Cal. Gov. Code §53601(g)

(de) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.

(2) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maturity of 270 days or less. No more than 25% of the market value of the portfolio may be invested in commercial paper. No more than 10% of the market value of the portfolio may be invested in the commercial paper of any single issuer. The amount invested in commercial paper of any one issuer in



combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(h)

(ef) Negotiable Certificates of Deposit (NCDs) issued by a nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank. Negotiable Certificates of Deposit (NCDs) together with Placement Service Deposits (PSDs) may not exceed 30% in aggregate of the market value of the portfolio. NCDs eligible for purchase shall be rated “A” or better by a NRSRO. The maximum term for NCDs shall be five years. NCDs with an “A” rating shall be limited to 24 months maximum maturity; “AA” rated NCDs shall be limited to 36 months. The amount invested in NCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(i)

(fg) Placement Service Deposits (PSDs). Deposits placed through a deposit placement service that meet the requirements of Cal. Gov. Code §53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for PSDs shall be three years. Placement Service Deposits (PSDs) together with Negotiable Certificates of Deposit (NCDs) may not exceed 30% in aggregate of the market value of the portfolio. The amount invested in PSDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601.8 and 53635.8

(gh) Bank Deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time certificates of deposits (“TCDs”) in financial institutions located in California. The Authority will invest in financial institutions with a net worth of ten million dollars and total assets in excess of \$50 million. Such deposits in each bank shall be limited to no more than 5% of the total assets of the bank. To be eligible to receive Authority deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Cal. Gov. Code §53630 *et seq.* The Treasurer may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The Authority shall have a signed agreement with any depository accepting Authority funds per Cal. Gov. Code §53649. The maximum maturity of TCDs is three years. A maximum of 20% of the market value of the portfolio may be invested in TCDs. The amount invested in TCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53630 *et seq.*

(hi) Medium Term Notes (MTNs), defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States-rated “A” or better by a

NRSRO and be issued by a corporation organized and operating within the United States. ~~MTNs with an “A” rating shall be limited to 24 months maximum maturity; “AA” rated MTNs shall be limited to 36 months.~~ The aggregate total of MTNs may not exceed 15% of the market value of the investment portfolio. The amount invested in MTNs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(k)

(k) Repurchase agreements (RPAs) shall only be made with financial institutions having a credit rating of not less than “A” by a NRSRO. The Security Industry and Financial Markets Association (SIFMA) master repurchase agreement shall be the Authority’s master repurchase agreement.

The term of the agreement may not exceed one year.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in 6(a) and 6(b) above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102% of the total dollar value of the money invested by the Authority for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement. Cal. Gov. Code §53601(j)

(l) The Local Agency Investment Fund (“LAIF”), established by the State Treasurer for the benefit of local agencies and identified under Cal. Gov. Code §16429.1 *et seq.* The market value of the Authority’s investment in LAIF may not exceed the current deposit limit for regular LAIF accounts.

(m) The San Diego County Investment Pool (“SDCIP”) as authorized by Cal. Gov. Code §53684. The market value of the Authority’s investment in SDCIP may not exceed the current deposit limit for regular LAIF accounts.

(n) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“LGIPs”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of the Investment Trust of California (CalTRUST), as authorized by California Government Code §53601(p). The market value of the Authority’s investment in each of the CalTRUST funds may not exceed the current deposit limit for regular LAIF accounts.

(o) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or (“LGIPs”)) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of Cal. Gov. Code §53601(p). The market value of the Authority’s investment in any LGIP may not exceed the LAIF statutory limit. Prior to investing, the Treasurer will complete a thorough investigation of the potential investment. Whenever the

Authority has any funds so invested, the Treasurer shall maintain on-going monitoring including the following:

- (i) Establish the investment is a legal investment under Cal. Gov. Code.
- (ii) A description of eligible investment securities, and a written statement of investment policy and objectives. All investments must comply with the eligible investments outlined in this policy. In the event that any investments do not comply with the eligible investments outlined in this Policy, the Treasurer will assess the potential risk of a substantial investment loss related to the investment(s) not in compliance.
- (iii) The issuer must have a current AAAM rating, provide a constant dollar pool with a stated objective of maintaining a \$1 net asset value, meet an asset size of \$1 billion at the time of investment, and provide for third-party custody of portfolio assets.
- (iv) A description of interest calculations and how it is distributed, and how gains and losses are treated.
- (v) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- (vi) A description of who may invest in the program, the type and number of governmental participants, investor concentrations, what size deposit and withdrawal are allowed, and what time restrictions are placed on these deposits and withdrawals.
- (vii) A schedule for receiving statements and portfolio listings.
- (viii) Determination of how reserves, retained earnings, etc. are utilized by the fund.
- (ix) A fee schedule, and when and how it is assessed. Cal. Gov. Code §53601(p).

(x) The Authority may place funds in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §80a-1 *et seq.*). Investment in money market funds may not exceed 20% of the market value of the portfolio with no more than 10% of the market value of the portfolio in any single fund. Additionally, each selected fund shall be large enough that the Authority's investment does not constitute more than 5% of the total fund balance. To be eligible for investment, these companies shall either:

- (i) Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or
- (ii) Retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years' experience managing

money market mutual funds with assets under management in excess of \$500,000,000. Cal. Gov. Code §53601(l)

(e) The Authority may invest in: (i) Registered state warrants or treasury notes or bonds of this state including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state; (ii) Registered treasury notes or bonds issued by any of the other 49 States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state; and (iii) Bonds, notes, warrants or other evidence of debt issued by a local agency or municipality located within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this paragraph shall be rated at least “A” by a NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of the Authority’s portfolio. The amount invested with any one issuer shall not exceed 5% of the portfolio. Cal. Gov. Code §53601 (c), (d), (e).

(f) Permitted Investment for Bond Proceeds. All investment types listed above are authorized investments for bond proceeds. The percentage or dollar limitations listed above do not apply to bond proceeds investments. In addition to the above investments, bond proceeds may be invested in the following:

Investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in items (a) or (b) of this section which are the following:

- (i) Valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, and
- (ii) Held by any Federal Reserve Bank or a depository acceptable to the Treasurer or any Authority bond trustee, and
- (iii) Subject to a perfected first lien on behalf of the Authority or any bond trustee and free and clear from all third-party liens

The Board has expressly granted the Treasurer the authority to invest debt service reserve funds in U.S. Treasury, federal agency, municipal securities and investment agreements (which meet the requirements of this Investment Policy and the Indenture) with maturities exceeding 5 years

if it is considered to be in the best interest of the Authority and if the maturity of such investments does not exceed the expected use of the funds. Reserve fund investments beyond 5 years are specifically excluded from the mathematical calculation of the average maturity of the Authority's portfolio.

(7) Prohibited Investments. Investments not described herein, including but not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages, and common stocks are prohibited from use in this portfolio. The Authority shall not invest any funds in any security that could result in zero interest accrual and zero discount accretion if held to maturity. Cal. Gov. Code §53601.6

(8) Safekeeping of Securities. To protect against potential losses by the collapse of individual securities dealers, all securities owned by the Authority shall be held in safekeeping by a third person bank trust department acting as agent for the Authority under the terms of a custody agreement executed by the bank and the Authority. All securities will be received and delivered using standard delivery versus payment procedures. The only exception to the foregoing shall be: (i) LAIF; (ii) the SDCIP; (iii) LGIPs; (iv) money market mutual funds, and (v) Deposits (TCDs & PSDs), since the purchased securities are not deliverable. A record of these investments shall be held by the Treasurer.

All investment officers shall be bonded and all investment accounts subject to surprise audits performed no less than on a quarterly basis.

(9) Portfolio Limitations. Percentage limits and credit criteria are applied at the time of purchase. If a percentage-of-portfolio limitation is exceeded due to reduction in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Authority's Treasurer shall consider restructuring the portfolio basing the decision in part on the expected length of time the portfolio will be imbalanced. The Treasurer shall report all such imbalances in the monthly report to the Board. In the event that an investment originally purchased within policy guidelines is downgraded below the policy requirements by any one of the NRSROs, the course of action to be followed by the Treasurer will then be decided on a case-by-case basis, considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.

(10) Reporting Requirements.

(a) In accordance with Cal. Gov. Code §53646, on a quarterly basis, the Authority's Treasurer shall prepare in accordance with GAAP and GASB 31 a report detailing investments and investment activity and transmit same to the Executive Officer, the Internal Auditor and the Board.

(i) The report shall be submitted within 30 days of the end of the quarter covered by the report.

(ii) The report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Authority.

(iii) The report shall include a description of any funds, investments, or programs that are under the management of contracted persons.

(iv) The report shall also include a current market value on a market-to-market basis as of the report date using an established identified independent source for the valuation.

(v) The report shall state compliance of the portfolio to the statement of investment policy or the manner in which it is not in compliance.

(vi) The report shall state the Authority's ability to meet its budgeted expenditure requirements for the next six months or to explain why sufficient money may not be available.

(b) In accordance with Cal. Gov. Code §53607, the Authority's Treasurer shall make a monthly report of investment transactions to the Board.

(11) Internal Control. The development of internal controls is a function of management. The Authority's Treasurer shall establish and document a system of internal controls that will provide reasonable assurance regarding the achievement of objectives in the following categories:

- Safeguarding assets
- Ensuring validity of financial records and reports
- Promoting adherence to policies, procedures, regulations and laws
- Promoting effectiveness and efficiency of operations

In addition, the Authority's Treasurer shall:

(a) Establish an annual process of an independent review by an external examiner.

(b) Develop performance standards. Those performance standards will be reviewed by the Treasurer and presented as an information item to the President/CEO and the Board. On a quarterly basis, as part of the reporting requirements the Authority's Treasurer shall report actual compared to the performance standard and any substantial deviations shall be explained.

(c) Review the Authority's investment policy annually at a public meeting and obtain Board approval and adoption of the policy to ensure its consistency with the Authority's objectives of preservation of principal, liquidity, rate of return and the policy's relevance to current law and financial and economic trends. The Authority's Treasurer is responsible for maintaining guidance over the Authority's investment policy and ensuring that the Authority can adapt readily to changing market conditions and shall submit to the Board any modification to the investment policy prior to implementation.

(12) Glossary of Terms.

**Asked:** The price at which securities are offered (that is, the price at which a firm will sell a security to an investor).

**Bankers' Acceptance (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Bid:** The price offered for securities (that is, the price at which a broker or dealer will pay to purchase a security an investor owns).

**Broker:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

**Certificate of Deposit (CD):** See: Time Certificate of Deposits, Negotiable Certificates of Deposits.

**Collateral:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper (CP) -** An unsecured short-term promissory note issued by corporations and local governments, with maturities ranging from 1 to 270 days. Commercial paper is usually issued at a discount from par with a zero coupon. Highly-rated, or "Prime" commercial paper carries a Standard & Poor's rating of A1 or A1+, a Moody's rating of P1, and/or a Fitch rating of F1 or F1+.

**Constant Maturity Treasury (CMT) –** A calculated average released by the Federal Reserve of all Treasury yields along a specific maturity point. This calculation is frequently used as a benchmark for conservative government portfolios.

**Coupon:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; (b) A certificate attached to a bond evidencing interest due on a payment date.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

**Debenture:** A bond secured only by the general credit of the issuer.

**Delivery versus Payment:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**Discount:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be selling at a discount.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns.

**Federal Farm Credit Bank (FFCB):** The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of Congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. Unlike commercial banks, System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FFCB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

**Federal Home Loan Banks:** Federal Home Loan Banks provide a source of low cost loan funding to U.S. banks. Within their collective membership, the FHLBank System represents the largest source of home mortgages in the United States. The System does not provide loans directly to individuals, only to other correspondent banks. System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FHLB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

**Federal Home Loan Mortgage Company (FHLMC or “Freddie Mac”):** The Federal Home Loan Mortgage Corporation (FHLMC), commonly referred to as “Freddie Mac”, was created in 1970 to assist its sister company, Fannie Mae, by purchasing mortgage loans in the secondary market, pooling them together, and selling them to investors in the form of mortgage-backed securities. By providing a secondary market for home loans, Freddie Mac increases the amount of money available for mortgage lending. In September 2008, Freddie was placed under Federal government conservatorship as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed. Like Fannie Mae, Freddie Mac issues debt in maturity ranges from one-day to 30 years, and its long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government.

**Federal National Mortgage Association (FNMA or “Fannie Mae”):** The Federal National Mortgage Association (FNMA), commonly referred to as “Fannie Mae”, was created in 1938 during the Great Depression to provide a secondary market for mortgage loans by purchasing groups of loans from lenders and packaging them into pools of mortgage-backed securities that can then be sold to investors. To facilitate this process, Fannie Mae also issues debt in maturity ranges from one-day to 30 years. The company’s long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government. Although Fannie Mae had operated as a private company since 1968, it was placed under Federal government conservatorship in September 2008 as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed.

**Government National Mortgage Association (GNMA or “Ginnie Mae”):** Long-term mortgage-backed securities backed by FHA and VA loans guaranteed by the full faith



and credit of the U.S. Treasury. The term “pass-through” is often used to describe Ginnie Mae securities as principal and interest payments from the underlying homeowners are passed along to investors.

**Federal Open Market Committee (FOMC):** A group of Federal Reserve Officials that meet eight times per year to set U.S. monetary policy (raises and lowers interest rates). The Committee must balance its two primary and often conflicting objectives of achieving stable economic growth and keeping inflation at acceptable levels

**Fed or Federal Reserve Bank:** The Central Bank of the U.S. responsible for supervising and regulating member banks, providing banking services, providing information, and setting monetary policy through the FOMC.

**[International Bank for Reconstruction and Development \(IBRD or World Bank\).](#)** [The International Bank for Reconstruction and Development was created in 1944 to help Europe rebuild after World War II. Today, its purpose is to assist with reconstruction and poverty reduction through an inclusive and sustainable globalization. The IBRD is owned and governed by its member governments. The United States is the IBRD’s leading shareholder.](#)

**[International Finance Corporation \(IFC\):](#)** [The IFC is a member of the World Bank Group. Its focus is on assisting with private sector development in developing countries. The IFC is owned and governed by its member governments. The United States is the IFC’s leading shareholder.](#)

**[Inter-American Development Bank \(IADB\):](#)** [The IADB was established in 1959 to Provide financing and expertise for sustainable economic, social, and institutional development in Latin America and the Caribbean. The IADB is owned and governed by its member governments. The United States is the IADB’s leading shareholder.](#)

**Inverse Floating Rate Note:** A debt security with an interest rate stated as a fixed rate minus a variable rate index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

**Local Government Investment Pools (LGIPs):** Shares of beneficial interest issued by a joint powers authority organized pursuant to Cal. Gov. Code §6509.7. LGIPs offer a diversification alternative to LAIF and SDCIP for short-term cash management facilities.

**Market Value:** The price at which a security is trading and could presumably be sold.

**Master Repurchase Agreement:** A written contract covering all future transactions between counterparties to repurchase agreements and reverse repurchase agreements that

establish each entity's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.

**Medium Term Notes:** A class of debenture that is defined as all corporate and depository debt securities with a maximum remaining maturity of five years or less.

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

**Nationally Recognized Statistical Rating Organization (NRSRO):** A credit rating agency (CRA) that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

**Negotiable Certificate of Deposit (NCD):** A type of CD that is at least \$100,000 and can also be traded on a highly liquid secondary market.

**Placement Service Deposit (PSD):** A type of deposit that uses a deposit placement service. The placement service will allow the bank with which the investment is placed to split the initial deposit into multiple pieces that are then distributed among a network of banks, such that the full amount of the deposit is protected by the FDIC insurance of each participating bank.

**Portfolio:** Collection of securities held by an investor.

**Primary Dealer:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

**Prudent Investor Standard:** A legal doctrine that requires fiduciaries to make investments using the prudence, diligence, and intelligence that would be used by a prudent person in making similar investments.

**Rate of Return:** A standard performance measurement that considers the coupon interest a security or portfolio of securities receives, along with any realized gain or loss, along with any change in unrealized market gain or loss. Depending on market volatility, the rate of return could differ significantly from the average yield of a portfolio.

**Rating Agency:** Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

**Rating Category:** A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or

combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

**Repurchase Agreement (RP or Repo):** A type of financial agreement in which an investor exchanges cash for securities with a primary dealer or bank and earns a fixed rate of interest for a specified period. At the end of the period, securities are returned in exchange for the principal amount, along with accrued interest. Dealers and banks use repo proceeds to finance their inventory positions.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**Sec Rule 15C3-1:** See Uniform Net Capital Rule.

**Securities and Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Strip (Bonds):** Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

**Time Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

**Treasurer:** The Vice President of Finance/Treasurer of the Authority or the authorized designee or representative as designated by the President/Chief Executive Officer.

**Treasury Bill:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bond:** Long-term U.S. Treasury security having initial maturities of more than ten years.

**Treasury Note:** U.S. Treasury security having initial maturities between two and 10 years.

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. (A) **Income Yield** is obtained by dividing the current dollar income by the current market price for the security. (B) **Net Yield or Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the

adjustment spread over the period from the date of purchase to the date of maturity of the bond.

- [Amended by Resolution No. 2014-0051 dated June 5, 2014]
- [Amended by Resolution No. 2013-0049 dated June 6, 2013]
- [Amended by Resolution No. 2012-0059 dated June 7, 2012]
- [Amended by Resolution No. 2011-0064 dated June 2, 2011]
- [Amended by Resolution No. 2010-0059 dated June 3, 2010]
- [Amended by Resolution No. 2009-0123 dated October 1, 2009]
- [Amended by Resolution No. 2008-0118 dated September 4, 2008]
- [Amended by Resolution No. 2006-0010 dated February 6, 2006]
- [Amended by Resolution No. 2005-0102 dated September 8, 2005]
- [Amended by Resolution No. 2004-0133 dated December 6, 2004]
- [Amended by Resolution No. 2004-0100 dated October 4, 2004]
- [Amended by Resolution No. 2004-0032 dated April 5, 2004]
- [Adopted Resolution No. 2002-02 dated September 20, 2002]



**SAN DIEGO**  
INTERNATIONAL AIRPORT  
LET'S GO.

# ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20

Presented by:  
Michael Sears,  
*Director, Financial Management*



## **ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20**

**Guidelines for Prudent Investments,  
and Delegation of Authority to Invest and Manage**

**Authority Funds to the Vice President, Finance and Asset Management/Treasurer**

# Investment Policy - Overview

- Serves as the foundation of investment goals and objectives
- Mandates investing in a manner that provides the highest security while meeting Authority cash flow needs
- Demonstrates our fiduciary responsibility, thereby promoting trust and confidence from the public we serve
- Adheres to or exceeds the requirements of California Government Code Section 53600 et seq.

# Investment Policy - Overview

- Adheres to state law requirements that return on investment be subordinate to safety and liquidity objectives
- Developed and annually reviewed in conjunction with our financial and investment advisors
- Annual Board review is not required by State Code, but is an Authority practice
- Awarded Investment Policy Certificate of Excellence Award in 2008, 2010, 2012 and 2014 by Association of Public Treasurers of United States and Canada.



# Investment Policy Amendments

Section (6)(c) Authorized Investments: Added language to allow the Authority to invest in the certain AA or better rated supranational issuers. This was a change to Government Code effective 2015 and provides the Authority with another high quality investment option. Related definitions were added to the glossary of terms.

“(c) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated “AA” or better by an NRSRO and shall not exceed 30 percent of the portfolio. Cal. Gov. Code §53601(q).”

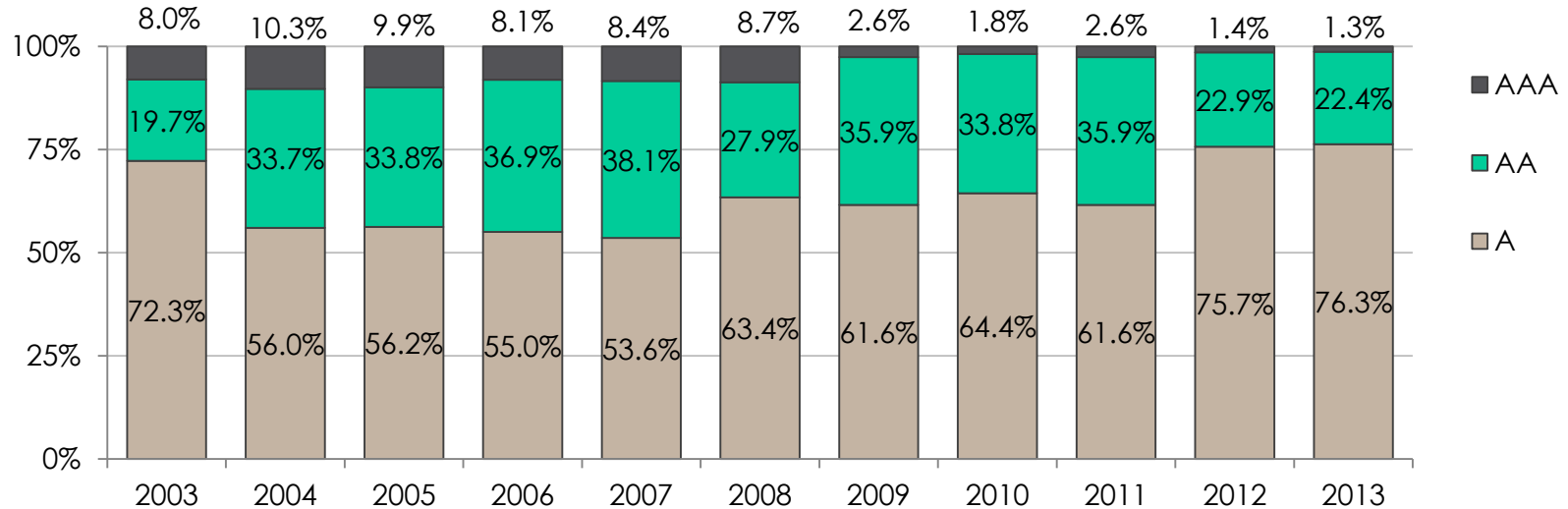
# Fixed Income Market

Fixed income markets have been in a period of transition characterized by some key factors:

- Historically low yields.
- Significant and ongoing Federal Reserve intervention.
- Changing supply/demand dynamics.
- General deleveraging of the financial, banking and investment sectors.
- Changing corporate credit environment.

# Changing Corporate Credit Environment

% of Corporate Sector Index by year



- Recalibration of ratings across the rating industry in recent years
- Only 4 non-financial companies continue to hold the AAA rating
- Down from 60 in the 1980's and 15 in 2000.

# Negotiable Certificate of Deposits (NCD) and Medium Term Notes (MTN)

In response to market changes over the last several years the Authority is recommending that the investment policy relating to NCDs and MTNs be modified.

The policy currently restricts A and AA rated securities to 24 and 36 month maturities. Modification to eliminate the separate maturity requirements will:

- Enhance investment flexibility and likely improve return
- Reflect current Government Code for MTN's (NCD's do not have a rating requirement under Government Code)
- Match the investment policies of the San Diego County Investment Pool and Local Agency Investment Fund as well Cities of San Diego and LA (includes LAX)

# NCD and MTN (cont.)

This change in maturity requirements will not add unwarranted risk to the Authority's investments:

- Investment decisions are not based only on issuer's credit ratings
- Investment advisor incorporates a process that includes detailed analysis of potential issuers before adding them to an approved list and ongoing monitoring of issuers once on the approved list
- Investment advisor has very successful track record of managing NCD's and MTNs. Their clients have never experienced a default

# NCD and MTN (cont.)

This change in maturity requirements will not add unwarranted risk to the Authority's investments:

- Default rates for AAA, AA and A rated Corporates are very low (30 year average .00%, .04% and .08%)
- Corporate Defaults typically occur over an extended time period. S&P table below shows the average years to default from original rating among corporate defaulters:

AAA	18.0 years
AA	15.8 years
A	13.8 years
BBB	9.4 years

# Investment Policy Amendments

Section (6)(i) and (f) Authorized Investments: Negotiable Certificate of Deposits and Medium Term Notes

Modify Language to eliminate the separate maturity requirements for AA and A rated securities.

“(f) NCDs eligible for purchase shall be rated “A” or better by a NRSRO. ~~The maximum term for NCDs shall be five years. NCDs with an “A” rating shall be limited to 24 months maximum maturity; “AA” rated NCDs shall be limited to 36 months.~~ The amount invested in NCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(i).”

# Investment Policy Amendments

## Section (6)(i) and (f) Authorized Investments: Negotiable Certificate of Deposits and Medium Term Notes

“(i) Medium Term Notes (MTNs), defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States-rated “A” or better by a NRSRO and be issued by a corporation organized and operating within the United States. ~~MTNs with an “A” rating shall be limited to 24 months maximum maturity; “AA” rated MTNs shall be limited to 36 months.~~ The aggregate total of MTNs may not exceed 15% of the market value of the investment portfolio. The amount invested in MTNs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(k).”



# Action Requested

- Forward Resolution approving amendments to Authority Policy 4.20 - Guidelines for Prudent Investments to Board for approval,  
and
- Forward Delegation of authority to invest and manage Authority funds to the Vice President of Finance and Asset Management / Treasurer to Board for approval

Questions?





SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
**EXECUTIVE COMMITTEE**

Item No.

**6**

Meeting Date: **MAY 11, 2015**

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**Subject:**

**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.

**Background/Justification:**

Authority Policies 3.30 (2)(b) and (4)(b) require that business expenses reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

Authority Policy 3.40 (2)(b) and (3)(b) require that travel expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

The attached reports are being presented to comply with the requirements of Policies 3.30 and 3.40.

**Fiscal Impact:**

Funds for Business and Travel expenses are included in the FY 2014-2015 Budget.

**Environmental Review:**

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not applicable

Prepared by:

TONY R. RUSSELL  
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

# **TRAVEL REQUESTS**

**PAUL ROBINSON**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Paul Robinson Dept: 2

Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 4/30/15 PLANNED DATE OF DEPARTURE/RETURN: 5/17/15 / 5/21/15

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):**

Destination: Tokyo, Japan Purpose: Attend National Geographic Smart Cities Event

Explanation: \_\_\_\_\_

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 3187.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ 1100.00

C. MEALS \$ 400.00

D. SEMINAR AND CONFERENCE FEES \$

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$ 100.00

**TOTAL PROJECTED TRAVEL EXPENSE \$ 4887.00**

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: [Signature] Date: 4/24/15

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its \_\_\_\_\_ meeting.  
(Leave blank and we will insert the meeting date.)

**DRAFT PLANNING DOCUMENT**  
**NATIONAL GEOGRAPHIC WORLD'S SMART CITIES SAN DIEGO DOCUMENTARY**  
**PREMIERE EVENT MISSION – TOKYO, JAPAN**  
**MAY 19-21, 2015**

Tuesday, May 19  
5:00 PM – 8:00 PM

**Welcome Dinner**  
**The Tokyo-San Diego Relationship**  
**Reception & Dinner**  
**Location: TBD**

Wednesday, May 20  
12:00 PM – 3:00 PM

**Luncheon Panel Event: How ConnectedHealth is driving down the costs of healthcare in Japan and US.**  
**Location: TBD**

**Background:** The cost of healthcare in the US is a major issue facing the competitiveness of the country. California and Tokyo are at the heart of leading HealthIT innovations. The California delegation will be looking to establish strong healthIT research, export and investment partnerships to address many of the issues we both face.

6:00 PM – 9:00 PM

**World's Smart Cities–National Geographic Documentary**  
**Reception and Premiere**  
**Location: The Palace Hotel, 1 Chome-1-1 Marunouchi**  
**Chiyoda, Tokyo, Japan**

**Background:** On April 10<sup>th</sup>, National Geographic Channel launched 'World's Smart Cities: San Diego' – a one-hour 'documentary special' uncovering what makes this unique city one of the most innovative, forward thinking cities across the globe. On May 20, we are inviting our Tokyo partners to join us in a discussion about the Smart Cities agenda and view the documentary.

Thursday, May 21  
7:30 AM – 9:00 AM

**UC Alumni Event Showcase**  
**Breakfast and Panel Discussion**  
**The San Diego Economy & Global Reputation**  
**San Diego's Research Leadership**  
**Location: TBD**

**Background:** The Dean of UC San Diego's Engineering School will lead a discussion with University of California alumni working and living in the City of Tokyo. Seeking to develop broader research, export and investment partnerships in the City of Tokyo, UC San Diego will host the event focused on lifesciences, telecommunications, cyber security, and software engineering interests.



**THELLA F. BOWENS**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Thella F. BOWENS Dept: Exec Office BU6  
 Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

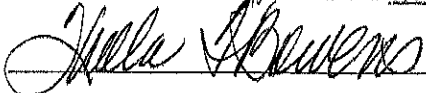
2. DATE OF REQUEST: 4/14/15 PLANNED DATE OF DEPARTURE/RETURN: 6/5/15 / 6/8/15

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):  
Destination: Philadelphia, PA Purpose: Attend AAAE Conference  
Explanation: Attending the AAAE Policy Review Committee Meeting on June 6 and Airport CEO Leadership Forum on June 7.

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

<b>A. TRANSPORTATION COSTS:</b>	
• AIRFARE	\$ 700.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 75.00
B. LODGING	\$ 760.00
C. MEALS	\$ 200.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 100.00
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$ 1835.00</b>

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 14 April 2015

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

- By my signature below, I certify the following:
1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
  2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
  3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 by the Executive Committee at its \_\_\_\_\_ meeting.  
 (Leave blank and we will insert the meeting date.)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Thella B Owens Dept: 6  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 4/30/15 PLANNED DATE OF DEPARTURE/RETURN: 7/9/15 / 7/10/15

**3. DESTINATIONS/PURPOSE** (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Monterey, CA Purpose: Attend California Airports Council Board Meeting

Explanation: \_\_\_\_\_

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

• AIRFARE	\$ 600.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 80.00
B. LODGING	\$ 450.00
C. MEALS	\$ 100.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 50.00
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$ 1280.00</b>

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 4/29/15

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its \_\_\_\_\_ meeting.  
(Leave blank and we will insert the meeting date.)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel travelling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Thella F. Bowens Dept: Exec Office BU6  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 3/19/15 PLANNED DATE OF DEPARTURE/RETURN: 6/22/15 / 6/27/15

**3. DESTINATIONS/PURPOSE** (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Prague, Czech Republic Purpose: Attend ACI-NA Europe Biennial Board Meeting and General Assembly

Explanation:

*Every year there is a joint meeting with ACI Europe Board. Last year ACI-NA hosted in Atlanta this year ACI Europe hosts. Additionally, the US Policy Board and separate ACI-NA Board meeting will convene.*

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

• AIRFARE	\$ 8500.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 200.00
B. LODGING	\$ 1200.00
C. MEALS	\$ 400.00
D. SEMINAR AND CONFERENCE FEES	\$ 1300.00
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$ 100.00
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$ 11,700.00</b>

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: *Thella F. Bowens* Date: 3/27/2015

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
by the Executive Committee at its \_\_\_\_\_ meeting.  
(Leave blank and we will insert the meeting date.)

# **EXPENSE REPORTS**

**APRIL BOLING**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**TRAVEL EXPENSE REPORT - Board Members**  
*(To be completed within 30 days from travel return date)*

Board member name: April Baling  
 Departure Date: 4/11/2015 Return Date: 4/14/2015 Report Due: 5/14/15  
 Destination: New Orleans, LA

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

<sup>3</sup> Business Expense Reimbursement Policy 3.30

<sup>4</sup> Travel and Lodging Expense Reimbursement Policy 3.40

Authority Expenses (Prepaid by Athy)	Board Member Expenses							TOTALS
	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
	4/12/15	4/13/15	4/14/15				4/11/15	
<b>Daily PerDiem Limitations:</b>								
**GSA Daily Hotel Rate or Conference Hotel Rate	169.00	169.00					399.00	
**GSA Daily Meals, Entertainment & Incidentals (M,E&I)	71.00	71.00	53.25				53.25	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	461.20							0.00
Conference Fees (provide copy of flyer/registration expenses)	690.00							0.00
Rental Car								0.00
Gas and Oil								0.00
Garage/Parking								0.00
Mileage - attach mileage form			8.45				8.45	16.90
Taxi/Shuttle Fare (include tips pd.) To/From meetings, airport, etc.								0.00
Hotel - Actual Expense Paid - Excluding Taxes	169.00	169.00					399.00	
Allowable Hotel (Lessor of Actual or GSA Allowance)	169.00	169.00	0.00	0.00	0.00	0.00	399.00	737.00
Hotel Taxes Paid	26.93	26.93					60.86	114.71
Telephone, Internet and Fax								0.00
Laundry								0.00
<b>Meals, Entertainment &amp; Incidentals (M,E&amp;I):</b>								
Meals (include tips pd.)								
Breakfast								
Lunch								
Dinner	52.77	36.68					45.87	
Other Meals								
Entertainment (Hospitality) <sup>1</sup>								
Tips Paid to Maids, Bellhops and other hotel servers								
Taxi/Shuttle Fare (include tips pd.) To/From meal destinations								
<b>Total Meals, Entertainment &amp; Incidentals</b>	52.77	36.68	0.00	0.00	0.00	0.00	45.87	
GSA Allowance for M,E&I (from above)	71.00	71.00	53.25	0.00	0.00	0.00	53.25	
<b>Allowable M,E&amp;I (Lessor of Actual or GSA Allowance)</b>	52.77	36.68	0.00	0.00	0.00	0.00	45.87	136.32
Alcohol is a non-reimbursable expense								0.00
Miscellaneous:								0.00
								0.00
								0.00
<b>Total Expenses</b>	1,151.20	248.70	232.61	8.45	0.00	0.00	514.17	1,003.93

Add any additional details as needed for explanation (attach add'l sheet if needed):  
 Chair Gleason traveled SD/Newark 9/5, Newark/DC 9/7 - Paid \$119 additional fare by personal check dated 8/25/14  
 Alcohol is a non-reimbursable expense  
<sup>1</sup> Give names and business affiliations of all persons whose meals were paid by traveler.  
 Failure to attach required documentation will result in the delay of processing reimbursement. If you have any

<b>Grand Trip Total</b>	2,155.13
Less Cash Advance (attach copy of Authority ck)	
Less Expenses Prepaid by Authority	1,151.20
<b>Due Traveler</b> - If positive amount, prepare check request	
<b>Due Authority</b> - If negative, attach check payable to SDCRAA	1,003.93

*Note: Send this report to Accounting even if the amount is \$0.*

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>3</sup> and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Anno Warren Ext.: 2408  
 Traveler Signature: [Signature] Date: 4/22/15  
 Administrator's signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)**

I, \_\_\_\_\_ hereby certify that this document was approved by the Executive Committee at it's meeting on \_\_\_\_\_  
 Clerk Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: C. April Boling Dept: 2  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 2/19/15 PLANNED DATE OF DEPARTURE/RETURN: 4/11/15 / 4/14/15

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):**

Destination: New Orleans, LA Purpose: Conference  
Explanation: ACI/AAAE Airport Board Members & Commissioners Conference, April 12-14, 2015

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

• AIRFARE	\$	485
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	100
B. LODGING	\$	855
C. MEALS	\$	100
D. SEMINAR AND CONFERENCE FEES	\$	690
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	100
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$</b>	<b>2330</b>

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 2/20/15

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

- 1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
- 2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
- 3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, Tony R. Russell, Authority Clerk, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
by the Executive Committee at its 3/9/2015 meeting.  
(Leave blank and we will insert the meeting date.)



# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

**2015**

## MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

Board Members Only

NAME C. April Boling		PERIOD COVERED April 11-14		
DEPARTMENT/DIVISION				
Date	Miles driven	Destination and purpose of trip	Parking fees & other transportation costs paid	\$\$\$
4/11/15	14.70	to airport to travel to ACI-NA Airport Board Members & Commissioners Conference New Orleans, LA		
4/14/15	14.70	Return from airport to home following conference		
<b>SUBTOTAL</b>				<b>29.40</b>

### Computation of Reimbursement

REIMBURSEMENT RATE: (see below) *	Rate as of January 2015	29.40
TOTAL MILEAGE REIMBURSEMENT	X	0.575
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)		16.91
TOTAL REIMBURSEMENT REQUESTED		\$ 16.91

I acknowledge that I have read, understand and agree to \*Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.  
Business Expense Reimbursement Policy 3.30

  
SIGNATURE OF EMPLOYEE

  
APPROVAL



Traveltrust  
Phone: 1-760-635-1700

## Electronic Invoice

Prepared For:  
BOLING/CATHERINE APRIL

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	5332068
INVOICE ISSUE DATE	13 Feb 2015
RECORD LOCATOR	ZQJIAU
CUSTOMER NUMBER	0000SDCRAA

Client Address SAN DIEGO COUNTY REG AIRPORT AUTHORITY PO BOX 82776 SAN DIEGO CA 92138-2776
---

Notes SOUTHWEST NONSTOP 413.20 NONREF TKT BY TODAY
---

### DATE: Sat, Apr 11

<b>Flight: SOUTHWEST AIRLINES 2716</b>			
From	SAN DIEGO, CA	Departs	1:00pm
To	NEW ORLEANS, LA	Arrives	6:25pm
Departure Terminal	1		
Duration	3hr(s) 25min(s)	Class	Economy
Type	BOEING 737-700 JET	Meal	
Stop(s)	Non Stop		

### DATE: Tue, Apr 14

<b>Flight: SOUTHWEST AIRLINES 3405</b>			
From	NEW ORLEANS, LA	Departs	1:40pm
To	SAN DIEGO, CA	Arrives	3:40pm
		Arrival Terminal	1
Duration	4hr(s) 0min(s)	Class	Economy
Type	BOEING 737-700 JET	Meal	
Stop(s)	Non Stop		

### DATE: Sun, Oct 11

Others	NEW ORLEANS THANK YOU FOR YOUR BUSINESS
--------	---

## Ticket Information

Ticket Number	WN 2482958780	Passenger	BOLING C		
		Billed to:	AXXXXXXXXXXX	USD	* 431.20
Service Fee	XD 0643858000	Passenger	BOLING CATHERINE APRIL		
		Billed to:	AXXXXXXXXXXX	USD	* 30.00
				<b>SubTotal</b>	USD 461.20

Net Credit Card Billing \* USD 461.20

Total Amount Due USD 0.00

**ITINERARY NOTES:**

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY. SOUTHWEST AIRLINES CONFIRMATION NUMBER - BNKZCR

Your travel arranger provides the information contained in this document. If you have any questions about the content, please contact your travel arranger. For Credit Card Service fees, please see eTicket receipt for total charges.

**Warren Anne**

---

**From:** meetings@aci-na.org  
**Sent:** Friday, February 20, 2015 8:01 AM  
**To:** Warren Anne  
**Subject:** 2015 ACI-NA/AAAE Airport Board & Commissioners Conference - Confirmation

02/20/2015



**Meeting Confirmation Notice**

Please review your CONTACT information below as it will be used for rosters and badges. Any changes should be sent to [meetings@aci-na.org](mailto:meetings@aci-na.org) immediately.

Please note: The company name listed is per your Official Representative to ACI-NA. No changes to Company name is permitted.

Ms. C. April Boling  
Board Member  
Nick Name: C. April  
San Diego County Regional Airport Authority  
PO Box 82776 San Diego, CA 92138-2776

PH: (619) 400-2408  
FX: (619) 400-2406  
EM:

You are registered for the following:

**2015 ACI-NA/AAAE Airport Board & Commissioners Conference**  
From Sunday, April 12, 2015 through Tuesday, April 14, 2015

Description	UnitPrice	Quantity	Price
ACI-NA/AAAE Member Registration	\$ 690.00	1	\$ 690.00
		Total	690.00
		Payments	690.00
		<b>Balance</b>	0.00

Thank you for registering for the 2015 ACI-NA/AAAE Airport Board Members & Commissioners Conference, April 12-14, 2015. The conference will take place at the Hotel Monteleone in New Orleans. Dress for the conference is business casual. Registration fees for the

conference include all conference materials, handouts and the following meals.  
Sunday - beverage break and Welcome Reception.  
Monday - continental breakfast, lunch and 2 beverage breaks.  
Tuesday - continental breakfast and a beverage break.

#### HOTEL RESERVATIONS

Call The Hotel Monteleone at New Orleans directly at (504) 523-3314. Identify yourself as an ACI-NA/AAAE conference attendee to receive the special group rate of \$212 USD single/double occupancy plus applicable taxes and fees.

The last day to receive this rate is March 20, 2015. Rooms may sell out before this date so make your reservation early!

#### CANCELLATION/REFUND POLICY

Cancellations must be submitted in writing to [meetings@aci-na.org](mailto:meetings@aci-na.org) by March 20, 2015. Cancellations received by March 20, 2015 will receive a refund, less \$100 processing fee. Refunds will be processed after the conclusion of the conference. No refunds or credits will be given after the cancellation deadline date. No-shows are not eligible for refunds or credits. Substitutions are honored at any time.

We look forward to seeing you in New Orleans, LA at the 2015 ACI-NA/AAAE Airport Board Members & Commissioners Conference.

# Total Bill



Muriel's Jackson Square  
 801 Chartres St.  
 New Orleans, La. 70116  
 www.Muriels.com

8

0055b Table 403 #Party 2  
 DUSTIN V SvrCk: 2 8:24p 04/11/15  
 Separate checks: 1-jf-2

Tbl 21/1 Chk 1218 Gst 5  
 Apr 13 '15 07:29PM

1 CIOPPINO 31.00  
 1 GOAT CHS SALAD 9.00  
 1 DUCK TRIO 29.00

1 Tea Iced 3.25  
 1 App Crepe - DH 0.00  
 1 Spinach & Apple 8.50  
 1 Grilled Fish 29.00  
 1 E-Bayoubaïsse-dh 39.95  
 1 Veg. Plate 19.00  
 1 Crab Cake 16.00  
 2 Bayoubaïsse ala 52.00  
 1 DH-Creme Brul 0.00

Sub Total: 69.00  
 Tax : 6.73  
 Sub Total: 75.73

Subtotal 167.70  
 Tax 16.35  
 TOTAL DUE 184.05

04/11 9:16p TOTAL: 75.73

FOR YOUR CONVENIENCE:  
 GRATUITY18% 12.42  
 GRATUITY20% 13.80  
 GRATUITY22% 15.18

\*\*\* THANK YOU \*\*\*  
 FOR DINING WITH US  
 504-523-1504

Total Bill

RIB ROOM RESTAURANT  
OMNI ROYAL ORLEANS,  
NEW ORLEANS, LA

1038 DARREN

43/1                   CHK 1380   GST 5  
                          APR12'15  7:12PM

1	BABY LETTUCE	11.00
4	# 31.00	
	*PRINCESS CUT	124.00
1	*KING CUT	41.00
3	\$ BAKED POT @ 7.00	21.00
1	\$ ASPARAGUS	7.00

SUBTOTAL	204.00
TAX	19.89
TOTAL	\$ 223.89

GRATUITY .....

TOTAL .....

PRINT NAME .....

SIGNATURE .....

ROOM NUMBER .....





Muriel's Jackson Square  
501 Chartres St.  
New Orleans, LA 70116  
www.Muriel's.com

Date: Apr 13 '15 09:13PM  
Card Type: Visa  
Acct #: XXXXXXXXXX  
Card Entry: SWIPED  
Trans Type: PURCHASE  
Trans Key: DID003872207935  
Auth Code: 00469G  
Check: 1218  
Table: 21/1  
Server: 8

Subtotal: 30.68  
Gratuity: 6.00  
Total: 36.68

Signature \_\_\_\_\_

For your convenience we are providing the following gratuity calculations:

15% is \$25.16  
18% is \$30.19  
20% is \$33.54

\*\*\* Muriel's.com \*\*\*

RIB ROOM RESTAURANT  
OMNI ROYAL ORLEANS  
NEW ORLEANS, LA  
(504) 529-5333

CHECK: 1380  
TABLE: 43/1  
SERVER: 1038 DARREN  
DATE: APR 12 '15 9:27PM  
CARD TYPE: VISA  
ACCT #: XXXXXXXXXX  
EXP DATE: XX/XX  
AUTH CODE: 01489G  
C BOLING

SUBTOTAL: 44.77  
GRATUITY: 8.00  
TOTAL: 52.77

PRINT NAME \_\_\_\_\_

SIGNATURE \_\_\_\_\_

0055  
Server: DUSTIN V  
04/11/15 21:19, Swiped T: 403 Term: 4  
Rec: 44

THE PELICAN CLUB  
( )  
MERCHANT #:

CARD TYPE ACCOUNT NUMBER  
VISA XXXXX(XXXXXX)  
00 TRANSACTION APPROVED  
AUTHORIZATION #: 07900;  
Reference: 0411010000035  
TRANS TYPE: Credit Card SALE

CHECK: 37.87  
TIP: 8.00  
TOTAL: 45.87

X \_\_\_\_\_

PHONE: ( )  
CARDHOLDER WILL PAY CARD ISSUER ABOVE  
AMOUNT PURSUANT TO CARDHOLDER AGREEMENT  
total and sign one copy, keep the other



*ink.* : All Accounts (...)

Account Info	Payment Info
Current balance	Balance last statement (03/25/2015)
Pending charges	Minimum payment due
Available credit	Payment due date
Ultimate Rewards	

Temporary Authorizations

Trans Date	Type	Description	Amount
04/20/2015	Pending	SAN CARLOS VALERO	\$45.75

Posted Activity

Since Last Statement

Trans Date	Post Date	Type	Description	Expense Category	Amount
04/16/2015	04/16/2015		[REDACTED]		[REDACTED]
04/15/2015	04/16/2015		[REDACTED]		[REDACTED]
04/14/2015	04/15/2015		[REDACTED]		[REDACTED]
04/13/2015	04/15/2015		[REDACTED]		[REDACTED]
04/13/2015	04/15/2015	Sale	MURJEL'S JACKSON SQUARE	Dining Out	\$36.68 <sup>1/6</sup>
04/13/2015	04/14/2015	Sale	RIB ROOM ROYL ORLN	Dining Out	\$52.77 <sup>1/5</sup>
04/13/2015	04/14/2015		[REDACTED]		[REDACTED]
04/11/2015	04/14/2015		[REDACTED]		[REDACTED]
04/11/2015	04/14/2015	Sale	THE PELICAN CLUB	Dining Out	\$45.87 <sup>1/2</sup>
04/10/2015	04/10/2015		[REDACTED]		[REDACTED]
04/07/2015	04/09/2015		[REDACTED]		[REDACTED]
04/07/2015	04/09/2015		[REDACTED]		[REDACTED]
04/05/2015	04/07/2015		[REDACTED]		[REDACTED]
04/03/2015	04/05/2015		[REDACTED]		[REDACTED]



# Hotel Monteleone

Catherine April Bolling  
United States

Room No. 1027  
Arrival 04-11-15  
Departure 04-14-15  
Folio No.  
Invoice No.  
Cashier No. 324  
Page No. 1 of 1  
Invoice Date 04-14-15  
Booking No.

**INFORMATION INVOICE**

Date	Description	Debit (\$)	Credit (\$)
04-11-15	Room Charge	399.00	
04-11-15	Room Tax City	15.96	
04-11-15	Room Tax State	35.91	
04-11-15	Occupancy Tax	2.00	
04-11-15	Tourism Assessment	6.98	
04-12-15	Room Charge	169.00	
04-12-15	Room Tax City	6.76	
04-12-15	Room Tax State	15.21	
04-12-15	Occupancy Tax	2.00	
04-12-15	Tourism Assessment	2.96	
04-13-15	Room Charge	169.00	
04-13-15	Room Tax City	6.76	
04-13-15	Room Tax State	15.21	
04-13-15	Occupancy Tax	2.00	
04-13-15	Tourism Assessment	2.96	
04-14-15	Visa Card XXXXXXXXXXXX		851.71
<b>Total</b>		<b>851.71</b>	<b>851.71</b>
<b>Balance \$</b>			<b>0.00</b>

For your convenience, we have prepared this zero-balance folio indicating a \$0 balance on your account. Please be advised that any charges not reflected on this folio will be charged to the credit card on file with the hotel. If all charges reflected are correct there is no need to stop at the Front Desk as we will automatically process your check-out. While this folio reflects a \$0 balance, your credit card may not be charged until after your departure. You are ultimately responsible for paying all your folio charges in full.

If you had a pleasurable stay, please rate us 5 out of 5 on Yelp and Trip Advisor.





**ACI-NA/AAAE  
Airport Board Members & Commissioners Conference  
-AGENDA-**

April 12-14, 2015 • The Hotel Monteleone • New Orleans, LA

Sponsor:



**Sunday, April 12, 2015**

- 8:00am – 4:00pm **Registration**  
*Bienville; The Hotel Monteleone*
- 9:00am – 10:30am **New Commissioner Orientation Training**  
*Royal D; The Hotel Monteleone*
- Speaker: Nathan Pick, ACI-NA
- 11:00am – 1:30pm **Commissioners Full Committee Meeting and Lunch**  
*Iberville; The Hotel Monteleone*

- 1:30pm – 2:00pm **\*Opening and Welcome Remarks**  
*La Nouvelle Orleans East*
- Speakers: Todd Hauptli, AAAE  
Kevin M. Burke, ACI-NA  
Debbie Wright, Metropolitan Nashville Airport Authority  
Iftikhar Ahmad, Louis Armstrong New Orleans International Airport
- \*All General Session Presentations will take place in the La Nouvelle Orleans East, The Hotel Monteleone
- 2:00pm – 2:45pm **Airport Industry Policy Priorities and Government Affairs Presentation**
- Speakers: George Kelemen, ACI-NA  
Joel Bacon, AAAE
- 2:45pm – 3:15pm **AirportsUnited.com and Airports for the Future Update**
- Speakers: Gwen Basaria, AAAE  
Nathan Pick, ACI-NA
- 3:15pm – 3:30pm **Networking Break**
- 3:30pm – 4:15pm **Getting It Right: Civil Rights, DBE, and ACDBE**  
Dolores Leyva, Federal Aviation Administration
- 4:15pm – 5:00pm **Sustainability Initiatives and Financial Impacts**
- 5:30pm – 6:30pm **Welcome Reception**  
*La Nouvelle Orleans West; The Hotel Monteleone*

**Monday, April 13, 2015**

- 8:00am – 4:00pm **Registration**  
*Bienville; The Hotel Monteleone*
- 8:00am – 8:45am **Continental Breakfast**  
*La Nouvelle Orleans West; The Hotel Monteleone*
- 9:00am – 9:45am **FAA Presentation**  
Speaker: Eddie Angeles, Federal Aviation Administration
- 9:45am – 10:30am **Forecasting the Numbers: The Economy and the Industry**  
Speaker: Jeff Stanley, Ricondo and Associates, Inc.

- 10:30am –11:00am **Networking/Refreshment Break**  
*Foyer; The Hotel Monteleone*
- 11:00am –11:45am **Commissioners Speak Panel**
- 11:45am –12:30pm **Edge for Vets at Airports**  
Speaker: Tom Murphy, Forham University
- 12:30pm – 2:00pm **Keynote Luncheon**  
Speaker: General Wesley Clark, Chairman, Bill and Hillary Clinton National Airport
- 2:00pm – 2:45pm **The First Amendment at Airports**  
Speaker: Bret Lobner, San Diego County Regional Airport Authority
- 2:45pm – 3:15pm **Networking/Refreshment Break**  
*Foyer; The Hotel Monteleone*
- 3:15pm – 4:00pm **Cybersecurity, IT Challenges at Smaller Airports and Common Use Technology**  
Speaker: Royce Holden, The Greater Asheville Regional Airport Authority

**Tuesday, April 14, 2015**

- 8:00am – 10:00am **Registration**  
*Bienville; The Hotel Monteleone*
- 8:00am – 8:45am **Continental Breakfast**  
*La Nouvelle Orleans West; The Hotel Monteleone*
- 8:45am- 10:15am **Airport Security and Transportation Security Administration: Year in Review**  
Speaker: Chris Bidwell, ACI-NA
- 10:15am –10:45am **Networking Break**  
*Foyer; The Hotel Monteleone*
- 10:45am –11:30am **ACI-NA Scholarship and Commissioners Committee Recruitment**  
Speaker: Debbie Wright, Metropolitan Nashville Airport Authority and Shirley James, Savannah Airport Commission
- 11:30am –11:45am **Closing**
- 11:45am –12:30pm **Box Lunch**  
*Foyer; The Hotel Monteleone*

**THELLA F. BOWENS**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
TRAVEL EXPENSE REPORT**

*(To be completed within 30 days from travel return date)*

TRAVELER: Thella F. Bowens DEPT. NAME & NO. Executive Office/BU 6  
 DEPARTURE DATE: 3/31/2015 RETURN DATE: 4/2/2015 REPORT DUE: 5/2/15  
 DESTINATION: Dallas, TX

*Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.*

	Authority Expenses (Prepaid by Authority)	Employee Expenses								TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY 4/1/15	THURSDAY 4/2/15	FRIDAY	SATURDAY		
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	\$338.20									0.00
Conference Fees (provide copy of flyer/registration expenses)										0.00
Rental Car*						73.86				73.86
Gas and Oil*										0.00
Garage/Parking*										0.00
Mileage - attach mileage form*										0.00
Taxi and/or Shuttle Fare (include tips pd.)*										0.00
Hotel*										0.00
Telephone, Internet and Fax*										0.00
Laundry*										0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)										0.00
Meals (include tips pd.)	Breakfast*									0.00
	Lunch*									0.00
	Dinner*									0.00
	Other Meals*									0.00
<i>Alcohol is a non-reimbursable expense</i>										
Hospitality <sup>1</sup> *										0.00
Miscellaneous:										0.00
										0.00
*Provide detailed receipts										0.00
<b>Total Expenses prepaid by Authority</b>	<b>338.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>73.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>73.86</b>

Explanation:	Total Expenses Prepaid by Authority	338.20
	Total Expenses Incurred by Employee (including cash advances)	73.86
	<b>Grand Trip Total</b>	<b>412.06</b>
	Less Cash Advance (attach copy of Authority ok)	
	Less Expenses Prepaid by Authority	338.20
	Due Traveler (positive amount) <sup>2</sup>	
	Due Authority (negative amount) <sup>3</sup>	73.86
<i>Note: Send this report to Accounting even if the amount is \$0.</i>		

<sup>1</sup> Give names and business affiliations of any persons whose meals were paid by traveler.  
<sup>2</sup> Prepare Check Request  
<sup>3</sup> Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy<sup>1</sup> and 3.30 - Business Expense Reimbursement Policy<sup>2</sup> and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.  
<sup>1</sup> Travel and Lodging Expense Reimbursement Policy 3.40      <sup>2</sup> Business Expense Reimbursement Policy 3.30

Prepared By: Kim Ayers Ext.: 2447  
 Traveler Signature: *Thella F. Bowens* Date: 4/16/2015  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE** (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)  
 I, \_\_\_\_\_ hereby certify that this document was approved by the Executive Committee at its \_\_\_\_\_ meeting.  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 (Leave blank and we will insert the meeting date.)

*Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2808.*





Traveltrust  
Phone: 1-760-635-1700

Electronic Invoice

Prepared For:  
BOWENS/THELLA

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	5334064
INVOICE ISSUE DATE	03 Mar 2015
RECORD LOCATOR	RQJCFW
CUSTOMER NUMBER	0000SDCRAA

Client Address  
SAN DIEGO COUNTY REG AIRPORT AUTHORITY  
PO BOX 82778  
SAN DIEGO CA 92138-2778

DATE: Sat, Mar 28

Flight: UNITED AIRLINES 1740

From	SAN DIEGO, CA	Departs	8:35am
To	HOUSTON GEO BUSH, TX	Arrives	1:45pm
Departure Terminal	2	Arrival Terminal	C
Duration	3hr(s) 10min(s)	Class	United Economy
Type	BOEING 737-900 JET	Meal	Food for Purchase
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 10C Economy Plus Seat	XXXXXX
		Confirmed	

DATE: Sat, Mar 28

Flight: UNITED AIRLINES 5267

From	HOUSTON GEO BUSH, TX	Departs	2:32pm
To	DALLAS FT WORTH, TX	Arrives	3:45pm
Departure Terminal	B	Arrival Terminal	E
Duration	1hr(s) 13min(s)	Class	United Economy
Type	CRJ-700 CANADAIR REGIONAL JET	Meal	Refreshment
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 08B Economy Plus Seat	XXXXXX
		Confirmed	

DATE: Sat, Mar 28

Car: HERTZ, RENT CAR  
DALLAS FT WORTH, TX

Pick Up	3:45pm	Drop Off	06 Apr
Confirmation Number	G4984468896GOLD	Car Type	2/4 Door, Intermediate
CD.	40000	Member ID	XXXXXX
Phone	972-453-4600		

Rate Plan For -	9 Days,0 Hours	USD	MI/KM	Extra MI/KM
	USD Rate	136.25	UNL	0.00
	Extra Day	27.25	UNL	0.00
	Extra Hour	21.00	UNL	0.00
	Mandatory Charges	136.30		
	Approximate Total Price	327.05	UNL	
Notes	HERTZ.....800-654-3131			

**DATE: Mon, Apr 06**

<b>Flight: UNITED AIRLINES 226</b>			
From	DALLAS FT WORTH, TX	Departs	9:25am
To	HOUSTON GEO BUSH, TX	Arrives	10:34am
Departure Terminal	E	Arrival Terminal	C
Duration	1hr(s) 9min(s)	Class	United Economy
Type	AIRBUS INDUSTRIE A319 JET	Meal	
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 11C Economy	████-XXXX████ Plus Seat Confirmed

**DATE: Mon, Apr 06**

<b>Flight: UNITED AIRLINES 1657</b>			
From	HOUSTON GEO BUSH, TX	Departs	11:25am
To	SAN DIEGO, CA	Arrives	12:52pm
Departure Terminal	C	Arrival Terminal	2
Duration	3hr(s) 27min(s)	Class	United Economy
Type	BOEING 737-800 JET	Meal	Food for Purchase
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 11D Economy	████-XXXX████ Plus Seat Confirmed

**DATE: Sat, Oct 03**

<b>Others</b>	
HOUSTON GEO BUSH THANK YOU FOR YOUR BUSINESS	

**Ticket Information**

Ticket Number	UA7577712375	Passenger	BOWENS THELLA		
		Billed to:	████████████████████	USD	* 308.20
Service Fee	XD 0644567482	Passenger	BOWENS THELLA		
		Billed to:	████████████████████	USD	* 30.00
			<b>SubTotal</b>		USD 338.20
			<b>Net Credit Card Billing</b>		* USD 338.20
			<b>Total Amount Due</b>		USD 0.00

**ITINERARY NOTES:**  
 THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Thella F. Bowens Dept: Exec Office BU6  
 Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 2/24/15 PLANNED DATE OF DEPARTURE/RETURN: 3/31/15 / 4/2/15

**3. DESTINATIONS/PURPOSE** (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Dallas, TX Purpose: Meetings with Southwest and American Airlines

Explanation: \_\_\_\_\_

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

• AIRFARE	\$	500.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	_____
B. LODGING	\$	400.00
C. MEALS	\$	100.00
D. SEMINAR AND CONFERENCE FEES	\$	_____
E. ENTERTAINMENT (If applicable)	\$	_____
F. OTHER INCIDENTAL EXPENSES	\$	50.00
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	\$	<b>1050.00</b>

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 25 Feb 2015

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, Lorraine Bennett, Asst. Authority Clerk II, hereby certify that this document was approved  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 by the Executive Committee at its March 9, 2015 meeting.  
 (Leave blank and we will insert the meeting date.)

THE HERTZ CORPORATION  
Phone: 800-654-4173  
Web: www.hertz.com



Rental Agreement No: 156290864  
Date: 04/09/2015  
Document: 945000669258

Direct All Inquiries To:  
THE HERTZ CORPORATION  
PO BOX 26120  
OKLAHOMA CITY, OK 73126-0120

CHARGE DETAIL

Renter: THELLA BOWENS  
Account No.: \*\*\*\*\*  
CDP No.: 40000  
CDP Name: IBM CORPORATION

MS THELLA FAYE BOWENS

RENTAL REFERENCE

Rental Agreement No: 156290864  
Reservation ID: G4984468696  
Frequent Traveler:

RENTAL DETAILS

Rate Plan: IN: CRL OUT: CRL  
Rented On: 03/28/2015 16:59 LOC# 160020  
DALLAS - DFW AP, TX  
Returned On: 04/06/2015 09:25 LOC# 160020  
DALLAS - DFW AP, TX  
Car Description: PASSAT 4D FHC2044  
Veh. No.: 8122921  
CAR CLASS Charged: C MILEAGE In: 2,948  
Rented: YF Out: 2,371  
Reserved: C Driven: 577

MISCELLANEOUS INFORMATION

CC AUTH: 142080 DATE: 2015/03/28 AMT: 527.00

RENTAL CHARGES

WEEKS	1 @	136.25	136.25
EXTRA DAYS	2 @	27.25	54.50
SUBTOTAL			190.75
FUEL & SERVICE			4.71
CONCESSION FEE RECOVERY			21.71
VEHICLE LICENSE FEE			16.65
CUSTOMER FACILITY CHARGE			55.80
TAX		15.00*	42.74

Gold Plus Rewards Points

Earned this rental: 195

TOTAL CHARGES

332.36 USD ÷ 9 = \$36.93/Day

9 DAYS TOTAL RENTAL @ \$36.93/DAY  
2 BUSINESS DAYS = \$73.86

E-RETURN RECEIPT

THANK YOU FOR RENTING FROM HERTZ

ALL CHARGES HAVE BEEN BILLED TO YOUR ACCOUNT.

Rental Agreement No: 156290864  
Date: 04/09/2015  
Document: 945000669258

Direct All Inquiries To:  
THE HERTZ CORPORATION  
PO BOX 26120  
OKLAHOMA CITY, OK 73126-0120  
UNITED STATES

Renter: THELLA BOWENS  
Account No.: \*\*\*\*\*

Phone: 800-654-4173  
Web: www.hertz.com

TOTAL CHARGES 332.36 USD

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**TRAVEL EXPENSE REPORT**

*(To be completed within 30 days from travel return date)*

TRAVELER: Thella F. Bowens DEPT. NAME & NO. Executive Office/BU 6  
 DEPARTURE DATE: 5/3/2016 RETURN DATE: 5/6/2016 REPORT DUE: 6/5/16  
 DESTINATION: Atlanta, GA

*Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.*

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)									0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*									0.00
Hotel*									0.00
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel srvs.)									0.00
Meals (include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*								0.00
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality <sup>1</sup> *									0.00
Miscellaneous:									0.00
									0.00
*Provide detailed receipts									0.00
<b>Total Expenses prepaid by Authority</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Explanation:	Total Expenses Prepaid by Authority	0.00
NOTE: Traveller is not attending conference. Therefore, no expenses are being incurred.	Total Expenses Incurred by Employee (Including cash advances)	0.00
	<b>Grand Trip Total</b>	<b>0.00</b>
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	0.00
	Due Traveler (positive amount) <sup>2</sup>	
	Due Authority (negative amount) <sup>3</sup>	0.00
	<i>Note: Send this report to Accounting even if the amount is \$0.</i>	

<sup>1</sup> Give names and business affiliations of any persons whose meals were paid by traveler.  
<sup>2</sup> Prepare Check Request  
<sup>3</sup> Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>5</sup> and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Kim Ayers Ext: 2447  
 Traveler Signature: *Thella F. Bowens* Date: 4/17/16  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE** (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)  
 I, \_\_\_\_\_ hereby certify that this document was approved by the Executive Committee at its \_\_\_\_\_ meeting.  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 (Leave blank and we will insert the meeting date.)

*Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.*

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Thella F. Bowens Dept: 6  
 Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 1/20/15 PLANNED DATE OF DEPARTURE/RETURN: 5/3/15 / 5/6/15

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):**

Destination: Atlanta, GA Purpose: Attend Smart Airports & Regions Conference  
 Explanation: Speaking on panel: Sustainable Airports

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

• AIRFARE	\$	600.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	100.00
B. LODGING	\$	800.00
C. MEALS	\$	300.00
D. SEMINAR AND CONFERENCE FEES	\$	Comp
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	100.00
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	\$	<b>1900.00</b>

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: *Thella F. Bowens* Date: 21 Jan 2015

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, Lorraine Bennett, Assistant Authority Clerk, hereby certify that this document was approved  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its February 9, 2015 meeting.  
 (Leave blank and we will insert the meeting date.)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**TRAVEL EXPENSE REPORT**

*(To be completed within 30 days from travel return date)*

TRAVELER: Thella F. Bowens DEPT. NAME & NO. Executive Office/BU 6  
 DEPARTURE DATE: 4/19/2015 RETURN DATE: 4/21/2015 REPORT DUE: 5/21/15  
 DESTINATION: Phoenix, AZ

*Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.*

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)									0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*									0.00
Hotel*									0.00
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*								0.00
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality <sup>1*</sup>									0.00
Miscellaneous:									0.00
									0.00
									0.00
*Provide detailed receipts									0.00
<b>Total Expenses prepaid by Authority</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Explanation:	Total Expenses Prepaid by Authority	0.00
NOTE: Traveller is not attending conference. Therefore, no expenses are being incurred.	Total Expenses Incurred by Employee (including cash advances)	0.00
	<b>Grand Trip Total</b>	<b>0.00</b>
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	0.00
	<b>Due Traveler (positive amount)<sup>2</sup></b>	
	<b>Due Authority (negative amount)<sup>3</sup></b>	<b>0.00</b>
	<i>Note: Send this report to Accounting even if the amount is \$0.</i>	

<sup>1</sup> Give names and business affiliations of any persons whose meals were paid by traveler.  
<sup>2</sup> Prepare Check Request  
<sup>3</sup> Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>5</sup> and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.  
<sup>4</sup> Travel and Lodging Expense Reimbursement Policy 3.40      <sup>5</sup> Business Expense Reimbursement Policy 3.30

Prepared By: Kim Ayers Ext.: 2447  
 Traveler Signature: *Thella F. Bowens* Date: 4/17/15  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE** (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, \_\_\_\_\_ hereby certify that this document was approved by the Executive Committee at its \_\_\_\_\_ meeting.  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 (Leave blank and we will insert the meeting date.)

*Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.*

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Thella F. Bowens Dept: Exec Office BU6  
 Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 12/16/14 PLANNED DATE OF DEPARTURE/RETURN: 4/19/15 / 4/21/15

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):**

Destination: Phoenix, AZ Purpose: Attend ACI-NA 2015 Business of Airports Conference

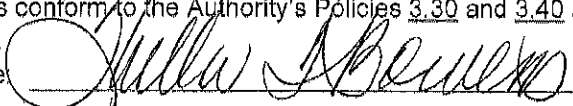
Explanation: \_\_\_\_\_

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

• AIRFARE	\$	450.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	100.00
B. LODGING	\$	560.00
C. MEALS	\$	200.00
D. SEMINAR AND CONFERENCE FEES	\$	820.00
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	100.00
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	\$	<b>2230.00</b>

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 16 Dec 2014

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, Lorraine Bennett, Assistant Authority Clerk II, hereby certify that this document was approved  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 by the Executive Committee at its January 5, 2015 meeting.  
 (Leave blank and we will insert the meeting date.)



**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**TRAVEL EXPENSE REPORT**

*(To be completed within 30 days from travel return date)*

TRAVELER: Thella F. Bowens DEPT. NAME & NO. Executive Office/BU 6  
 DEPARTURE DATE: 3/25/2015 RETURN DATE: 3/27/2015 REPORT DUE: 4/28/15  
 DESTINATION: Sacramento, CA

*Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.4.0, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.*

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	\$568.20				3/25/15	3/28/15	3/27/15		0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*							42.00		42.00
Hotel*				125.50	263.50				389.00
Telephone, Internet and Fax*					9.95				9.95
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel svcs.)									0.00
Meals (include tips pd.)	Breakfast*								0.00
	Lunch*								0.00
	Dinner*								0.00
	Other Meals*								0.00
<i>Alcohol is a non-reimbursable expense</i>									
Hospitality <sup>1</sup> *									0.00
Miscellaneous:									0.00
									0.00
*Provide detailed receipts									0.00
<b>Total Expenses prepaid by Authority</b>	<b>568.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>125.60</b>	<b>273.45</b>	<b>42.00</b>	<b>0.00</b>	<b>440.95</b>

Explanation:	Total Expenses Prepaid by Authority	568.20
	Total Expenses Incurred by Employee (including cash advances)	440.95
	<b>Grand Trip Total</b>	<b>1,009.15</b>
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	568.20
	<b>Due Traveler (positive amount)<sup>2</sup></b>	
	<b>Due Authority (negative amount)<sup>3</sup></b>	<b>440.95</b>

*Note: Send this report to Accounting even if the amount is \$0.*

<sup>1</sup> Give names and business affiliations of any persons whose meals were paid by traveler.  
<sup>2</sup> Prepare Check Request  
<sup>3</sup> Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy<sup>4</sup> and 3.30 - Business Expense Reimbursement Policy<sup>5</sup> and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.  
<sup>4</sup> Travel and Lodging Expense Reimbursement Policy 3.40      <sup>5</sup> Business Expense Reimbursement Policy 3.30

Prepared By: Kim Ayers Ext.: 2447  
 Traveler Signature: Thella F. Bowens Date: 4/17/2015  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE** (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, \_\_\_\_\_ hereby certify that this document was approved by the Executive Committee at its \_\_\_\_\_ meeting.  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel travelling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Thella F. Bowens Dept: 6  
 Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)


2. DATE OF REQUEST: 1/7/15 PLANNED DATE OF DEPARTURE/RETURN: 3/25/15 / 3/26/15

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):  
Destination: Sacramento, CA Purpose: California Airports Council Board Meeting  
 Explanation:

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

A. TRANSPORTATION COSTS:	
• AIRFARE	\$ 500.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100.00
B. LODGING	\$ 185.00
C. MEALS	\$ 75.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$ 860.00</b>

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 1/7/2015

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

- By my signature below, I certify the following:
1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
  2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
  3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

Lorraine Bennett, Assistant Authority Clerk II, hereby certify that this document was approved  
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
 by the Executive Committee at its February 9, 2015 meeting.  
 (Leave blank and we will insert the meeting date.)



Traveltrust  
Phone: 1-760-835-1700

Electronic Invoice

Prepared For:  
BOWENS/THELLA

Ref: 06

SALES PERSON	E4
INVOICE NUMBER	5333326
INVOICE ISSUE DATE	25 Feb 2015
RECORD LOCATOR	PVUCOA
CUSTOMER NUMBER	0000SDCRAA

Client Address  
SAN DIEGO COUNTY REG AIRPORT AUTHORITY  
PO BOX 82776  
SAN DIEGO CA 92138-2776

DATE: Wed, Mar 25

Flight: SOUTHWEST AIRLINES 342

From	SAN DIEGO, CA	Departs	7:40am
To	SACRAMENTO, CA	Arrives	9:10am
Departure Terminal	1	Arrival Terminal	B
Duration	1hr(s) 30min(s)	Class	Economy
Type	BOEING 737-700 JET	Meal	
Stop(s)	Non Stop		
Notes	ECONOMY CLASS-BUSINESS SELECT CONFIRMED		

DATE: Fri, Mar 27

Flight: SOUTHWEST AIRLINES 285

From	SACRAMENTO, CA	Departs	10:05am
To	SAN DIEGO, CA	Arrives	11:30am
Departure Terminal	B	Arrival Terminal	1
Duration	1hr(s) 25min(s)	Class	Economy
Type	BOEING 737-700 JET	Meal	
Stop(s)	Non Stop		
Notes	ECONOMY CLASS-BUSINESS SELECT CONFIRMED		

DATE: Wed, Sep 23

Others

SACRAMENTO THANK YOU FOR YOUR BUSINESS XD 0644304798	BOWENS THELLA Billed to: XXXXXXXXXXXX	USD * 30.00
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Ticket Information

Ticket Number	WN 2486593682	Passenger	BOWENS T		
		Billed to:	XXXXXXXXXX	USD	* 538.20
				SubTotal	USD 568.20
				Net Credit Card Billing	* USD 568.20

Total Amount Due

USD 0,00

**ITINERARY NOTES:**

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE, CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY. SOUTHWEST AIRLINES CONFIRMATION NUMBER - 891ZLG

Your travel arranger provides the information contained in this document. If you have any questions about the content, please contact your travel arranger. For Credit Card Service fees, please see eTicket receipt for total charges.

*The*  
**CITIZEN**  
HOTEL

Ms. Thella Bowens  
P.o. Box 82776  
San Diego CA 92138-2776

Room No.: 1021  
Arrival: 03-25-15  
Departure: 03-26-15  
Page No.: 1 of 1  
Folio No.: 254693  
Conf #: 7743631  
Cashier: 2366  
Booking #:

Joy of Life Club #:  
Company Name: Schott & Lites Advocates  
Block Code: 1503CALIFO\_024  
Guest Name:

Date	Description	Charges	Credits
03-25-15	Room Charge	109.00	
03-25-15	Occupancy Tax	13.08	
03-25-15	City of Sacramento Tourism Assessment	3.27	
03-25-15	CA Tourism Assessment	0.15	
03-26-15	American Express XXXXXXXXXXXX		125.50
	Total	125.50	125.50
	Balance		0.00

Thank you for choosing the Citizen Hotel

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or association fails to pay for any of the full amount of these charges. I also agree that all charges contained in this account are correct and any disputes or requests for copies of charges must be made at time of departure.

Signature: \_\_\_\_\_

*The*  
**CITIZEN**  
HOTEL

Ms. Thella BOWENS  
P.O. Box 82776  
San Diego CA 92138-2776

Room No.: 1021  
Arrival: 03-26-15  
Departure: 03-27-15  
Page No.: 1 of 1  
Folio No.:  
Conf #: 7881334  
Cashier: 1531  
Booking #:

Joy of Life Club #:  
Company Name: Schott & Lites Advocates

Guest Name:

Date	Description	Charges	Credits
03-26-15	Internet Charge	9.95	
<hr style="border: 2px solid black;"/>			
03-26-15	Room Charge	229.00	
03-26-15	Occupancy Tax	27.48	
03-26-15	City of Sacramento Tourism Assessment	0.87	
03-26-15	CA Tourism Assessment	0.15	
03-27-15	American Express XXXXXXXXXXXX XX/XX		274.81
<b>Total</b>		<b>274.81</b>	<b>274.81</b>
		<b>Balance</b>	<b>0.00</b>

} \$263.50

Thank you for choosing the Citizen Hotel

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or association fails to pay for any of the full amount of these charges. I also agree that all charges contained in this account are correct and any disputes or requests for copies of charges must be made at time of departure.

Signature: \_\_\_\_\_

**RECEIPTS FROM TRAVEL TO CALIFORNIA AIRPORTS COUNCIL  
BOARD MEETING - SACRAMENTO, CA  
MARCH 25-26, 2015 - THELLA F. BOWENS**

**Yellow Cab Co.**<sup>SM</sup>  
OF SACRAMENTO  
**(916) 444-2222**  
900 RICHARDS BLVD.  
SACRAMENTO, CA 95811  
www.yellowcabsacramento.com



All spaces must be completed. Write N/A if not applicable.

PLEASE USE BLACK INK ONLY

2029376

\$ 3.60 + tip  
Total Fare  
Driver Entry Only

Date 3/27/15  
Para \_\_\_\_\_  
Meter Amt. \$ \_\_\_\_\_  
Tip \$ \_\_\_\_\_  
Passenger Entry Only  
Total \$ \_\_\_\_\_  
Passenger Entry Only

From Citizen Hotel \$42.00 Pickup Time \_\_\_\_\_  
To Sac Airport Drop Time \_\_\_\_\_  
Conf. # \_\_\_\_\_  
Bill To \_\_\_\_\_ Billing Ref. \_\_\_\_\_ Cab # \_\_\_\_\_  
Miles \_\_\_\_\_  
Passenger Name \_\_\_\_\_ Driver \_\_\_\_\_  
Driver ID \_\_\_\_\_  
Passenger Signature \_\_\_\_\_  
Valid only in Yellow Cab and Union Taxi vehicles.  
10/2014



**SCHEDULE**  
**March 25-26, 2015**  
**California Airports Council**  
**Board Meeting**  
**Tsakopoulos Library Galleria**  
**828 I Street**  
**Sacramento, CA**

**WEDNESDAY, MARCH 25**

- 5:45 P.M. Meet in hotel lobby and walk to dinner, or please let CAC staff know if you need a ride to the restaurant.
- 6:00 P.M. Lucca Restaurant  
1615 J Street  
Sacramento, CA  
916.669.5300  
Business Casual Attire

**THURSDAY, MARCH 26**

- 8:15 A.M. Full Breakfast at Tsakopoulos Library Galleria
- 9:00 A.M. CAC Board Meeting
- 12:00 P.M. Adjournment and Lunch



# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



## **DRAFT** **BOARD**

## **AGENDA**

Thursday, May 21, 2015  
9:00 A.M.

San Diego International Airport  
Commuter Terminal – Third Floor  
Board Room  
3225 N. Harbor Drive  
San Diego, California 92101

### BOARD MEMBERS

DAVID ALVAREZ  
LAURIE BERMAN\*  
C. APRIL BOLING  
GREG COX  
JIM DESMOND  
COL. JOHN FARNAM\*  
ROBERT H. GLEASON  
LLOYD B. HUBBS  
JIM JANNEY  
ERAINA ORTEGA\*  
PAUL ROBINSON  
MARY SESSOM

\* EX OFFICIO BOARD MEMBERS

PRESIDENT/CEO  
THELLA F. BOWENS

***Live webcasts of Authority Board meetings can be accessed at  
<http://www.san.org/Airport-Authority/Meetings-Agendas?EntryId=1954>***

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

**NOTE:** Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

*The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Corporate & Information Governance/Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.*

**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

**PRESENTATIONS:**

**A. U.S. ENVIRONMENTAL PROTECTION AGENCY AWARD FOR CLIMATE LEADERSHIP:**

Presented By Laura Engeman, San Diego Regional Climate Collaborative

**B. FINANCIAL UPDATE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2015:**

Presented by Kathy Kiefer, Senior Director, Finance & Asset Management

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

***STANDING BOARD COMMITTEES***

• **AUDIT COMMITTEE:**

Committee Members: Gleason, Hollingworth, Hubbs (Vice Chair), Robinson (Chair), Sessom, Tartre, Van Sambeek

• **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**

Committee Members: Alvarez (Vice Chair), Boling, Gleason, Hubbs (Chair), Robinson

• **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**

Committee Members: Cox, Desmond (Chair), Hubbs, Janney, Sessom (Vice Chair)

• **FINANCE COMMITTEE:**

Committee Members: Alvarez, Boling (Vice Chair), Cox (Chair), Janney, Sessom

***ADVISORY COMMITTEES***

• **AUTHORITY ADVISORY COMMITTEE:**

Liaison: Robinson (Primary), Boling

• **ART ADVISORY COMMITTEE:**

Committee Member: Gleason

## ***LIAISONS***

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**  
Liaison: Janney
- **CALTRANS:**  
Liaison: Berman
- **INTER-GOVERNMENTAL AFFAIRS:**  
Liaison: Cox
- **MILITARY AFFAIRS:**  
Liaison: Farnam
- **PORT:**  
Liaisons: Cox, Gleason (Primary), Robinson
- **WORLD TRADE CENTER:**  
Representatives: Alvarez, Gleason (Primary)

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

- **SANDAG TRANSPORTATION COMMITTEE:**  
Representatives: Alvarez (Primary), Hubbs

## **CHAIR'S REPORT:**

## **PRESIDENT/CEO'S REPORT:**

## **NON-AGENDA PUBLIC COMMENT:**

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

**Note:** Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

**CONSENT AGENDA (Items 1-20):**

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

**1. APPROVAL OF MINUTES:**

The Board is requested to approve minutes of prior Board meetings.

RECOMMENDATION: Approve the minutes of the April 23, 2015, 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:**

The Board is requested to accept the reports.

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

**(Corporate & Information Governance: Tony Russell, Director/Authority Clerk)**

**3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MARCH 30, 2015 THROUGH APRIL 26, 2015, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 30, 2015 THROUGH APRIL 26, 2015:**

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

**(Procurement: Jana Vargas, Director)**

**4. MAY 2015 LEGISLATIVE REPORT:**

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, approving the May 2015 Legislative Report.

**(Inter-Governmental Relations: Michael Kulis, Director)**

**5. AMEND AUTHORITY CODE 7.01 – PERSONAL CONDUCT, TO CLARIFY EXISTING LANGUAGE AND FORMATTING AND ADD SPECIFIC ENFORCEMENT LANGUAGE:**

The Board is requested to amend the code.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, amending Authority Code 7.01 – Personal Conduct, to clarify existing language and formatting and add specific enforcement language.

**(Airside Operations/Public Safety & Security: George Condon, Director)**

**6. AMEND AUTHORITY CODE 7.12 – RIGHT OF WAY, TO ADDRESS SPECIFIC WHEELED VEHICLES:**

The Board is requested to amend the code.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, amending Authority Code 7.12 – Right of Way, to address specific wheeled vehicles.

**(Airside Operations/Public Safety & Security: George Condon, Director)**

**7. CLARIFICATION REGARDING BUSINESS PERFORMANCE INCENTIVE:**

The Board is requested to receive and approve the information.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, approving clarifications to the Business Performance Incentive.

**(Finance & Asset Management: Scott Brickner, Vice President/Treasurer)**

***CLAIMS***

**8. REJECT THE CLAIM OF ANNE BRADEN:**

The Board is requested to reject a claim.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, rejecting the claim of Anne Braden.

**(Legal: Breton Lobner, General Counsel)**

**9. REJECT THE CLAIM OF COLLEEN BRANDT:**

The Board is requested to reject a claim.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, rejecting the claim of Colleen Brandt.

**(Legal: Breton Lobner, General Counsel)**

***COMMITTEE RECOMMENDATIONS***

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

The Board is requested to approve the amendments.

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2015-\_\_\_\_, approving amendments to Authority Policy 4.40 – Debt Issuance and Management Policy.

**(Finance & Asset Management: Scott Brickner, Vice President/Treasurer)**

**11. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/TREASURER:**

The Board is requested to approve the amendments.

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2015-\_\_\_\_, approving amendments to Authority Policy 4.20 – Guidelines for Prudent Investments, and delegation of authority to invest and manage Authority funds to the Vice President, Finance and Asset Management/Treasurer.

**(Finance & Asset Management: Scott Brickner, Vice President/Treasurer)**

**12. FISCAL YEAR 2015 THIRD QUARTER AUDIT ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**

The Board is requested to accept the report.

RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

**(Audit: Mark A. Burchyett, Chief Auditor)**

**13. FISCAL YEAR 2016 PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**

The Board is requested to approve the plan.

RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2015-\_\_\_\_, approving the Fiscal Year 2016 Proposed Audit Plan of the Office of the Chief Auditor.

**(Audit: Mark A. Burchyett, Chief Auditor)**

***CONTRACTS AND AGREEMENTS***

**14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH (TBD) FOR ON-CALL ENVIRONMENTAL PROGRAM MANAGEMENT SERVICES:**

The Board is requested to approve an agreement.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, approving and authorizing the President/CEO to execute an agreement with (TO BE DETERMINED) for On-Call Environmental Program Management Services.

**(Environmental Affairs: Paul Manasjan, Director)**

**15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE LEGAL SERVICES AGREEMENT WITH BEST BEST & KRIEGER, LLP:**

The Board is requested to approve an amendment.

RECOMMENDATION: Adopt Resolution 2015-\_\_\_\_, authorizing the President/CEO to exercise the first option to extend the term of the contract by one year to expire no later than July 14, 2016 and to increase the amount of compensation by \$300,000 for a not-to-exceed amount of \$600,000.

**(Legal: Breton Lobner, General Counsel)**

**16. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A CONSENT OF ASSIGNMENT WITH ADVANTAGE OPCO, LLC:**

The Board is requested to approve a Consent of Assignment.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, approving and authorizing the President/CEO to execute a Consent to Assignment with Advantage Opco, LLC.

**(Finance & Asset Management: Kathy Kiefer, Senior Director)**

**17. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A PUBLIC IMPROVEMENT MAINTENANCE AGREEMENT WITH THE CITY OF SAN DIEGO:**

The Board is requested to approve an agreement.

RECOMMENDATION: Adopt Resolution No. 2015\_\_\_\_, approving and authorizing the President/CEO to execute a Public Improvement Maintenance Agreement with the City of San Diego in support of the Rental Car Center Wayfinding project.

**(Finance & Asset Management: Kathy Kiefer, Senior Director)**

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

**18. AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC., FOR QUIETER HOME PROGRAM PHASE 8, GROUP 6 (43 HISTORIC AND NON-HISTORIC SINGLE AND MULTI-FAMILY UNITS ON 16 RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT):**

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, awarding a contract to G&G Specialty Contractors, Inc., in the amount of \$1,523,682, for Phase 8, Group 6, Project No. 380806, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

**(Airport Planning & Noise Mitigation: Keith Wilschetz, Director)**

**19. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE FIRST AMENDMENTS TO THE ON-CALL GENERAL CONSTRUCTION SERVICE AGREEMENTS WITH (1) DYNAMIC CONTRACTING SERVICES, INC.; (2) THE VASQUEZ COMPANY; (3) EC CONSTRUCTORS, INC.; (4) GORDON-PRILL SAN DIEGO, INC.; AND, (5) RAL INVESTMENT CORPORATION DBA SILVERSTRAND CONSTRUCTION:**

The Board is requested to execute the amendments.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, approving and authorizing the President/CEO to execute first amendments to the On-Call General Construction Service Agreements with (1) Dynamic Contracting Services, Inc.; (2) The Vasquez Company; (3) EC Constructors, Inc.; (4) Gordon-Prill San Diego, Inc.; and (5) RAL Investment Corporation dba Silverstrand Construction, increasing the total amount payable by \$2,000,000 for an aggregate total not-to-exceed compensation amount of \$5,000,000 for all five agreements.

**(Facilities Management: Murray J. Bauer, Director)**

**20. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE ON-CALL APRON AND RAMP CLEANING SERVICE AGREEMENT WITH ABHE & SVOBODA, INC.:**

The Board is requested to execute an agreement.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, approving and authorizing the President/CEO to execute an On-Call Apron And Ramp Cleaning Service Agreement with Abhe & Svoboda, Inc. for a term of three years, with the option for two one-year extensions to be exercised at the discretion of the President/CEO, for a total not-to-exceed compensation amount of \$1,200,000 for 5 years, to provide On-Call Apron & Ramp Cleaning Services at San Diego International Airport.

**(Facilities Management: Murray J. Bauer, Director)**

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**NEW BUSINESS:**

**21. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2016, THE CAPITAL PROGRAM FOR FISCAL YEARS 2016-2020, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2017:**

The Board is requested to approve and adopt the operating budget and capital program.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2016, the Capital Program for Fiscal Years 2016-2020, and conceptually approving the Operating Budget for Fiscal Year 2017.

**(Finance & Asset Management: Scott Brickner, Vice President/Treasurer)**



**22. GROUND TRANSPORTATION UPDATE:**

The Board is requested to receive the update.

RECOMMENDATION: Receive the update.

**(Ground Transportation: David Boenitz, Director)**

**CLOSED SESSION:**

**23. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**

(Real property negotiations pursuant to Cal. Gov. Code § 54954.5(b) and § 54956.8.)

Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego.

Agency Negotiators: Scott Brickner, Finance & Asset Management, Vice President/Treasurer.

Negotiating Parties: San Diego Gas & Electric, United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties.

Under Negotiation: Sale – terms and conditions.

**24. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,  
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL

**25. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al.,  
San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC

**26. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Donna Wilson; John Wilson v. San Diego Port Authority; San Diego International Airport; San Diego County Regional Airport Authority  
San Diego Superior Court Case No. 37-2014-00015326-CU-PO-CTL (Meyer)

**27. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code §54956.9(a) and (d)(1).)

Jennifer Cain v. San Diego County Regional Airport Authority, et al  
San Diego Superior Court Case No. 37-2014-00030402-CU-PO-CTL

**28. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code §54956.9(a) and (d)(1).)

Joan M. Ward v. San Diego County Regional Airport Authority, et al  
San Diego Superior Court Case No. 37-2014-00022181-CU-WT-CTL

**29. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Alice Boehm v. San Diego County Regional Airport Authority, et al.  
San Diego Superior Court Case No. 37-2014-00022124-CU-PO-CTL

**30. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:**

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(a) and 54956.9(b).)

Jay A. Bass, et al v. San Diego City Employees' Retirement System, et al.,  
San Diego Superior Court Case No. 37-2013-00077566-CU-OE-CTL

**31. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)

Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.  
Number of potential cases: 1

**32. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)

Number of cases: 2

**REPORT ON CLOSED SESSION:**

**NON-AGENDA PUBLIC COMMENT:**

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**Note:** Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

**GENERAL COUNSEL REPORT:**

**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:**

**ADJOURNMENT:**

**Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)**

- 1) Persons wishing to address the Board, ALUC, and Committees shall **complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed** (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
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**UPCOMING MEETING SCHEDULE**

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
June 25	Thursday	9:00 a.m.	Regular	Board Room
July 23	Thursday	9:00 a.m.	Regular	Board Room

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



## BOARD MEMBERS

DAVID ALVAREZ  
LAURIE BERMAN\*  
C. APRIL BOLING  
GREG COX  
JIM DESMOND  
COL. JOHN FARNAM\*  
ROBERT H. GLEASON  
LLOYD B. HUBBS  
JIM JANNEY  
ERAINA ORTEGA\*  
PAUL ROBINSON  
MARY SESSOM

\* EX OFFICIO BOARD MEMBERS

PRESIDENT/CEO  
THELLA F. BOWENS

## **DRAFT** **AIRPORT LAND USE COMMISSION** **AGENDA**

Thursday, May 21, 2015  
9:00 A.M. or immediately following the  
Board Meeting

San Diego International Airport  
Commuter Terminal – Third Floor  
Board Room  
3225 N. Harbor Drive  
San Diego, California 92101

***Live webcasts of Authority Board meetings can be accessed at  
<http://www.san.org/Airport-Authority/Meetings-Agendas?EntryId=1954>***

*Pursuant to California Public Utilities Code §§ 21670-21679.5, the Airport Land Use Commission ("Commission") is responsible for coordinating the airport planning of public agencies within San Diego County. The Commission has the legal responsibility to formulate airport land use compatibility plans ("ALUCPs") that will (a) provide for the orderly growth of each public airport and the areas surrounding the airport within the County and (b) safeguard the general welfare of the inhabitants within the vicinity of each airport and the public in general. Pursuant to §21670.3, the San Diego County Regional Airport Authority serves as the Commission.*

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Commission without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

**NOTE:** Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Commission Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

**PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. *PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMISSION MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

---

**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

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**CONSENT AGENDA (Items 1-5):**

The Consent Agenda contains items that are routine in nature and non-controversial. It also contains consistency determinations that have been deemed consistent or **conditionally consistent**. The matters listed under 'Consent Agenda' may be approved by one motion. Any Commission Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business items, unless otherwise directed by the Chair.

**1. APPROVAL OF MINUTES:**

The Airport Land Use Commission is requested to approve minutes of prior Commission meetings.

RECOMMENDATION: Approve the minutes of the April 23, 2015, regular meeting.

***CONSISTENCY DETERMINATIONS***

**2. REPORT OF LAND USE ACTIONS DETERMINED TO BE CONSISTENT WITH AIRPORT LAND USE COMPATIBILITY PLANS:**

The Commission is requested to receive a report of land use actions determined by staff to be consistent with Airport Land Use Compatibility Plans.

RECOMMENDATION: Receive the report.

**(Airport Planning: Angela Jamison, Manager)**

**3. CONSISTENCY DETERMINATION – SAN DIEGO INTERNATIONAL AIRPORT - AIRPORT LAND USE COMPATIBILITY PLAN – CONSTRUCTION AND ESTABLISHMENT OF EATING & DRINKING ESTABLISHMENT AT 2266 KETTNER BOULEVARD, CITY OF SAN DIEGO:**

The Commission is requested to make a consistency determination on a proposed project in the City of San Diego.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_ ALUC, making the determination that the project is conditionally consistent with the San Diego International Airport - Airport Land Use Compatibility Plan.

**(Airport Planning: Angela Jamison, Manager)**

**4. CONSISTENCY DETERMINATION – SAN DIEGO INTERNATIONAL AIRPORT - AIRPORT LAND USE COMPATIBILITY PLAN – CONSTRUCTION OF A DETACHED RESIDENTIAL UNIT AT SOTO STREET NEAR GREENE STREET, CITY OF SAN DIEGO:**

The Commission is requested to make a consistency determination on a proposed project in the City of San Diego.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_ ALUC, making the determination that the project is conditionally consistent with the San Diego International Airport - Airport Land Use Compatibility Plan.

**(Airport Planning: Angela Jamison, Manager)**

**5. CONSISTENCY DETERMINATION – McCLELLAN-PALOMAR AIRPORT - AIRPORT LAND USE COMPATIBILITY PLAN – GENERAL & SPECIFIC PLAN AMENDMENTS TO CONSTRUCT A LODGING FACILITY AT THE CROSSINGS DRIVE, CITY OF CARLSBAD:**

The Commission is requested to make a consistency determination on a proposed project in the City of Carlsbad.

RECOMMENDATION: Adopt Resolution No. 2015-\_\_\_\_ ALUC, making the determination that the project is conditionally consistent with the McClellan-Palomar Airport Land Use Compatibility Plan.

**(Airport Planning: Angela Jamison, Manager)**

**PUBLIC HEARINGS:** None

**OLD BUSINESS:**

**NEW BUSINESS:**

**COMMISSION COMMENT:**

**ADJOURNMENT:**

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**UPCOMING MEETING SCHEDULE**

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
May 21	Thursday	9:00 a.m.	Regular	Board Room
June 25	Thursday	9:00 a.m.	Regular	Board Room



**Discussion Regarding the Fiscal Year 2016  
Proposed Budget and Fiscal Year 2017  
Proposed Conceptual Operating Budget**

**Budget Workshop Presentation**

**Presented by:**

Scott Brickner, Vice President

*Finance & Asset Management/Treasurer*





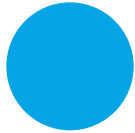
# Agenda

1. Organizational Strategies
2. Organizational Initiatives
3. Economic, Industry, and Credit Overview
4. Budget Objectives
5. Budget Overview
  - Revenue
  - Expense
6. Division Expense Budgets
7. Proposed Capital Program FY 2016 – FY 2020
8. Plan of Finance FY 2016 – FY 2020
9. Conclusion



# Organizational Strategies

# Strategies



## Community

Be a trusted and highly responsive agency



## Customer

Achieve the highest level of internal and external customer satisfaction



## Employee

Achieve the highest level of employee commitment and performance



## Financial

Enhance the financial position of the Airport Authority



## Operations

Operate our airport in a safe, secure, environmentally sound, effective and efficient manner



# Organizational Initiatives

# FY 2016 Initiatives

Initiatives are areas of focus that the organization is concentrating on in the next 1-3 years.



**Developing a Sustainable Long Term Capital Plan**



**Pursuing Revenue Generation and Cost Control Opportunities**

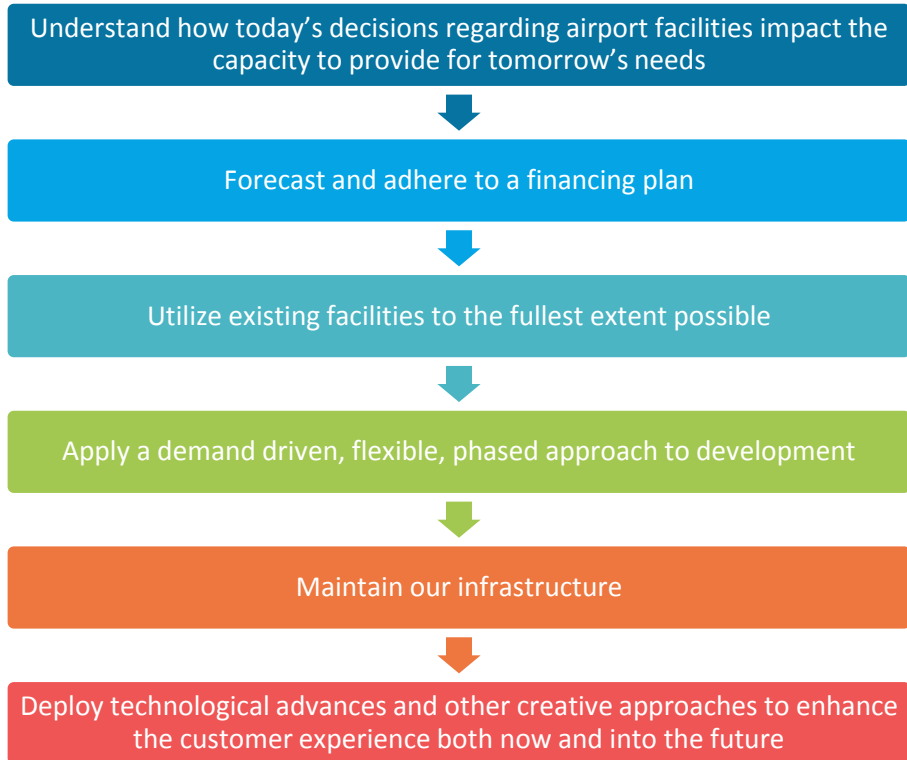


**Strategically Engaging our Employees in Sustainable Business Practices**



## Developing a Sustainable Long Term Capital Plan

The Authority is committed to providing innovative, sustainable facilities necessary to provide a positive passenger experience, exceed customer expectations, serve travel demand, and meet our commitments to sustainability through efficient use of existing and future assets. Therefore, a feasible 20-year capital spending plan is being prepared and will be maintained, that accounts for the Airport Development Plan, future airport-wide O&M costs, and all other required airport expenditures. In order to accomplish this, a process of continual stakeholder involvement in the capital planning process is used to:





# Pursuing Revenue Generation and Cost Control Opportunities

The Authority is committed to remaining a sustainable enterprise. Through revenue optimization, cost containment efforts and efficiency improvements the Authority will ensure its financial resilience by:

- Increasing innovation
- Adhering to a financing plan
- Identifying and implementing new products & services
- Positioning the Authority for immediate and future opportunities
- Implementing cost reduction efforts

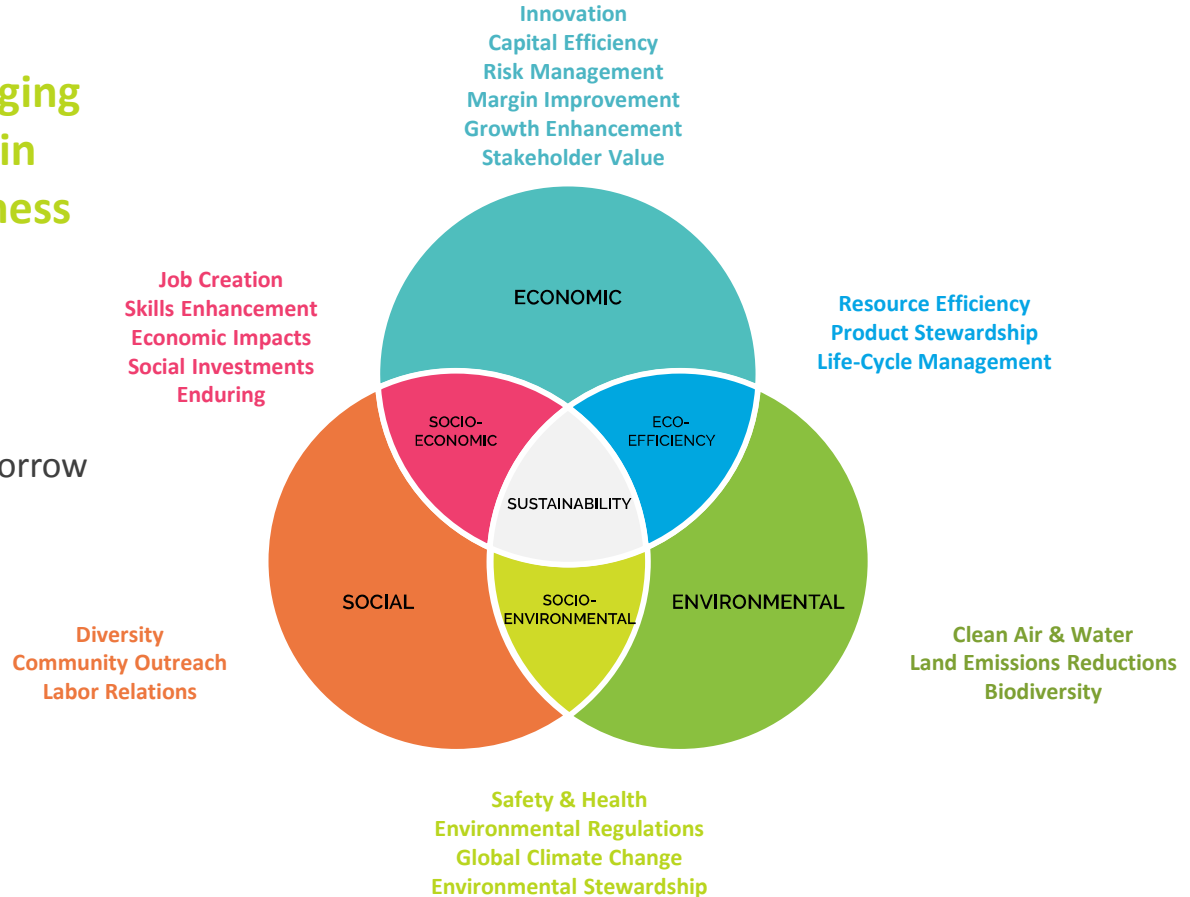




## Strategically Engaging our Employees in Sustainable Business Practices

Making decisions today, as if tomorrow  
matters.

- Customer
- Community
- Employee
- Financial
- Operational





# Economic, Industry and Credit Overview

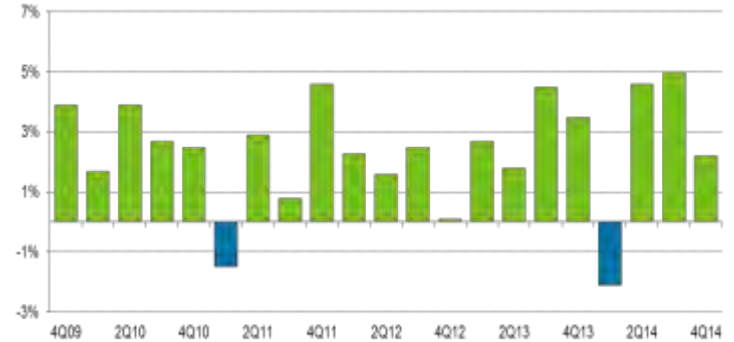


**SANDIEGO**  
INTERNATIONAL AIRPORT.  
LET'S GO.

# US Economy Growth

- Main economic indicators all showed growth through 2014:
  - U.S. GDP grew 2.4%
  - Equity markets:
    - DJIA: +7.5%
    - S&P 500: +11.6%
  - U.S. Unemployment declined from 6.7% to 5.6%
- YTD 2015 data shows mixed but generally positive trends

## U.S. Gross Domestic Product



## Dow Jones Industrial Avg. and S&P 500 Indices



## U.S. Unemployment Rates



# Oil Prices & Interest Rates Remain Near Recent Historical Lows

- Crude oil prices fell 45% in 2014 and continue to trade in the \$50+/- range
- 30-year U.S. Treasury Rate declined 120 bps in 2014

### WTI Crude Oil Price (Per Barrel)



### U.S. Treasury Yields

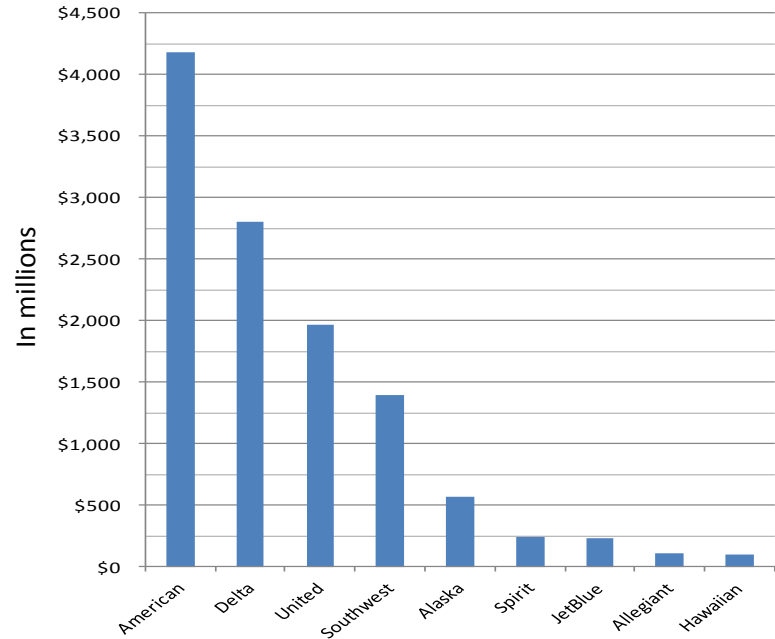


\*Sources – Oil: U.S. Energy Information Administration (EIA);  
Treasury: Bloomberg

# Airline Industry Overview

- All major US airlines recorded a profit in 2014 and the domestic industry collectively realized a \$11.7B profit (excluding special items), up from \$7.4B in 2013; these are the best full year results for the industry in the post-9/11 era
- Main drivers of growth include booming domestic demand, sharply lower oil prices in the second half of the year, and continued pricing power due to years of industry capacity contraction
- Mainline capacity for most US airlines is projected to grow slightly compared to 2014, with a focus on domestic expansion
- Network and Fleet Restructuring: Airlines are continuing to pare down service to smaller and unprofitable airports and focus on ordering large, fuel efficient aircraft to replace aging fleets

2014 Net Income (excluding Special Items)



# Moody's U.S Airports 2015 Outlook Improved from Stable to Positive

## Key Drivers are:

- Growth in the U.S. Economy
- More seat capacity on US airlines
- More domestic travel
- Growth in enplanements
- More parking and concession fees

*Source: Moody's Investors Service*

# SDCRAA Strong Credit

*Recently affirmed by Fitch*

Fitch affirms A+ Senior and A Subordinate ratings with a stable outlook

## Key Rating Rationale

- Strong Service Area: San Diego International Airport is the primary air service provider for the San Diego area with an enplanement base of 9.1 million in FY 2014.
- Hybrid Airline Agreement: The airport has a hybrid use and lease agreement, which is residual on the airfield and compensatory in the terminal.
- Sizable Capital Plan Nearing Completion
- Sizable Fixed Rate Debt Profile
- Strong Debt Service Coverage



# Budget Objectives



# Budget Objectives

The Authority is committed to remaining a sustainable enterprise and ensure its financial viability through the following:

- Ensure Adequate Funding for Safety & Security
- Contain/Reduce Costs
- Address Maintenance Needs of New and Aging Facilities
- Enhance Revenue
- Maintain Current Bond Rating (A+)
- Address Regulatory, Legal & Contractual Requirements

# Budget Objectives

- **Continue Positioning the Authority for Implementation of a Sustainable Long Term Capital Plan (including ADP)**
- **Continue to Serve the Region with a High Level of Trust, Responsiveness and Customer Service**
- **Enhance Staff Performance, Capacity, and Efficiency**
- **Promote New Domestic and International Air Service**



# Budget Guidelines

# FY 2016 – FY 2017 Budget Guidelines

- The 5 organizational Strategies remain the same
- Provide/Develop new or enhanced revenues
- Personnel expenses: FY 2016 – FY 2017 Budget – New positions must be justified
- Non-Personnel Expenses:
  - **FY 2016 Budget flat to FY 2016 Conceptual Budget**  
(except for Rental Car Center busing, Utilities & Parking credit card fees)
  - **FY 2017 Budget – 2% justified increase vs FY 2016 Budget**  
(except for Rental Car Center busing & Utilities)



# Budget Overview



**SAN DIEGO**  
INTERNATIONAL AIRPORT.  
LET'S GO.

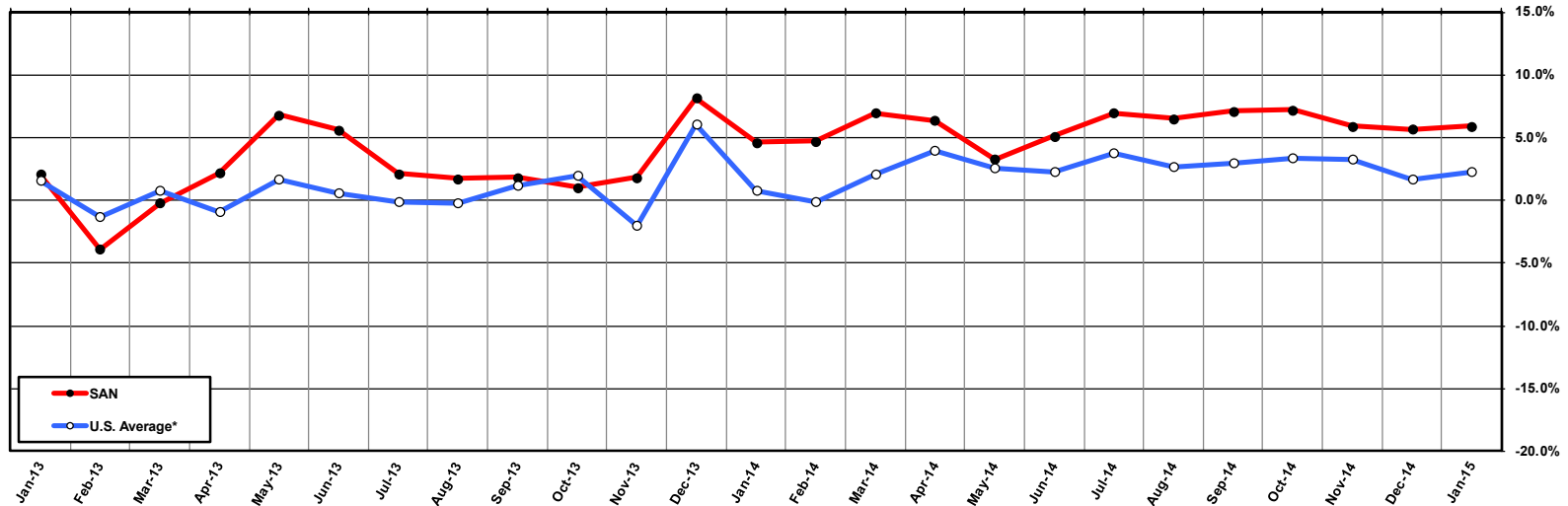


# Revenue Budget Overview

# SDIA Passenger Traffic

SDIA Traffic growth has outperformed national average since April 2013

TOTAL EPAX - % CHANGE



\* U.S. Average is based on T-100 Market Reporting Data from the DOT Bureau of Transportation Statistics.

# Revenue Budget Assumptions

## Enplanements

- FY 2016 Proposed Budget of 9.83M, 1.7% increase over FY 2015 Forecast of 9.66M
- FY 2017 Proposed Conceptual Budget of 9.99M, 1.7% increase over FY 2016 Proposed Budget of 9.83M

in thousands

Fiscal Year	FY15 Budget-Enplanements	% Change Year over Year	FY16 Budget Enplanements	% Change Year over Year	Change vs FY15 Budget	% Change vs FY15 Budget
2014 Actuals	9,082		9,082			
2015 Budget/Forecast	9,061	-0.2%	9,664	6.4%	603	6.6%
2016	9,215	1.6%	9,828	1.7%	613	6.7%
2017	9,372	1.7%	9,995	1.7%	623	6.6%

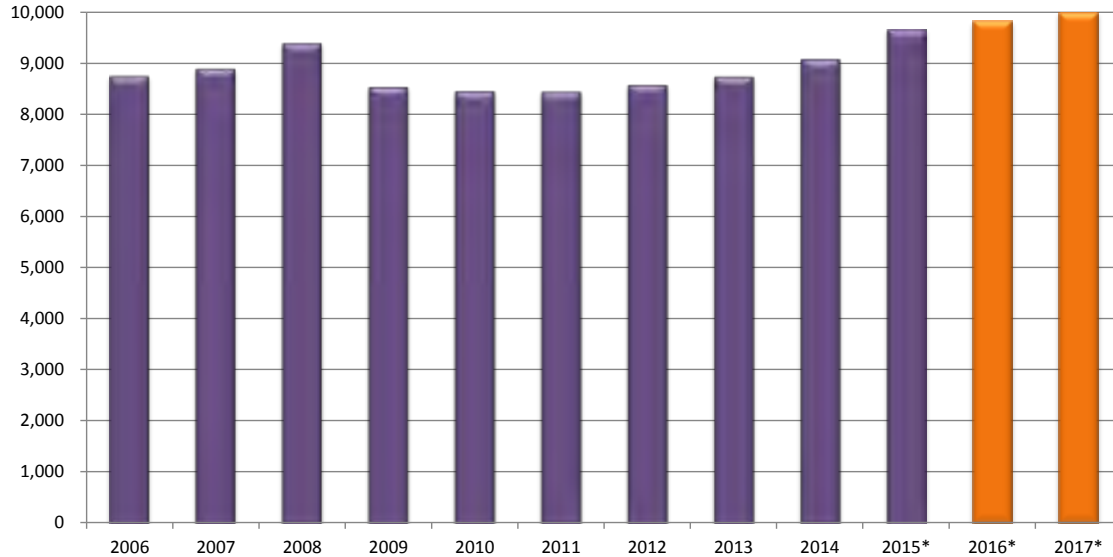


# Revenue Budget Assumptions

## SDIA Passenger Traffic

(in Thousands)

### Enplaned Passengers



### Annual Enplaned Passengers

Fiscal Year	Enplaned Passengers	% Change
2006	8,750	3.6%
2007	8,892	1.6%
2008	9,389	5.6%
2009	8,536	-9.1%
2010	8,454	-1.0%
2011	8,441	-0.2%
2012	8,575	1.6%
2013	8,738	1.9%
2014	9,082	3.9%
2015*	9,664	6.4%
2016*	9,828	1.7%
2017*	9,995	1.7%

\* Projected FY 2015 and Budgeted FY 2016 & FY 2017

# FY 2016 – 2017 Assumptions

## ■ Landed weight

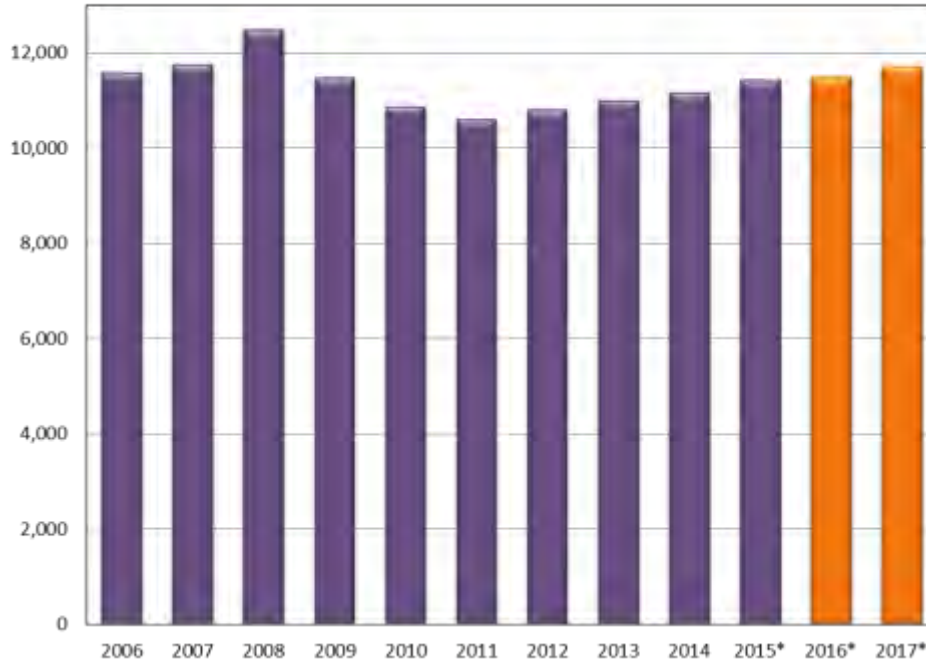
- FY 2016 Proposed Budget landed weight of 11,517M lbs., 0.6% increase over FY 2015 Forecast of 11,443M lbs.
- FY 2017 Conceptual Budget landed weight of 11,712M lbs., 1.7% increase over FY 2016 Proposed Budget

# Revenue Budget Assumptions

## SDIA Landed Weight

(in Millions)

Landed Weight



Aircraft Landed Weight

Fiscal Year	(Million lbs)	% Change
2005	11,200	4.2%
2006	11,605	3.6%
2007	11,774	1.5%
2008	12,501	6.2%
2009	11,497	-8.0%
2010	10,893	-5.3%
2011	10,606	-2.6%
2012	10,820	2.0%
2013	11,016	1.8%
2014	11,187	1.6%
2015*	11,443	2.3%
2016*	11,517	0.6%
2017*	11,712	1.7%

\* Projected FY 2015 and budgeted FY 2016 - 2017

# Revenue Assumptions

- **Airline Revenue** – recovery methodology remains the same as FY 2015 Budget

<u>Fiscal Year</u>	<u>Terminal</u>	<u>Security</u>	<u>Airfield</u>	<u>CUPPS</u>
FY 2016	70%	95%	100%	100%
FY 2017	70%	95%	100%	100%

- **Concessions Development Program**

- FY 2016 – 2017 revenue estimates reflect current Sales Per Enplaned rate which is higher than budgeted in FY2015

- **Car Rental License Fees**

- FY 2016 – 2017 estimates increase due to increase in enplanements

# Revenue Assumptions

## ■ Parking Revenue

- Parking Plaza construction begins last 5 months of FY2016, and continues through all of FY2017
- Assuming a drop in T2 parking activity due to construction
- Valet revenue increase during construction
- Scheduled FY2017 Parking Rate increase for Short – Term lots and Valet

## ■ Ground Rentals

- Rental Car Center (RCC) opens January 2016 (FY2016)
- Vehicle storage revenue ceases once RCC opens

## ■ Ground Transportation

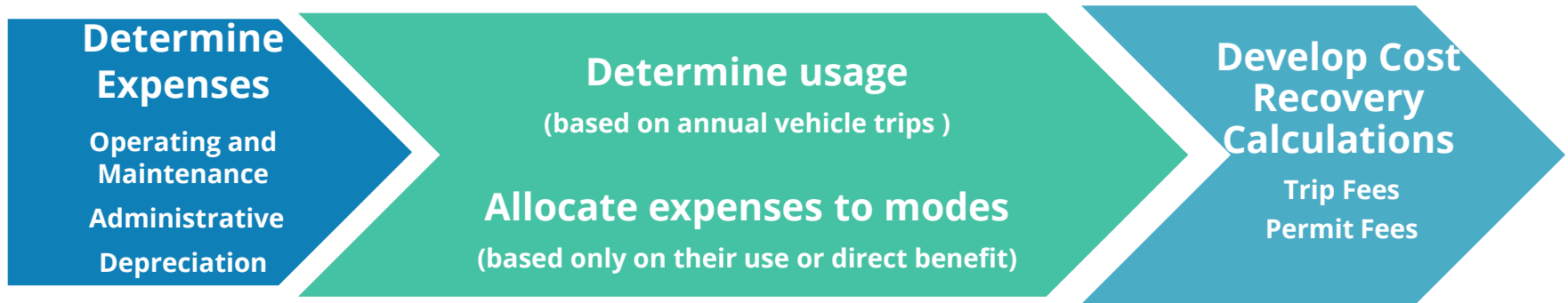
- Cost recovery methodology

## ■ Non-operating Revenue: Customer Facility Charges (CFC)

- CFC increases from \$7.50 per day to \$9.00 per day in January 2017

# Ground Transportation Cost Recovery Methodology

- Set new trip fee for most operators to replace existing permit and taxi trip fee cost recovery program
- User fees calculation based on budget



# Trips by Mode

Mode	FY 2013	FY 2014	Estimated FY 2015	Estimated FY 2016
Taxicabs	802,073	874,500	930,469	923,243
Vehicles for hire	92,134	122,433	130,269	130,040
Limousines	87,000	91,000	96,824	98,472
Hotel / motel shuttles	141,316	146,989	156,397	152,731
Off-airport parking Shuttles	264,576	241,570	257,031	243,018
TNC <sup>1</sup>	-	-	-	34,944
Rental car shuttles	696,818	670,581	713,499	431,750
Charter buses	3,000	3,000	3,192	3,246
Private Vehicles	3,780,000	3,920,000	4,185,260	4,261,081
Airport Parking Shuttles	224,710	204,290	217,365	221,065
Public Transit, Authority and Airport Vehicles	793,443	807,136	858,794	873,411
<b>TOTAL</b>	<b>6,885,070</b>	<b>7,081,499</b>	<b>7,549,100</b>	<b>7,373,002</b>

<sup>1</sup> TNC trips are estimated to come from the following modes:

- Taxis 66%
- Shuttles 7%
- Private Vehicles 27%
- As of April 30, 2015 no TNCs are currently operating with a permit

# Ground Transportation Cost Recovery Methodology

- FY 2016 trips are estimated based on FY 2014 actual trips for all modes, adjusted for estimated increases
- Enplanement growth increase trips for all modes for FY 2015 through FY 2016
- Trip fees and permit fees established for FY 2016 using FY 2016 budgeted Ground Transportation expenses
- New modified incentive plan:
  - Reduced user fees – 25% discount for all converted vehicles and additional 25% discount in FY 2016 for conversions between September 1, 2014 and June 30, 2016
  - Increased user fees – 50% premium in FY 2016 and 75% premium in FY 2017 for non converted vehicles



# Ground Transportation Expenses FY 2014- FY 2017

<b>Ground Transportation Costs</b> (all numbers in \$M; may not add due to rounding)	<b>Actual FY 2014</b>	<b>Estimated FY 2015</b>	<b>Budgeted FY 2016</b>	<b>Budgeted FY 2017</b>
<b>Operating &amp; Maintenance Expenses</b>				
Airport Traffic Officers (ATO)	\$ 5.0	\$ 5.1	\$ 5.4	\$ 5.7
Customer Service Representatives	0.8	0.8	0.9	0.9
Ground Transportation Departmental costs	0.7	0.9	1.0	1.0
Roadways Maintenance & Landscaping	1.0	1.0	1.0	1.1
Taxi Hold Lot Trip Fee costs	0.1	0.1	0.0	0.0
<b>Subtotal</b>	<b>\$ 7.5</b>	<b>\$ 7.9</b>	<b>\$ 8.4</b>	<b>\$ 8.7</b>
<b>G&amp;A%</b>	<b>22.4%</b>	<b>21.0%</b>	<b>21.2%</b>	<b>21.0%</b>
<b>SDCRAA General and Administrative costs</b>	<b>\$ 1.7</b>	<b>\$ 1.6</b>	<b>\$ 1.8</b>	<b>\$ 1.8</b>
<b>Depreciation of Roadway Assets</b>	<b>4.0</b>	<b>4.1</b>	<b>4.2</b>	<b>4.7</b>
<b>Total</b>	<b>\$ 13.2</b>	<b>\$ 13.6</b>	<b>\$ 14.4</b>	<b>\$ 15.2</b>

# Ground Transportation Expenses- Major Drivers

<b>Ground Transportation Costs</b> (all numbers in \$M; may not add due to rounding)	<b>FY 2014 - FY 2015</b>	<b>FY 2015 - FY 2016</b>	<b>FY 2016 - FY 2017</b>
<b>Major Drivers (Year over Year)</b>	<b>\$ 0.4</b>	<b>\$ 0.7</b>	<b>\$ 0.8</b>
Green Build Roadway Depreciation	0.2	-	-
ATO Costs	0.1	0.3	0.3
G&A ratio	-	0.1	-
GT Depreciation on AVI and shuttle/Taxi upgrades	-	0.2	0.4
AVI Software costs	0.1	-	-
other	-	0.1	0.1
	<b>\$ 0.4</b>	<b>\$ 0.7</b>	<b>\$ 0.8</b>

# Vehicle Mode Cost Allocation FY 2016

Mode	Estimated Trips FY 2016	FY 2016 Share of Trips	Ground Transport Costs Assigned to All Modes	Customer Service Representatives	AVI and Billing Software	Traffic Isl. ATOs and Detective Tests	Total O&M Costs	G&A (21.2%)	Depreciation Cost Assigned to All Modes	Depreciation of Taxi Pax System and AVI Equipment	FY 2016 Allocated Costs
Taxicabs	923,243	12.5%	\$856,704	\$921,202	\$123,627	\$349,701	<b>\$2,251,234</b>	\$478,262	\$508,323	\$94,967	<b>\$3,332,785</b>
Vehicles for hire	130,040	1.8%	\$120,668	-	\$17,413	\$49,256	<b>\$187,336</b>	\$39,799	\$71,598	\$7,927	<b>\$306,659</b>
Limousines	98,472	1.3%	\$91,375	-	\$13,186	-	<b>\$104,561</b>	\$22,213	\$54,217	\$6,002	<b>\$186,994</b>
Hotel / motel shuttles	152,731	2.1%	\$141,724	-	\$20,452	-	<b>\$162,175</b>	\$34,453	\$84,092	\$9,310	<b>\$290,030</b>
Off-airport parking Shuttles	243,018	3.3%	\$225,504	-	\$32,541	-	<b>\$258,045</b>	\$54,820	\$133,802	\$14,813	<b>\$461,480</b>
TNC *	34,944	0.5%	\$32,426	-	\$4,679	-	<b>\$37,105</b>	\$7,883	\$19,240	\$0	<b>\$64,228</b>
Rental car shuttles	431,750	5.9%	\$400,633	-	-	-	<b>\$400,633</b>	\$85,112	\$237,714	\$0	<b>\$723,460</b>
Charter buses	3,246	0.0%	\$3,012	-	-	-	<b>\$3,012</b>	\$640	\$1,787	\$0	<b>\$5,440</b>
Private Vehicles	4,261,081	57.8%	\$3,953,980	-	-	-	<b>\$3,953,980</b>	\$840,000	\$2,346,084	\$0	<b>\$7,140,063</b>
Airport Parking Shuttles	221,065	3.0%	\$205,132	-	\$29,602	-	<b>\$234,734</b>	\$49,868	\$121,715	\$13,475	<b>\$419,791</b>
Public Transit, Authority and Airport Vehicles	873,411	11.8%	\$810,463	-	-	-	<b>\$810,463</b>	\$172,178	\$480,886	\$0	<b>\$1,463,528</b>
<b>TOTAL</b>	<b>7,373,002</b>	<b>100.0%</b>	<b>\$6,841,620</b>	<b>\$921,202</b>	<b>\$241,500</b>	<b>\$398,956</b>	<b>\$8,403,279</b>	<b>\$1,785,228</b>	<b>\$4,059,458</b>	<b>\$146,494</b>	<b>\$14,394,458</b>

\* Does not include \$248K for start up cost

# Vehicle Mode Trip Fee FY 2016

Mode	FY 2016 Allocated Costs	Estimated Trips FY 2016	FY 2016 User Fee	AFV 25% Incentive Plan Reduced User Fee	Non- AFV 50 % Incentive Plan Increased User Fee	25% Additional rebate (Plus 25% reduced user fee) for AFV Conversions between Sep 2014 and Jun 2016
Taxicabs	\$3,332,785	923,243	\$3.61	\$2.71	\$5.41	\$2.00
Vehicles for hire	\$306,659	130,040	\$2.36	\$1.77	\$3.54	\$1.18
Limousines	\$186,994	98,472	\$1.90	n/a <sup>1</sup>	n/a	n/a
Hotel / motel shuttles	\$290,030	152,731	\$3,412 <sup>2</sup>	\$2,559	\$5,118	\$1,706
Off-airport parking Shuttles	\$461,480	243,018	\$1.90	\$1.42	\$2.85	\$0.95
TNC	\$64,228	34,944	\$1.84	\$1.38	\$2.76	\$0.92

<sup>1</sup> Limousines and Charter party carriers were exempted from all airport clean air vehicles conversion objectives. However Limousines that were converted prior to their exemption on October 2, 2014 will receive a 10% reduced fee for FY 2016

<sup>2</sup> Hotel/Motel mode have elected to remained with a permit fee. Estimated vehicles in this mode total 85

# User Fees By Mode

Mode	FY15 Actual Fees			FY16 Budgeted Fees				FY17 Estimated Fees		
	Base Fee	Includes AFV <sup>1</sup> 25% Discount	Includes Non AFV 25% Premium	Base Fee	AFV 25% reduced User Fee	Non AFV 50% Increased User Fee	AFV 25 % Additional Includes 25% reduced user fee	Base Fee	AFV 25% reduced User Fee	Non AFV 75% Increased User Fee
<b>Taxi Cab Trip Fee<sup>4</sup></b>	\$ 2.00	\$ 2.00	\$ 2.50	\$ 3.61	\$ 2.71	\$ 5.41	\$ 2.00	\$ 4.08	\$ 3.06	\$ 7.13
<b>Taxi Cab "All Day" Permit<sup>2</sup></b>	\$ 475	\$ - <sup>3</sup>	\$ 594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Supershuttle</b>	\$ 992	\$ 744	\$ 1,240	\$ 2.36	\$ 1.77	\$ 3.54	\$ 1.18	\$ 2.79	\$ 2.09	\$ 4.89
<b>SDCASA/Primetime Shuttles</b>	\$6,181	\$ 4,636	\$ 7,726	\$ 2.36	\$ 1.77	\$ 3.54	\$ 1.18	\$ 2.79	\$ 2.09	\$ 4.89
<b>Limousines</b>	\$ 131	\$ 98	-	\$ 1.90	n/a	n/a	n/a	\$ 2.02	n/a	n/a
<b>Hotel/Motel</b>	\$2,010	\$ 1,508	\$ 2,513	\$3,412	\$2,559	\$ 5,118	\$ 1,706	\$3,682	\$ 2,762	\$ 6,444
<b>Off Airport Parking</b>	\$5,805	\$ 4,353	\$ 7,256	\$ 1.90	\$ 1.42	\$ 2.85	\$ 0.95	\$ 2.02	\$ 1.51	\$ 3.53
<b>TNC Trip Fee</b>	\$ 1.29	\$ 0.97	\$ 1.62	\$ 1.84	\$ 1.38	\$ 2.76	\$ 0.92	\$ 1.93 <sup>5</sup>	\$ 1.44	\$ 3.37

<sup>1</sup>AFV refers to Alternative Fuel Vehicles

<sup>2</sup> In FY 15 Taxi Cabs with only "A" and "B" permits also have a trip fee of \$2.00 but permit fees are 50% of "All Day" permit fees.

<sup>3</sup> Permit Fee reduction according to AFV Taxi Cab conversion incentive fully offsets permit for FY15. Converted "All Day" Cabs also receive a cash incentive payment of \$500 in FY15. ("A" and "B" permits receive 50% of this cash incentive).

<sup>4</sup> The FY 16 meter fee is projected to be \$2.00, however, permit fees charged to drivers will exceed the meter fee. Taxicabs eligible for the additional 25% reduced user fee will have a trip fee set at \$2.00. The additional 19 cents per trip will be rebated to eligible taxi cabs in FY17.

<sup>5</sup> Assuming TNC is operating in FY 2017

# FY 2016 Proposed – FY 2017 Proposed Conceptual Revenue Budget Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY2016 Proposed Budget	Inc/(Dec) FY16 Proposed vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Proposed	% Change
<b>Operating Revenue:</b>											
<b>Airline Revenue</b>											
Landing Fees	\$ 19,107,258	\$ 23,704,477	\$ 24,403,943	\$ 24,612,835	\$ 908,358	3.8%	\$ 208,892	0.9%	\$ 26,210,325	\$ 1,597,490	6.5%
Aircraft Parking Fees	2,503,181	2,768,087	2,830,215	2,875,302	107,215	3.9%	45,086	1.6%	3,039,706	164,404	5.7%
Building Rentals	47,761,512	49,969,936	52,306,370	53,222,551	3,252,615	6.5%	916,182	1.8%	56,288,056	3,065,504	5.8%
Common Use System Support Charges	1,133,839	1,124,994	1,145,548	1,206,527	81,533	7.2%	60,979	5.3%	1,206,527	-	0.0%
Other Aviation Revenue	1,593,918	1,589,711	1,592,957	1,587,163	(2,548)	-0.2%	(5,794)	-0.4%	1,590,358	3,195	0.2%
Security Surcharge	25,776,517	26,529,900	27,632,400	27,684,810	1,154,910	4.4%	52,410	0.2%	29,219,841	1,535,031	5.5%
<b>Total Airline Revenue</b>	<b>97,876,224</b>	<b>105,687,106</b>	<b>109,911,434</b>	<b>111,189,189</b>	<b>5,502,083</b>	<b>5.2%</b>	<b>1,277,755</b>	<b>1.2%</b>	<b>117,554,814</b>	<b>6,365,625</b>	<b>5.7%</b>
<b>Non-Airline Revenue</b>											
Terminal rent non-Airline	1,157,565	1,500,586	1,569,133	1,428,694	(71,892)	-4.8%	(140,438)	-9.0%	1,442,961	14,266	1.0%
Terminal concessions	18,798,533	19,783,233	19,870,544	21,323,828	1,540,595	7.8%	1,453,284	7.3%	21,746,728	422,899	2.0%
Rental Car License Fees	24,900,830	24,576,100	24,993,700	25,812,269	1,236,169	5.0%	818,569	3.3%	27,411,065	1,598,796	6.2%
License Fees Other	4,070,505	4,146,700	4,217,100	4,475,900	329,200	7.9%	258,800	6.1%	4,551,800	75,900	1.7%
Parking Revenue	36,424,594	38,688,776	39,324,542	38,161,518	(527,258)	-1.4%	(1,163,024)	-3.0%	37,931,821	(229,697)	-0.6%
Ground Transportation Permits and Citations	2,534,428	2,906,414	3,289,603	4,179,037	1,272,624	43.8%	889,435	27.0%	4,571,791	392,753	9.4%
Ground Rentals	8,445,275	11,356,903	14,139,787	13,798,184	2,441,281	21.5%	(341,603)	-2.4%	17,865,342	4,067,158	29.5%
Grant Reimbursements	368,385	292,000	292,000	292,000	-	0.0%	-	0.0%	292,000	-	0.0%
Other Operating Revenue *	1,160,501	469,744	473,200	473,304	3,560	0.8%	104	0.0%	475,118	1,814	0.4%
<b>Total Non-Airline Revenue</b>	<b>97,860,616</b>	<b>103,720,455</b>	<b>108,169,609</b>	<b>109,944,735</b>	<b>6,224,279</b>	<b>6.0%</b>	<b>1,775,126</b>	<b>1.6%</b>	<b>116,288,625</b>	<b>6,343,890</b>	<b>5.8%</b>
<b>Total Operating Revenue</b>	<b>195,736,841</b>	<b>209,407,562</b>	<b>218,081,043</b>	<b>221,133,924</b>	<b>11,726,362</b>	<b>5.6%</b>	<b>3,052,881</b>	<b>1.4%</b>	<b>233,843,439</b>	<b>12,709,515</b>	<b>5.7%</b>
<b>Interest Income</b>	5,210,854	4,707,690	5,165,382	4,724,296	16,606	0.4%	(441,086)	-8.5%	4,922,502	198,206	4.2%
<b>Non-Operating Revenue</b>											
Passenger facility charges	35,769,515	36,614,900	37,237,200	39,261,900	2,647,000	7.2%	2,024,700	5.4%	39,929,000	667,100	1.7%
Customer facility charges (Rental Car Center)	27,545,001	30,350,379	30,866,210	33,070,709	2,720,331	9.0%	2,204,499	7.1%	36,995,921	3,925,212	11.9%
Quieter Home Program	12,373,861	11,804,573	11,627,849	11,627,849	(176,724)	-1.5%	-	0.0%	11,627,849	-	0.0%
BAB Interest Rebate	4,636,215	4,636,215	4,636,215	4,631,219	(4,996)	-0.1%	(4,996)	-0.1%	4,631,219	-	0.0%
Capital grant contributions	3,924,332	9,786,680	7,201,101	11,592,103	1,805,423	18.4%	4,391,002	61.0%	4,610,070	(6,982,033)	-60.2%
Other Nonoperating Revenue	459,050	-	-	-	-	0.0%	-	-	-	-	0.0%
<b>Total Non-Operating Revenue</b>	<b>84,707,974</b>	<b>93,192,747</b>	<b>91,568,575</b>	<b>100,183,780</b>	<b>6,991,033</b>	<b>7.5%</b>	<b>8,615,205</b>	<b>9.4%</b>	<b>97,794,059</b>	<b>(2,389,721)</b>	<b>-2.4%</b>
<b>Total Revenue</b>	<b>\$ 285,655,669</b>	<b>\$ 307,308,000</b>	<b>\$ 314,815,000</b>	<b>\$ 326,042,000</b>	<b>\$ 18,734,000</b>	<b>6.1%</b>	<b>11,227,000</b>	<b>3.6%</b>	<b>\$ 336,560,000</b>	<b>\$ 10,518,000</b>	<b>3.2%</b>

\*Other Operating Revenue includes Finger Printing Fees, Utilities Reimbursements, Service Charges, Equipment Rental and Miscellaneous Revenues

# FY 2016 Proposed Budget vs. FY 2015 Budget

## Airline Revenue

Net increase of \$5.5 M in airline revenue primarily reflecting:

■ **Increase of \$3.3M in building rentals reflecting:**

- Increase in utilities cost
- Increase in debt service
- Increase in amortization for new terminal projects to be funded with cash

■ **Increase of \$0.9M in landing fees reflecting:**

- Increase in utilities and ARFF costs
- Increase in amortization for new airfield projects to be funded with cash

■ **Increase of \$1.2M in security surcharge reflecting:**

- Increase in harbor police cost, contract security services and access control maintenance cost
- Increase in security checkpoints rent due to higher terminal rate

# FY 2016 Proposed Budget vs. FY 2015 Budget

## Non-Airline Revenue

### Net increase of \$6.2M in non-airline revenue primarily reflecting:

- Increase of \$2.4M in ground rents revenue primarily due to Rental Car Center opening in January 2016
- Increase of \$1.5M in concession revenue due to higher enplanements, and higher food and beverage and retail revenue from completed concession program
- Increase of \$1.3M in ground transportation permits and citations revenue as a result of increased expenses and the additional revenue of Transportation Network Company (TNC) pilot program costs . These increases are partially offset by increased conversion incentives
- Increase of \$1.2M in rental car license fees revenue due to higher enplanements and rental car center cost recovery
- Increase of \$0.3M in licenses fees other revenue (inflight services and ground handling) due to higher enplanements
- Decrease of \$0.5M in parking revenue due to reductions in transactions caused by five months of parking plaza construction in FY 2016. This decrease is partially offset by higher enplanements and no credit card fees offset



# FY 2016 Proposed Budget vs. FY 2015 Budget

## Interest Income and Non-Operating Revenue

Interest income is flat due to no change in interest rates

**Net increase of \$7.0M in non-operating revenue primarily reflecting:**

- Increase of \$2.7M in Customer Facility Charges (Rental Car Center fees) primarily due to higher enplanements
- Increase of \$2.6M in Passenger Facility Charges due to higher enplanements
- Decrease of \$0.2M in Quieter Home Program (QHP) revenue due to a reduction in grant contributions (increase in local match requirement)
- Increase of \$1.8M in capital grant contributions due to timing of grant eligible projects

# FY 2017 Proposed Conceptual Budget vs. FY 2016 Proposed Budget

## Airline Revenue

Net increase of \$6.4M in airline revenue primarily reflecting:

### ■ Increase of \$3.1M in building rentals reflecting:

- Increase in maintenance, utilities and personnel costs
- Increase in amortization charges for new terminal projects to be funded with cash

### ■ Increase of \$1.6M in landing fees reflecting:

- Increase in personnel and ARFF costs
- Increase in amortization for new airfield projects to be funded with cash

### ■ Increase of \$1.5M in security surcharge reflecting:

- Increase in harbor police cost, contract security services and access control maintenance cost
- Increase in security checkpoints rent due to higher terminal rate

# FY 2017 Proposed Conceptual Budget vs. FY 2016 Proposed Budget

## Non-Airline Revenue

**Net increase of \$6.3M in non-airline revenue primarily reflecting:**

- Increase of \$4.1M in ground rents revenue primarily due to Rental Car Center full year of operation in FY 2017.
- Increase of \$1.6M in rental car license fees revenue due to higher enplanements and full year of rental car center cost recovery
- Increase of \$0.4M in ground transportation permits and citations revenue primarily due to increased costs relating to ground transportation capital improvements
- Increase of \$0.4M in concession revenue due to higher enplanements
- Decrease of \$0.2M in parking revenue due to reductions in transactions for full year of parking plaza construction in FY 2017. This decrease is partially offset by higher enplanements and rate increase for short term lots

# FY 2017 Proposed Conceptual Budget vs. FY 2016 Proposed Budget

## Interest Income and Non-Operating Revenue

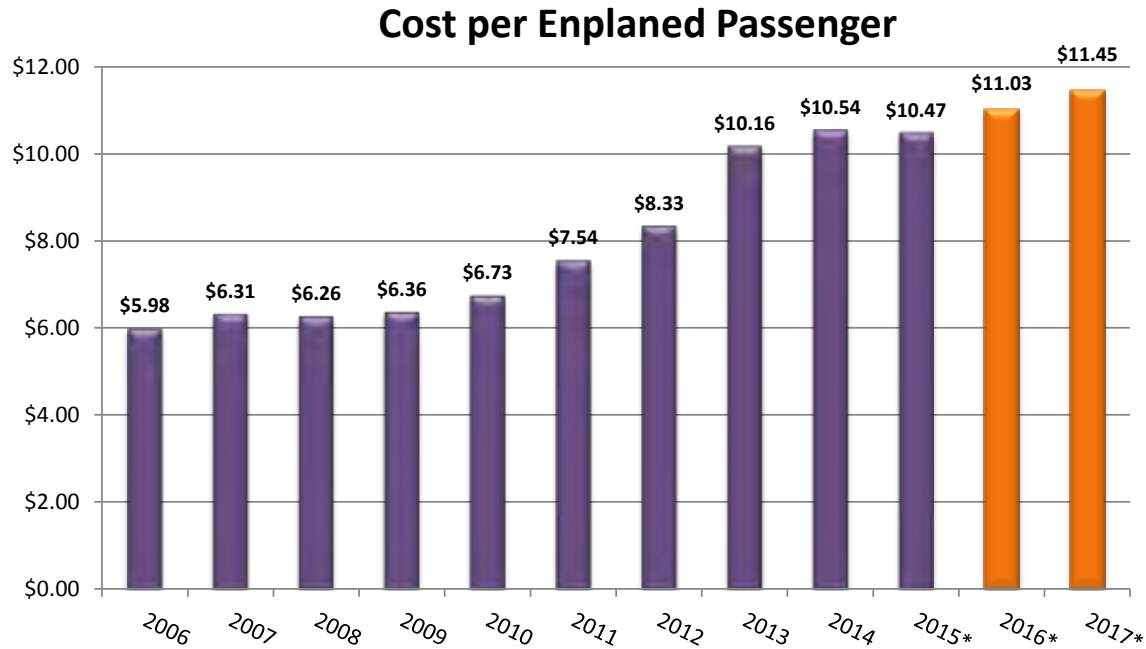
Net increase of \$0.2M in interest revenue due to an increase in the interest rate

Net decrease of \$2.4M in non-operating revenue primarily reflecting:

- Increase of \$3.9M in Customer Facility Charges (Rental Car Center fees) due to higher enplanements and an increase in the CFC rate from \$7.50 to \$9.00 in January 2017 (6 months in FY 2017)
- Increase of \$0.7M in Passenger Facility Charges due to higher enplanements
- Decrease of \$7.0M in Capital grant contributions due to fewer new grant funded projects

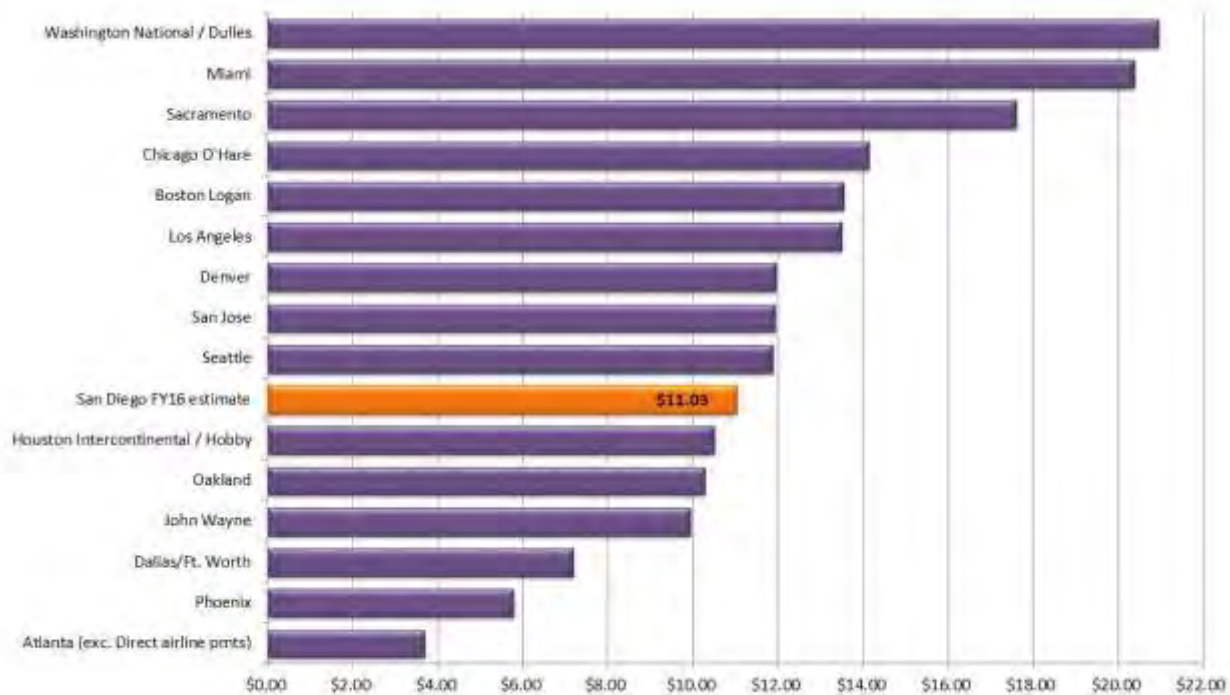
# Airline Cost Per Enplaned Passenger

Airline derived cost per enplaned passenger includes landing fees, aircraft parking fees, terminal rents, Common Use System Support charges and security surcharge



\* Projected FY 2015 and Budgeted FY 2016 & 2017

# Airline Cost Per Enplaned Passenger by Select Airports



Median (\$11.94) for the above selected Moody's rated airports  
Source: Moody's Investor Service, MFRA Database, as of April, 2015



# Expense Budget Overview

# Expense Budget Assumptions

## Personnel

### ■ Salaries and Wages

- FY 2016-2017 includes same assumptions as approved in FY2016 conceptual budget
- Pay-for-performance
- Contractually required union increases

### ■ Health and Dental Benefits

- Health: FY2016-2017 budget 9.0% renewal rate
- Dental: FY2016-2017 Budget 6.0% renewal rate

### ■ Retirement Benefits

- FY2016 proposed budget actuarial rate 12.7% vs FY2016 conceptual budget rate of 14.8%
- FY2017 proposed budget actuarial rate 14.0% vs. FY2016 proposed budget rate 12.7%



# Maximizing the Authority's Return on Investment in Talent

- Health Benefits
- Strategic Workforce Planning
- Workforce Flexibility

# Expense Budget Assumptions

## Non- Personnel

- Increase in utilities (Gas & Electric) – due to opening of Rental Car Center (recoverable) and 10% increase from estimated FY 2015 average annual rates
- Increase in Harbor police cost due to increase in rates
- Rental Car Center (RCC) busing cost, full operation to begin in January, 2016
- Parking credit card fees- due to billing changes, prior was netted against parking revenue

# Cost Control Opportunities

## Replacing consultant services with employee expertise

- 12kV Operations & maintenance
- Branding
- Micro Tiles in Terminals
- Leadership development training

## Maintenance

- Lighting Upgrades
- Upgrade cooling tower water filtration system

## Contracts

- Savings due to competitive bid process
- Shared utilization of contracts between departments

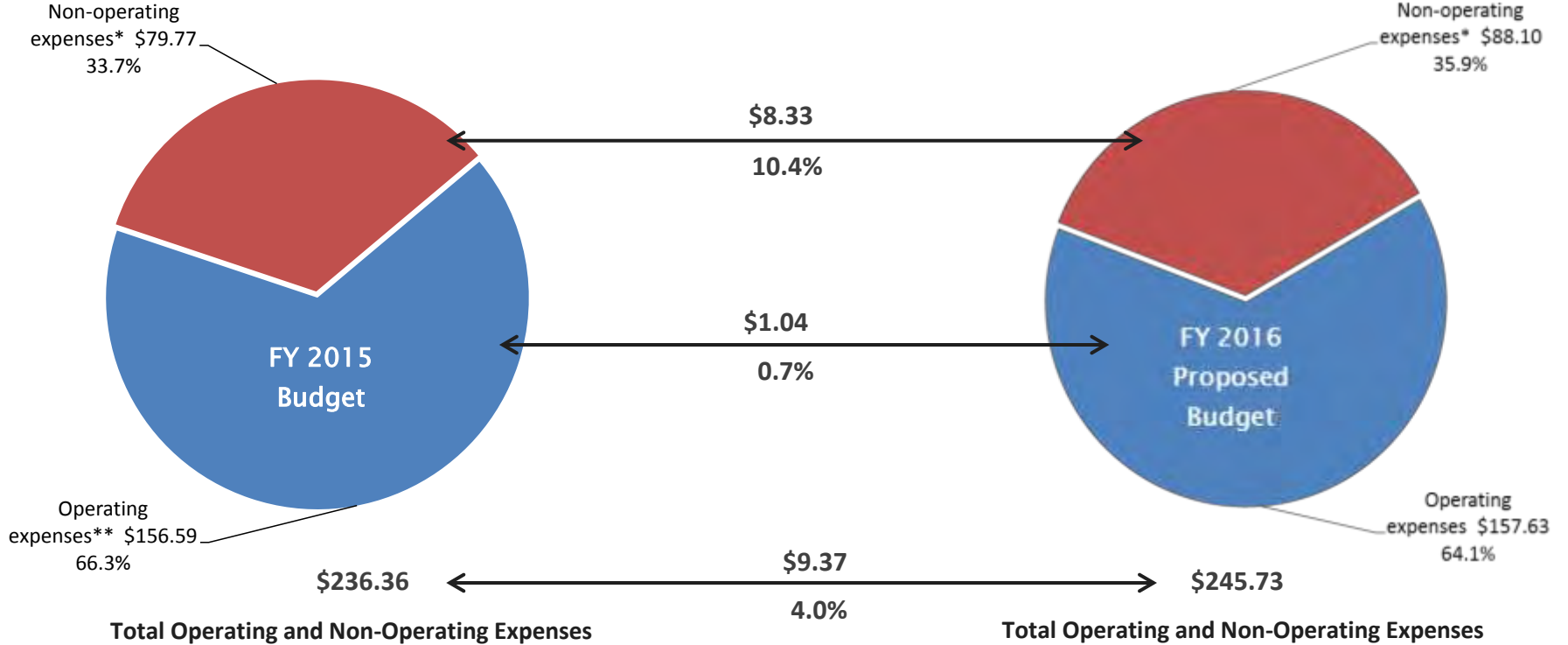
# FY 2016 – FY 2017 Proposed Personnel Summary by Division

	<u>FY 2015 Budget</u>	<u>FY 2016 Budget</u>	<u>FY 2017 Budget</u>
<b>Executive</b>	<b>67</b>	<b>69</b>	<b>70</b>
<b>Finance &amp; Asset Management</b>	<b>80</b>	<b>83</b>	<b>83</b>
<b>Development</b>	<b>83</b>	<b>81</b>	<b>81</b>
<b>Operations</b>	<b>185</b>	<b>192</b>	<b>193</b>
<b>TOTAL AUTHORIZED FUNDED POSITIONS</b>	<u><b>415</b></u>	<u><b>425</b></u>	<u><b>427</b></u>

# FY 2015 Budget vs FY 2016 Budget Proposed

## Budget Expense Comparison

(in Millions)

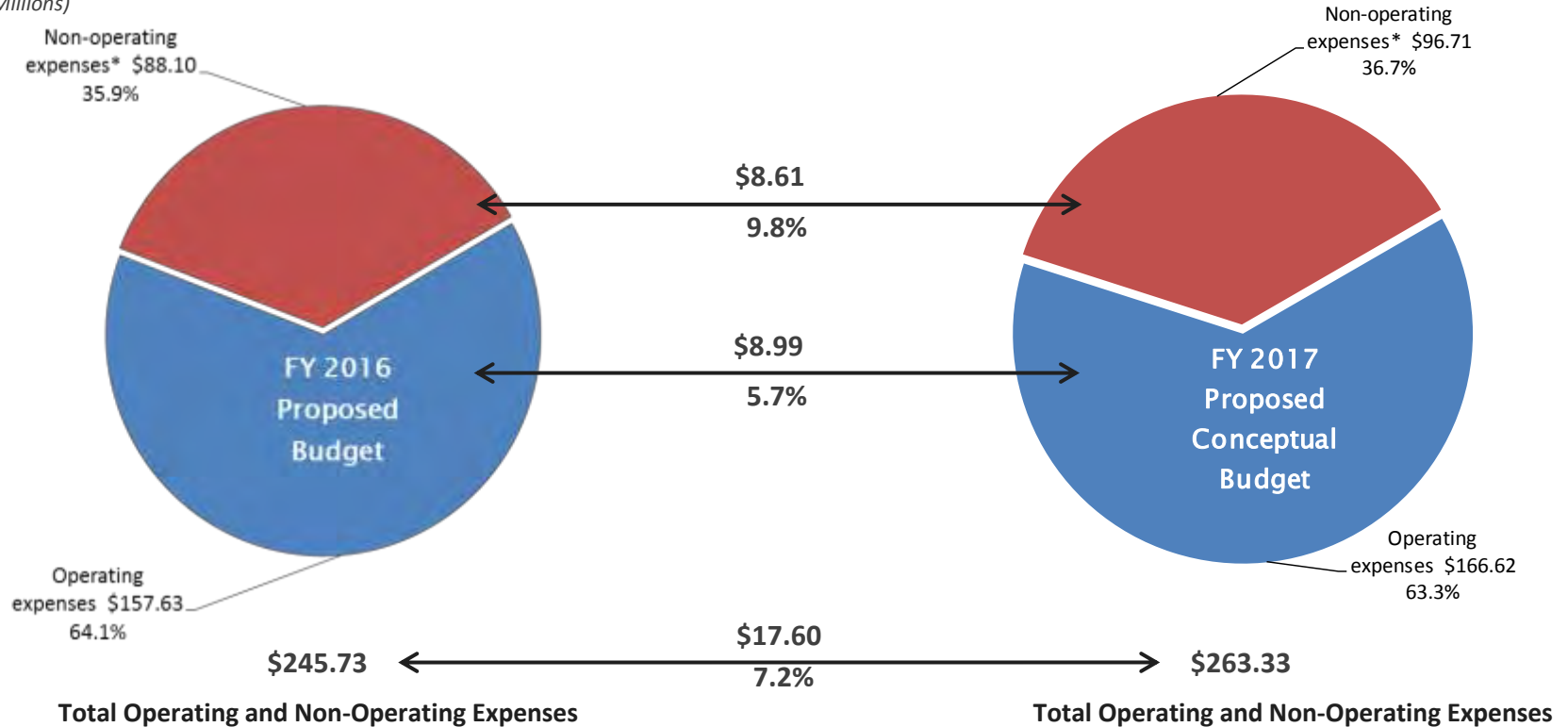


\* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

\*\* Includes SDCERS Unfunded Actuarial Liability (GASB Change)

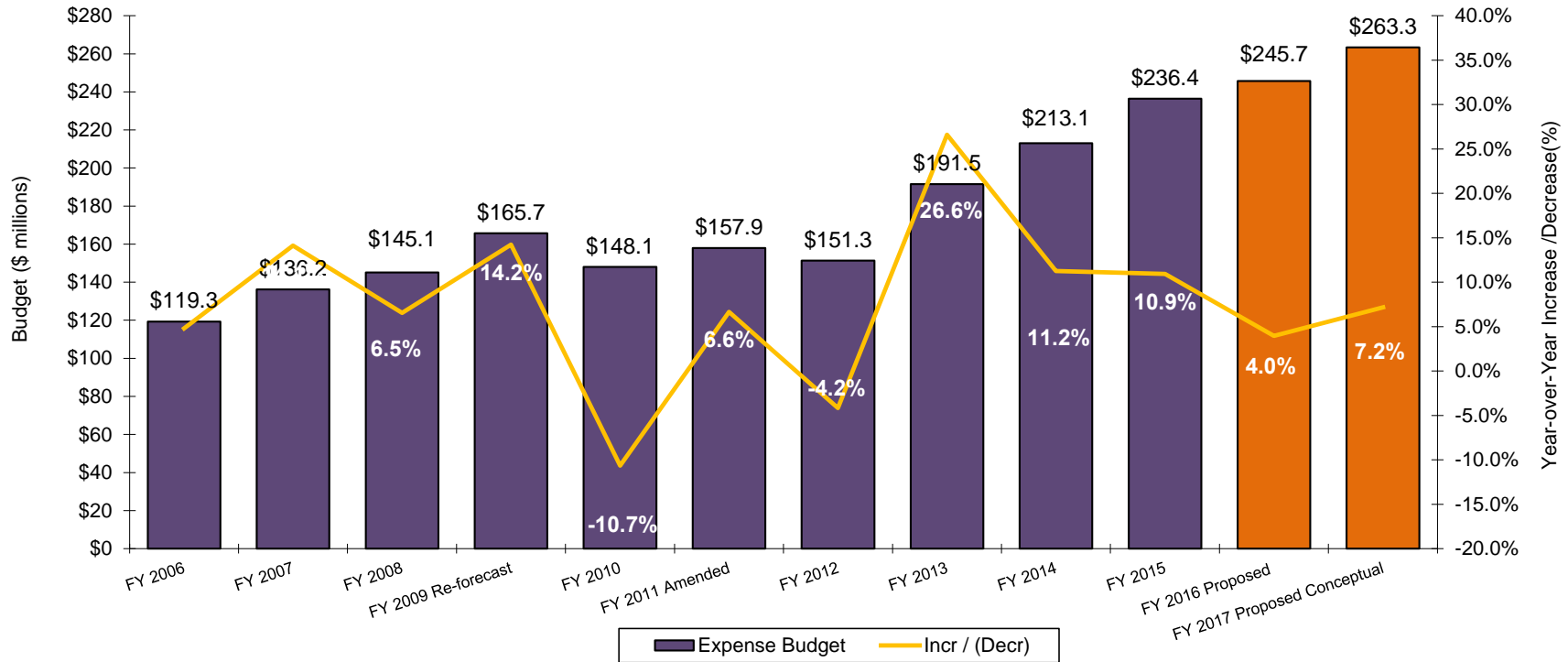
# FY 2016 Proposed Budget vs FY 2017 Proposed Conceptual Budget Comparison

(in Millions)



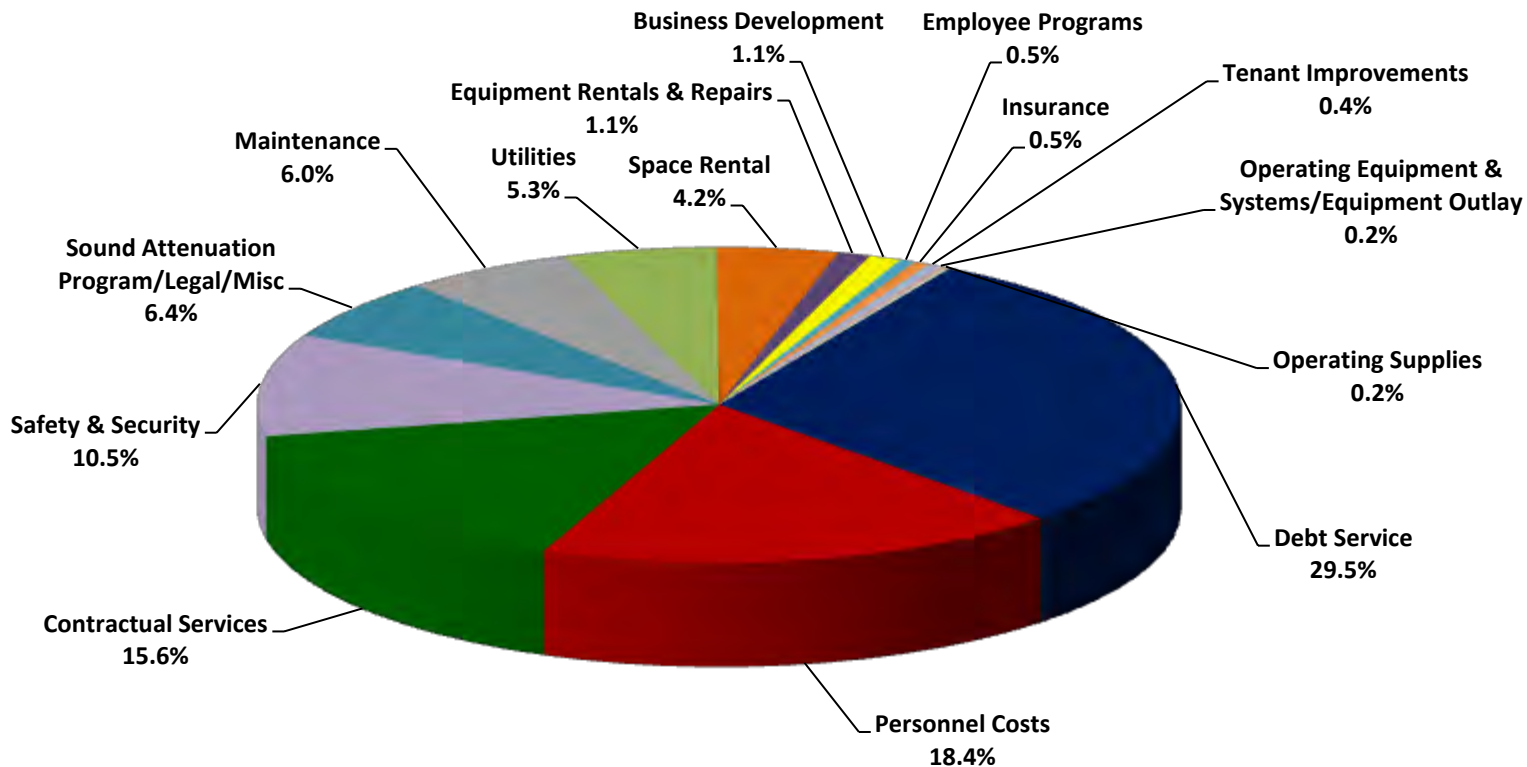
\* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

# Expense Budget FY 2006 – FY 2017 \*



\* Total Authority expenses

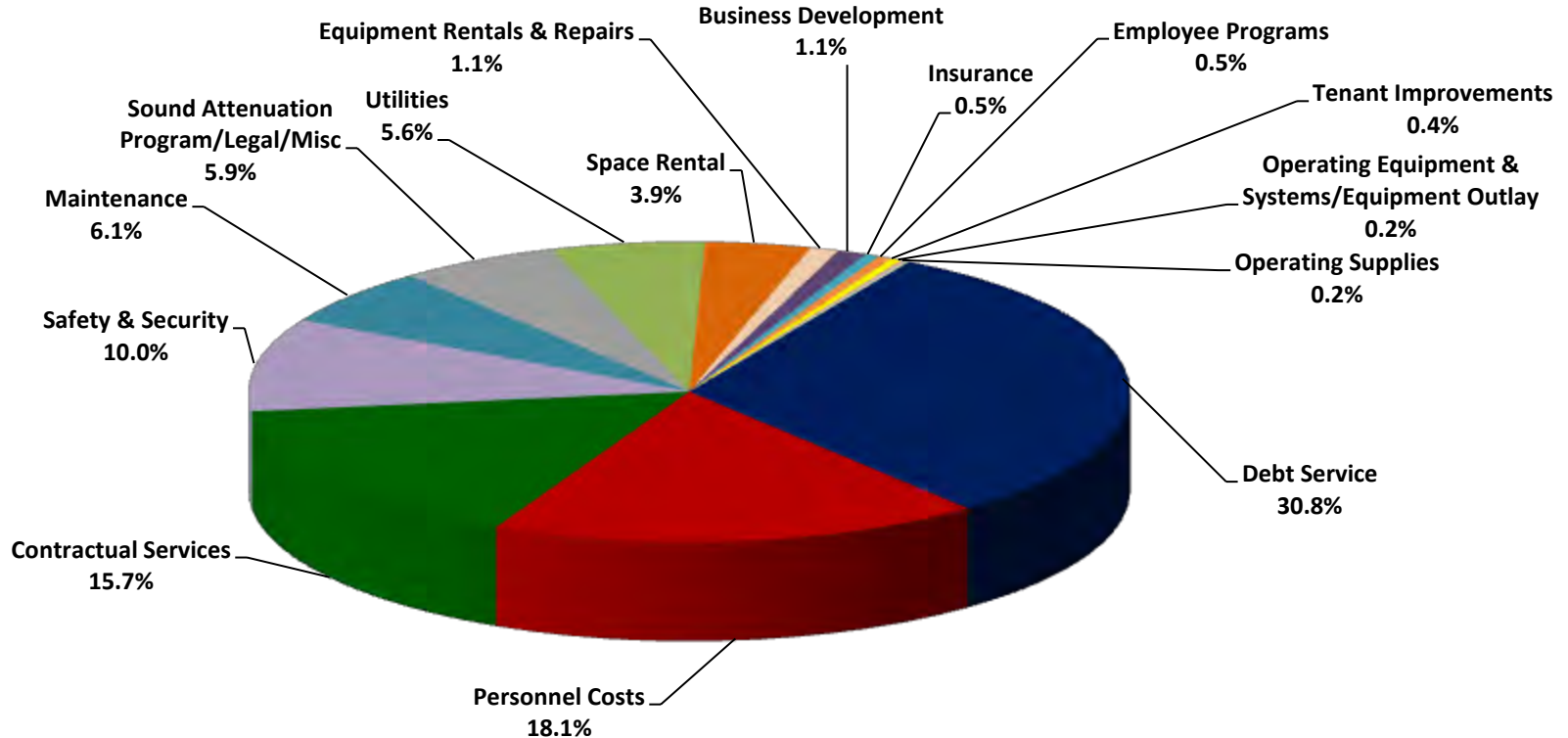
# FY 2016 Proposed Expense Budget by Category



**Total FY 2016 Proposed Budget is \$245.7M**



# FY 2017 Proposed Conceptual Expense Budget by Category



Total FY 2017 Proposed Budget is \$263.3M

# FY 2016 Proposed – FY 2017 Proposed

## Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 29,241,594	\$ 32,375,837	\$ 33,688,450	\$ 33,804,959	\$ 1,429,122	4.4%	\$ 116,509	0.3%	\$ 35,101,263	\$ 1,296,304	3.8%
Premium Overtime	969,743	841,000	841,000	699,500	(141,500)	-16.8%	(141,500)	-16.8%	701,000	1,500	0.2%
Employee Benefits	14,533,452	25,246,940	18,649,795	17,275,552	(7,971,388)	-31.6%	(1,374,243)	-7.4%	18,508,792	1,233,240	7.1%
Subtotal	44,744,789	58,463,777	53,179,245	51,780,011	(6,683,766)	-11.4%	(1,399,234)	-2.6%	54,311,055	2,531,044	4.9%
Less: Capitalized Labor	(4,924,983)	(6,055,685)	(6,362,450)	(5,936,320)	119,365	-2.0%	426,130	-6.7%	(6,071,838)	(135,517)	2.3%
Less: OHP - Labor/Burden/Labor Overhead	(684,521)	(663,928)	(688,119)	(674,897)	(10,969)	1.7%	13,223	-1.9%	(703,408)	(28,511)	4.2%
<b>Total Personnel Expenses</b>	<b>39,135,284</b>	<b>51,744,164</b>	<b>46,128,675</b>	<b>45,168,794</b>	<b>(6,575,370)</b>	<b>-12.7%</b>	<b>(959,881)</b>	<b>-2.1%</b>	<b>47,535,810</b>	<b>2,367,016</b>	<b>5.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	31,559,243	34,073,655	39,238,419	38,273,668	4,200,012	12.3%	(964,752)	-2.5%	41,307,797	3,034,129	7.9%
Safety and Security	24,150,563	25,001,794	25,794,332	25,704,383	702,589	2.8%	(89,948)	-0.3%	26,399,553	695,170	2.7%
Space Rental	10,478,262	10,450,296	10,424,581	10,428,514	(21,782)	-0.2%	3,933	0.0%	10,191,450	(237,064)	-2.3%
Utilities	8,680,410	9,557,536	10,414,599	13,121,913	3,564,377	37.3%	2,707,314	26.0%	14,804,627	1,682,714	12.8%
Maintenance	13,981,690	16,085,448	15,369,505	14,653,671	(1,431,777)	-8.9%	(715,835)	-4.7%	16,136,099	1,482,428	10.1%
Operating Equipment & Systems	670,237	558,235	682,027	573,065	14,830	2.7%	(108,962)	-16.0%	466,025	(107,040)	-18.7%
Operating Supplies	440,009	409,508	411,380	416,210	6,702	1.6%	4,830	1.2%	420,788	4,578	1.1%
Insurance	988,382	1,071,422	1,239,364	1,322,477	251,055	23.4%	83,113	6.7%	1,405,457	82,980	6.3%
Employee Programs	1,170,551	1,229,248	1,205,323	1,339,274	110,026	9.0%	133,951	11.1%	1,358,810	19,536	1.5%
Business Development	2,661,222	2,685,228	2,726,335	2,777,327	92,099	3.4%	50,992	1.9%	2,766,134	(11,194)	-0.4%
Equipment Rentals & Repairs	2,502,478	2,526,119	2,520,528	2,803,917	277,798	11.0%	283,388	11.2%	2,807,924	4,008	0.1%
Tenant Improvements	402,305	1,200,000	1,200,000	1,050,000	(150,000)	-12.5%	(150,000)	-12.5%	1,020,000	(30,000)	-2.9%
<b>Total Non-Personnel Expenses</b>	<b>97,685,351</b>	<b>104,848,490</b>	<b>111,228,393</b>	<b>112,464,418</b>	<b>7,615,929</b>	<b>7.3%</b>	<b>1,238,025</b>	<b>1.1%</b>	<b>119,084,663</b>	<b>6,620,245</b>	<b>5.9%</b>
<b>Total Operating Expenses</b>	<b>136,820,635</b>	<b>156,592,654</b>	<b>157,355,069</b>	<b>157,633,212</b>	<b>1,040,559</b>	<b>0.7%</b>	<b>278,144</b>	<b>0.2%</b>	<b>166,620,473</b>	<b>8,987,261</b>	<b>5.7%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	15,275,997	14,955,716	14,734,811	14,734,811	(220,905)	-1.5%	-	0.0%	14,738,811	4,000	0.0%
Debt Service	63,980,316	64,658,631	73,037,120	72,418,977	7,760,346	12.0%	(618,144)	-0.8%	81,150,716	8,731,739	12.1%
Legal Settlements Expense	25,000	10,000	10,000	10,000	0	0.0%	-	0.0%	10,000	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>79,281,313</b>	<b>79,624,347</b>	<b>87,781,931</b>	<b>87,163,788</b>	<b>7,539,441</b>	<b>9.5%</b>	<b>(618,144)</b>	<b>-0.7%</b>	<b>95,899,527</b>	<b>8,735,739</b>	<b>10.0%</b>
<b>Total Expenses</b>	<b>216,101,948</b>	<b>236,217,000</b>	<b>245,137,000</b>	<b>244,797,000</b>	<b>8,580,000</b>	<b>3.6%</b>	<b>(340,000)</b>	<b>-0.1%</b>	<b>262,520,000</b>	<b>17,723,000</b>	<b>7.2%</b>
<b>Equipment Outlay</b>	<b>1,702,225</b>	<b>147,000</b>	<b>284,000</b>	<b>932,000</b>	<b>785,000</b>	<b>534.0%</b>	<b>648,000</b>	<b>228.2%</b>	<b>810,000</b>	<b>(122,000)</b>	<b>-13.1%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 217,804,173</b>	<b>\$ 236,364,000</b>	<b>\$ 245,421,000</b>	<b>\$ 245,729,000</b>	<b>\$ 9,365,000</b>	<b>4.0%</b>	<b>\$ 308,000</b>	<b>0.1%</b>	<b>\$ 263,330,000</b>	<b>\$ 17,601,000</b>	<b>7.2%</b>

# Major Drivers of FY 2016 Proposed Budget

	<b>Total Inc/(Dec) FY2016 Budget vs. FY2015 Budget</b>
<b>FY 2015 Budget</b>	<b>\$ 236,364,000</b>
<b>Personnel:</b>	
Contracted wage increases and pay-for-performance	934,067
12 new and 2 eliminated position (salaries and burden)	932,512
Salary adjustments for current staff, decrease in overtime and change in capitalized labor	(215,671)
Burden (benefits & employer taxes) for current staff	(626,278)
SDCERS Unfunded Actuarial Liability (GASB change)	(7,600,000)
<b>Total Increase / (Decrease) in Salaries and Burden, Net</b>	<b>(6,575,370)</b>
<b>Non-Personnel:</b>	
<b>Terminal and Landside (Operations &amp; Maintenance):</b>	
Northside Development:	
Rental Car Center (RCC) Busing	2,866,409
Utilities (gas and electric and water) costs	679,568
Insurance costs	133,018
<b>Total Increase / (Decrease) Due to Northside Development</b>	<b>\$ 3,678,995</b>

# Major Drivers of FY 2016 Proposed Budget

## Other Terminal and Landside:

Utilities (gas and electric, and water) costs	\$	2,884,810
Transportation Network Company (TNC) Pilot		247,600
Annual maintenance and supplies costs		(165,227)
12kV maintenance		(513,000)
Airfield pavement and striping		(861,000)
<b>Total Increase / (Decrease) Due to Other Terminal and Landside</b>		<b>1,593,182</b>

**Total Increase / (Decrease) in Terminal and Landside (Operations & Maintenance)** **5,272,177**

## Safety and Security:

Law enforcement costs - Harbor Police and contract security services		589,999
Aircraft Rescue Fire Fight (ARFF)		145,590
Maintenance of access control system costs		107,450
<b>Total Increase / (Decrease) in Safety and Security</b>	<b>\$</b>	<b>843,039</b>

# Major Drivers of FY 2016 Proposed Budget

## Other Operating Expenses:

Credit Card fees	\$	750,000
Ground Transportaion software maintenance		205,000
Information & Technology (IT) Help Desk Technicians		200,000
Concessions Marketing Program		172,400
Terminal 2 East Common Use Passenger Processing System (CUPPS) Expansion		146,000
Insurance costs		118,037
Authority-wide IT equipment & systems maintenance costs		(118,235)
Concession Development Program (CDP) Hood and Vent Cleaning		(160,342)
Other (net)		187,853
<b>Total Increase / (Decrease) in Other Operating Expenses</b>		<b>1,500,712</b>
<b>Total Increase / (Decrease) in Non-Personnel Operating Expenses, Net</b>		<b>7,615,929</b>
<b>Total Increase / (Decrease) in Operating Expenses</b>	<b>\$</b>	<b>1,040,558</b>

# Major Drivers of FY 2016 Proposed Budget

## Debt Service:

Debt service costs	\$	7,760,346
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## Other Non-Operating Expenses:

Decrease in Quieter Home Program		(220,905)
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<b>Total Increase / (Decrease) in Non-Operating Expenses</b>		<b>7,539,441</b>
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## Equipment Outlay:

Authority-wide IT equipment		375,000
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Accesss control cameras		200,000
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Vehicles Replacement		200,000
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Other (net)		10,000
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<b>Total Increase / (Decrease) in Equipment Outlay</b>		<b>785,000</b>
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<b>Total Increase / (Decrease)</b>		<b>9,365,000</b>
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<b>FY 2016 Proposed Budget</b>	<b>\$</b>	<b>245,729,000</b>
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# Major Drivers of FY 2017 Proposed Conceptual Budget

	<b>Total Inc/(Dec) FY2017 Conceptual Budget vs. FY2016 Budget</b>
	<hr/>
<b>FY 2016 Budget</b>	<b>\$ 245,729,000</b>
<b>Personnel:</b>	
Burden (benefits & employer taxes) for current staff	1,180,925
Contracted wage increases and pay-for-performance	1,070,444
Salary adjustments for current staff	103,144
2 new positions (salaries and burden)	176,531
Capitalized labor / QHP - labor, burden, labor overhead	(164,028)
<b>Total Increase / (Decrease) in Salaries and Burden, Net</b>	<hr/> <b>2,367,016</b>
<b>Non Personnel:</b>	
<b>Terminal and Landside (Operations &amp; Maintenance):</b>	
Northside Development:	
Rental Car Center (RCC) Busing	2,909,958
Utilities (gas and electric, and water) costs	744,035
<b>Total Increase / (Decrease) Due to Northside Development</b>	<hr/> <b>\$ 3,653,992</b>

# Major Drivers of FY 2017 Proposed Conceptual Budget

## Other Terminal and Landside:

Utilities (gas and electric, and water) costs	\$	938,679
Annual maintenance and supplies costs		832,428
Shuttles and parking operation costs		301,255
Space rental costs		(237,064)
Transportation Network Company (TNC) Pilot		(247,600)
<b>Total Increase / (Decrease) Due to Other Terminal and Landside</b>		<b>1,587,698</b>
<b>Total Increase / (Decrease) in Terminal and Landside (Operations and Maintenance)</b>		<b>5,241,691</b>

## Safety and Security:

Maintenance of access control system costs		650,000
Law enforcement costs - Harbor Police and contract security services		519,112
Aircraft Rescue Fire Fight (ARFF)		155,058
<b>Total Increase / (Decrease) in Safety and Security</b>	<b>\$</b>	<b>1,324,170</b>



# Major Drivers of FY 2017 Proposed Conceptual Budget

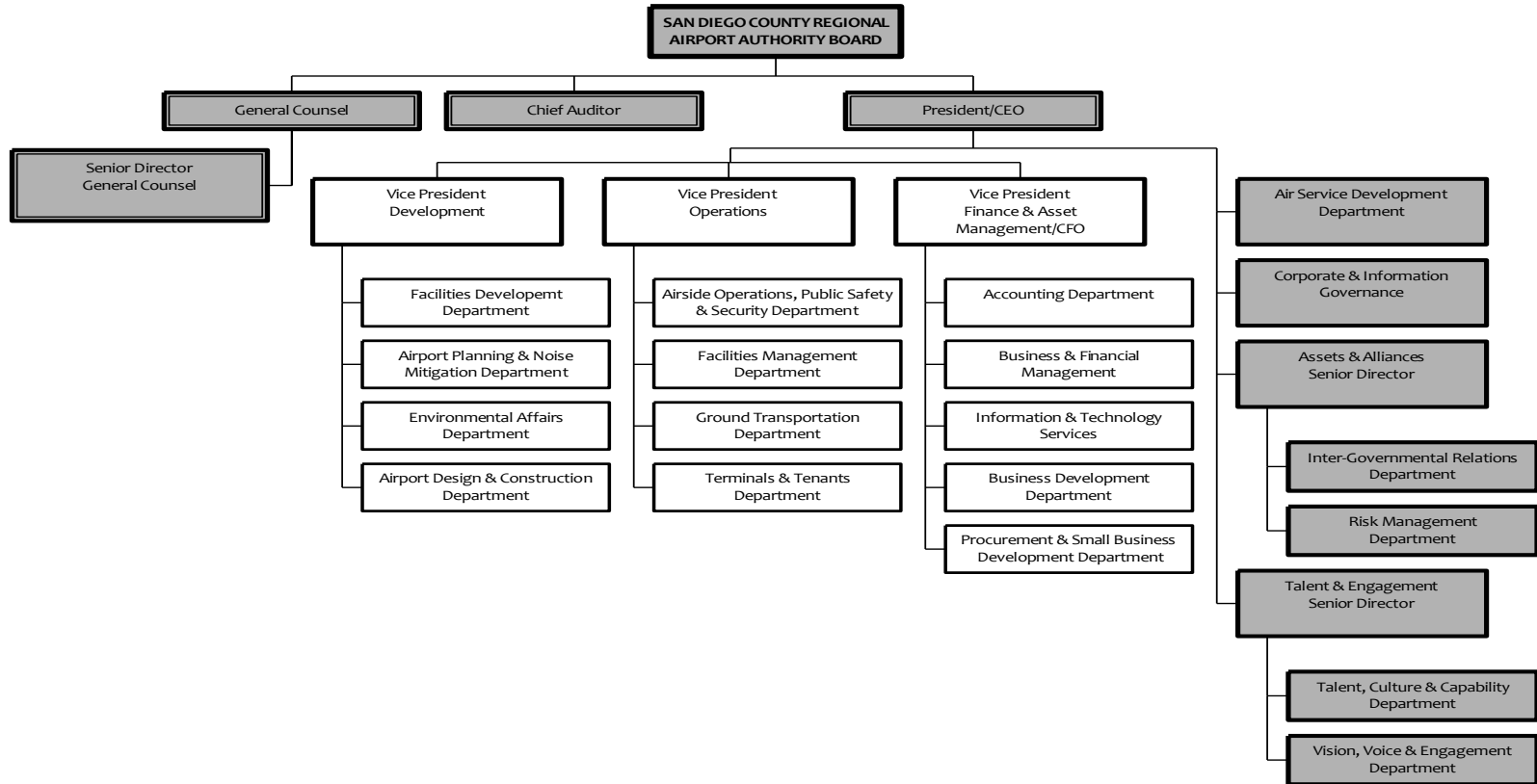
## Other Operating Expenses:

Other (net)	\$	54,384
<b>Total Increase / (Decrease) in Other Operating Expenses</b>		<b>54,384</b>
<b>Total Increase / (Decrease) in Non-Personnel Operating Expenses, Net</b>		<b>6,620,245</b>
<b>Total Increase / (Decrease) in Operating Expenses</b>		<b>8,987,261</b>
<b>Debt Service:</b>		
Debt service costs		8,731,739
<b>Other Non-Operating Expenses:</b>		
Quieter Home Program		4,000
<b>Total Increase / (Decrease) in Non-Operating Expenses</b>		<b>8,735,739</b>
<b>Equipment Outlay:</b>		
Equipment outlay costs		(122,000)
<b>Total Increase / (Decrease)</b>		<b>17,601,000</b>
<b>FY 2017 Proposed Conceptual Budget</b>	<b>\$</b>	<b>263,330,000</b>



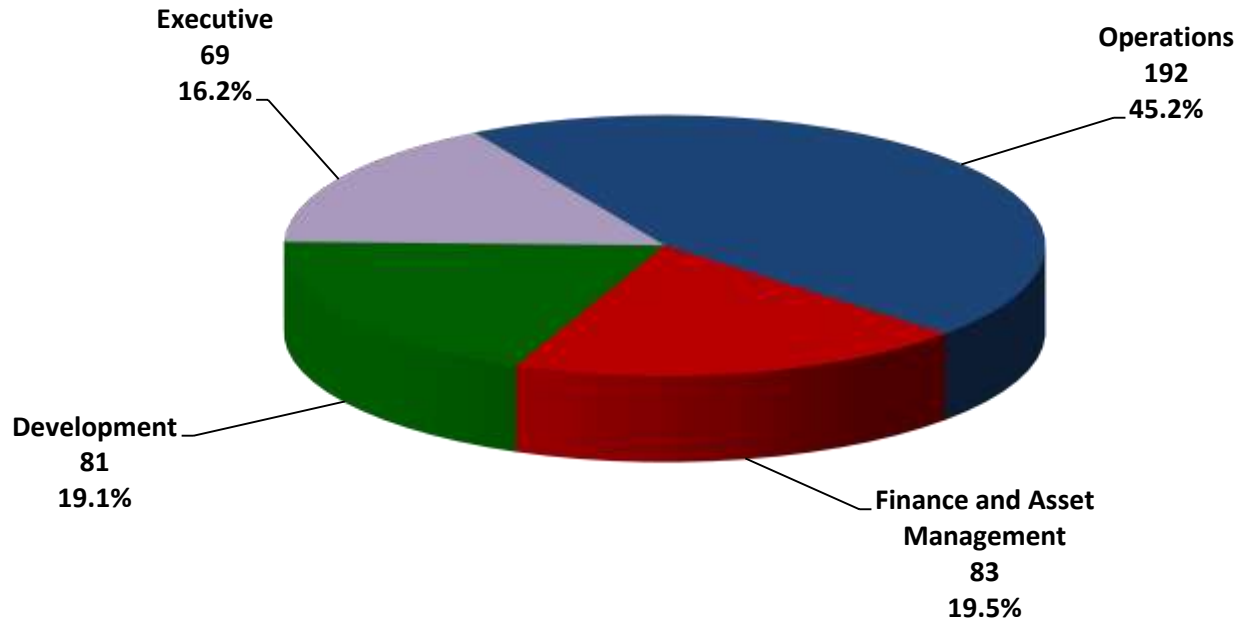
# Division Expense Budget Overview

# SDCRAA Organizational Chart



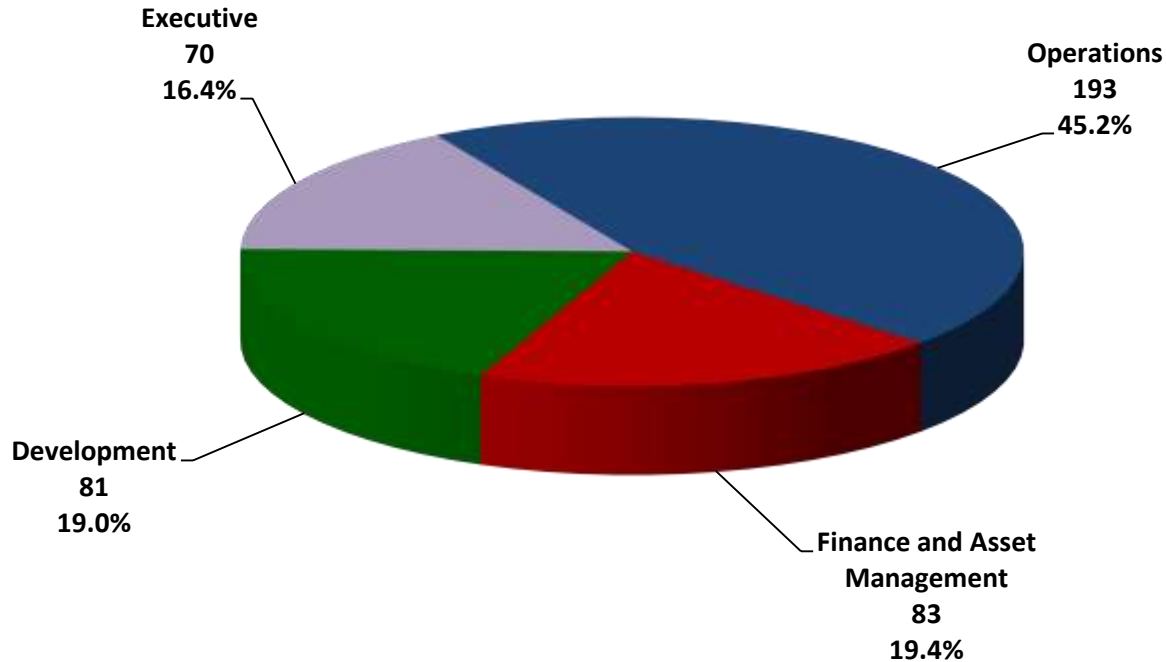
\* Boxes in grey reside in the Executive Division

# FY 2016 Proposed Budget Personnel by Division



**Total Authorized Positions are 425**

# FY 2017 Proposed Conceptual Budget Personnel by Division

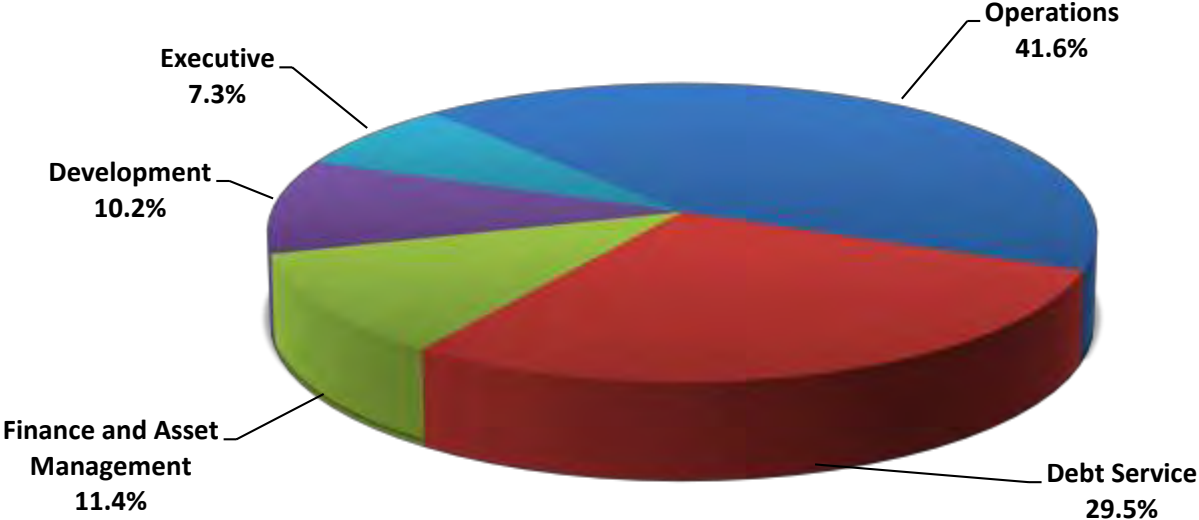


**Total Authorized Positions are 427**

# FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary by Department

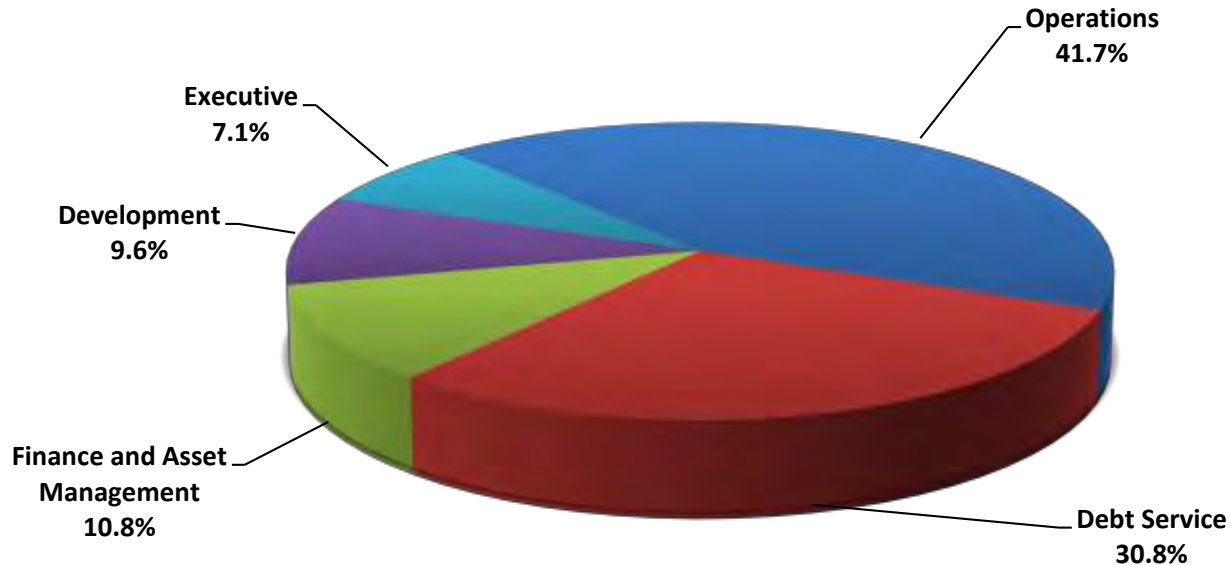
Department	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
Executive Offices	\$ 1,076,070	\$ 1,096,942	\$ 1,135,944	\$ 1,120,721	\$ 23,779	2.17%	\$ (15,223)	-1.34%	\$ 1,167,079	\$ 46,358	4.14%
General Counsel	1,759,600	2,583,157	2,626,197	2,595,824	12,667	0.49%	(30,374)	-1.16%	2,635,216	39,393	1.52%
Chief Auditor	1,111,342	1,184,008	1,224,802	1,217,606	33,598	2.84%	(7,196)	-0.59%	1,251,038	33,431	2.75%
Board Services	263,126	187,300	188,000	181,500	(5,800)	-3.10%	(6,500)	-3.46%	185,500	4,000	2.20%
Corporate & Information Governance	902,066	1,002,157	1,036,971	1,124,650	122,493	12.22%	87,679	8.46%	1,126,261	1,612	0.14%
Talent Culture & Capability	3,027,932	3,450,489	3,489,045	3,286,749	(163,740)	-4.75%	(202,296)	-5.80%	3,403,616	116,867	3.56%
Vision, Voice & Engagement	4,241,357	3,968,448	4,121,831	3,874,478	(93,970)	-2.37%	(247,353)	-6.00%	4,171,858	297,381	7.68%
Risk Management	1,788,693	2,034,349	2,278,648	2,410,123	375,774	18.47%	131,475	5.77%	2,496,630	86,507	3.59%
Intergovernmental Relations	829,359	878,330	925,605	896,717	18,387	2.09%	(28,887)	-3.12%	912,932	16,215	1.81%
Air Service Development	1,144,113	1,258,852	1,259,004	1,311,382	52,530	4.17%	52,378	4.16%	1,377,037	65,655	5.01%
<b>Executive Division</b>	<b>16,143,658</b>	<b>17,644,032</b>	<b>18,286,048</b>	<b>18,019,750</b>	<b>375,718</b>	<b>2.13%</b>	<b>(266,298)</b>	<b>-1.46%</b>	<b>18,727,167</b>	<b>707,417</b>	<b>3.93%</b>
Ground Transportation	18,326,899	19,034,712	24,059,145	22,465,846	3,431,134	18.03%	(1,593,299)	-6.62%	25,719,225	3,253,378	14.48%
Terminals & Tenants	10,769,853	11,335,715	11,687,033	11,379,243	43,528	0.38%	(307,790)	-2.63%	11,409,701	30,458	0.27%
Facilities Management	29,412,225	32,554,536	33,058,074	35,008,888	2,454,352	7.54%	1,950,814	5.90%	38,050,278	3,041,391	8.69%
Aviation Security/Public Safety	22,978,401	23,666,041	24,769,226	24,855,786	1,189,745	5.03%	86,560	0.35%	25,869,376	1,013,590	4.08%
Airside Operations	7,487,655	8,202,980	8,344,844	8,410,987	208,007	2.54%	66,143	0.79%	8,666,253	255,266	3.03%
<b>Operations Division</b>	<b>88,975,033</b>	<b>94,793,984</b>	<b>101,918,323</b>	<b>102,120,750</b>	<b>7,326,766</b>	<b>7.73%</b>	<b>202,428</b>	<b>0.20%</b>	<b>109,714,833</b>	<b>7,594,082</b>	<b>7.44%</b>
Environmental Affairs	2,669,619	3,749,414	3,915,842	3,951,622	202,208	5.39%	35,780	0.91%	4,093,178	141,555	3.58%
Airport Planning & Noise Mitigation	18,350,839	18,629,622	18,713,956	18,598,486	(31,136)	-0.17%	(115,470)	-0.62%	18,669,119	70,633	0.38%
Facilities Development	1,759,381	2,680,552	2,370,045	2,408,661	(271,891)	-10.14%	38,617	1.63%	2,457,694	49,033	2.04%
Airport Design & Construction	93,746	45,253	45,253	164,172	118,919	262.79%	118,919	262.79%	169,513	5,341	3.25%
<b>Development Division</b>	<b>22,873,584</b>	<b>25,104,841</b>	<b>25,045,096</b>	<b>25,122,941</b>	<b>18,100</b>	<b>0.07%</b>	<b>77,845</b>	<b>0.31%</b>	<b>25,389,504</b>	<b>266,562</b>	<b>1.06%</b>
Business Development	77,896	347,291	326,193	320,903	(26,388)	-7.60%	(5,290)	-1.62%	275,873	(45,030)	-14.03%
Information & Technology Services	6,839,224	7,362,063	7,670,474	8,158,588	796,525	10.82%	488,114	6.36%	8,387,910	229,322	2.81%
Business and Financial Management	15,150,904	14,966,487	15,088,173	15,663,745	697,258	4.66%	575,572	3.81%	15,623,300	(40,445)	-0.26%
Accounting	1,733,282	1,568,244	1,689,827	1,593,645	25,400	1.62%	(96,182)	-5.69%	1,687,518	93,873	5.89%
Procurement and Small Business Development	2,070,974	2,084,830	2,137,379	2,127,916	43,086	2.07%	(9,463)	-0.44%	2,202,924	75,008	3.52%
Other	(40,935)	7,833,597	222,368	181,785	(7,651,812)	-97.68%	(40,583)	-18.25%	170,256	(11,528)	-6.34%
<b>Financial &amp; Asset Management Division</b>	<b>25,831,345</b>	<b>34,162,512</b>	<b>27,134,413</b>	<b>28,046,582</b>	<b>(6,115,931)</b>	<b>-17.90%</b>	<b>912,169</b>	<b>3.36%</b>	<b>28,347,781</b>	<b>301,199</b>	<b>1.07%</b>
<b>Debt Service</b>	<b>63,980,552</b>	<b>64,658,631</b>	<b>73,037,120</b>	<b>72,418,977</b>	<b>7,760,346</b>	<b>12.00%</b>	<b>(618,144)</b>	<b>-0.85%</b>	<b>81,150,716</b>	<b>8,731,739</b>	<b>12.06%</b>
<b>Total Budget</b>	<b>\$ 217,804,173</b>	<b>\$ 236,364,000</b>	<b>\$ 245,421,000</b>	<b>\$ 245,729,000</b>	<b>\$ 9,365,000</b>	<b>3.96%</b>	<b>\$ 308,000</b>	<b>0.13%</b>	<b>\$ 263,330,000</b>	<b>\$ 17,601,000</b>	<b>7.16%</b>

# FY 2016 Proposed Expense Budget by Division



Total FY 2016 Proposed Budget is \$245.7M

# FY 2017 Proposed Conceptual Expense Budget by Division



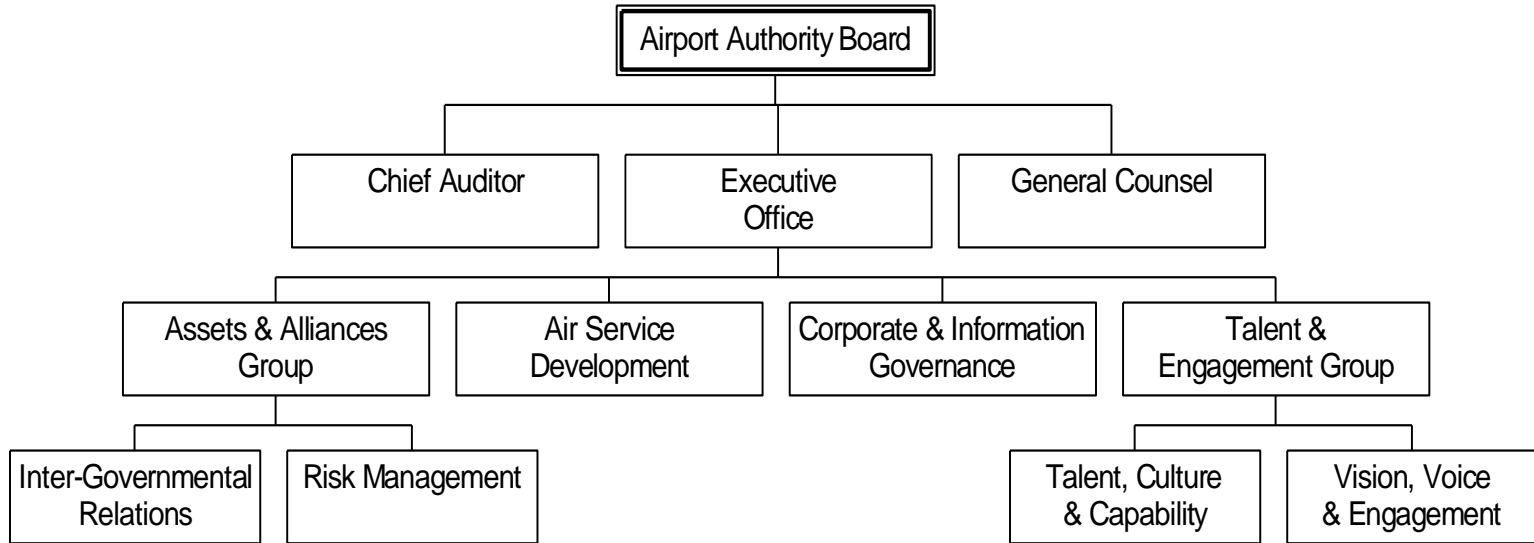
Total FY 2017 Proposed Budget is \$263.3M



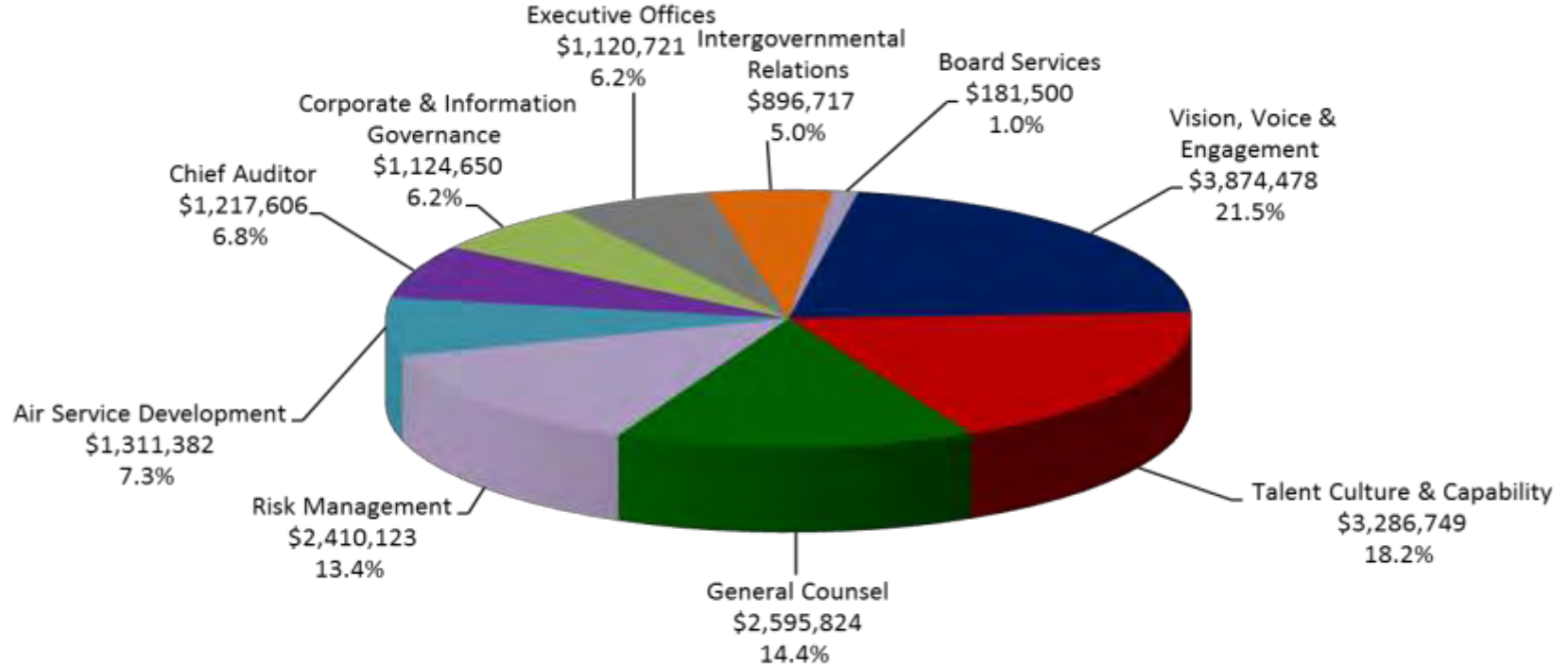


# Executive Division

# FY 2016 – 2017 Organizational Structure

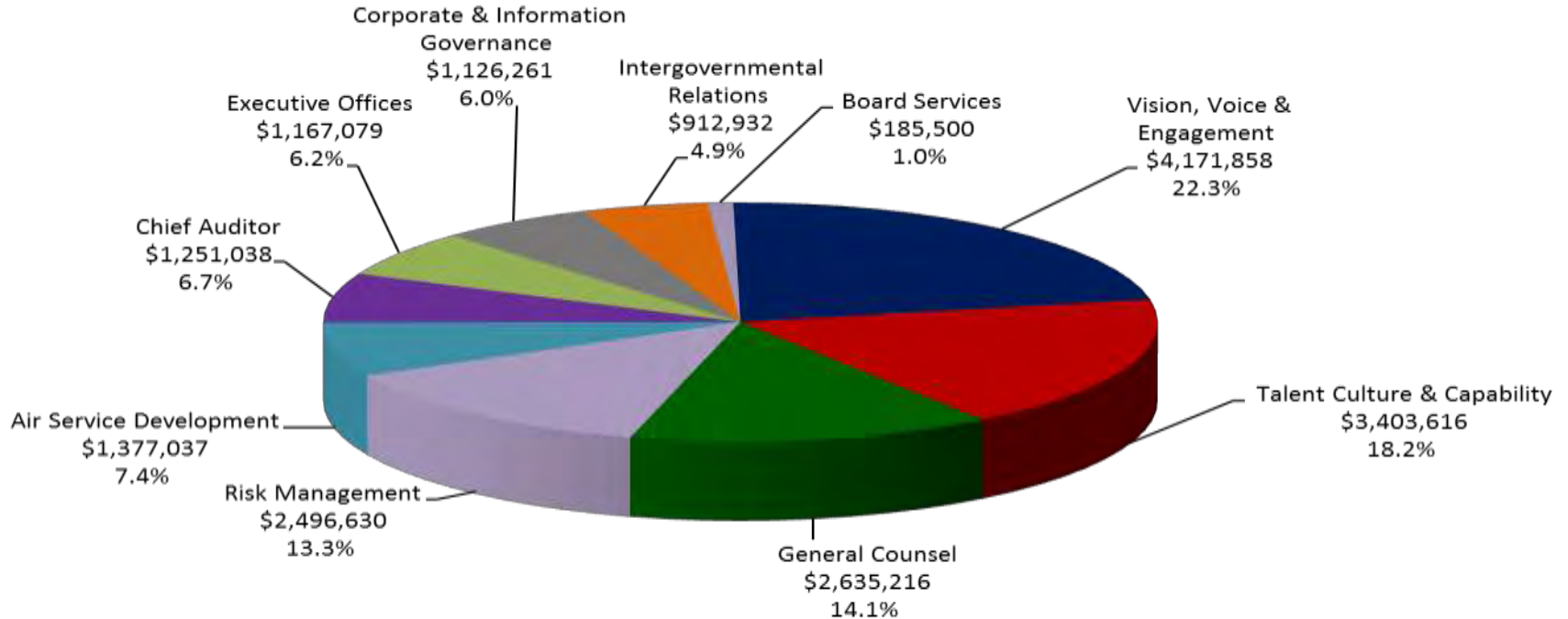


# FY 2016 Proposed Expense Summary by Department



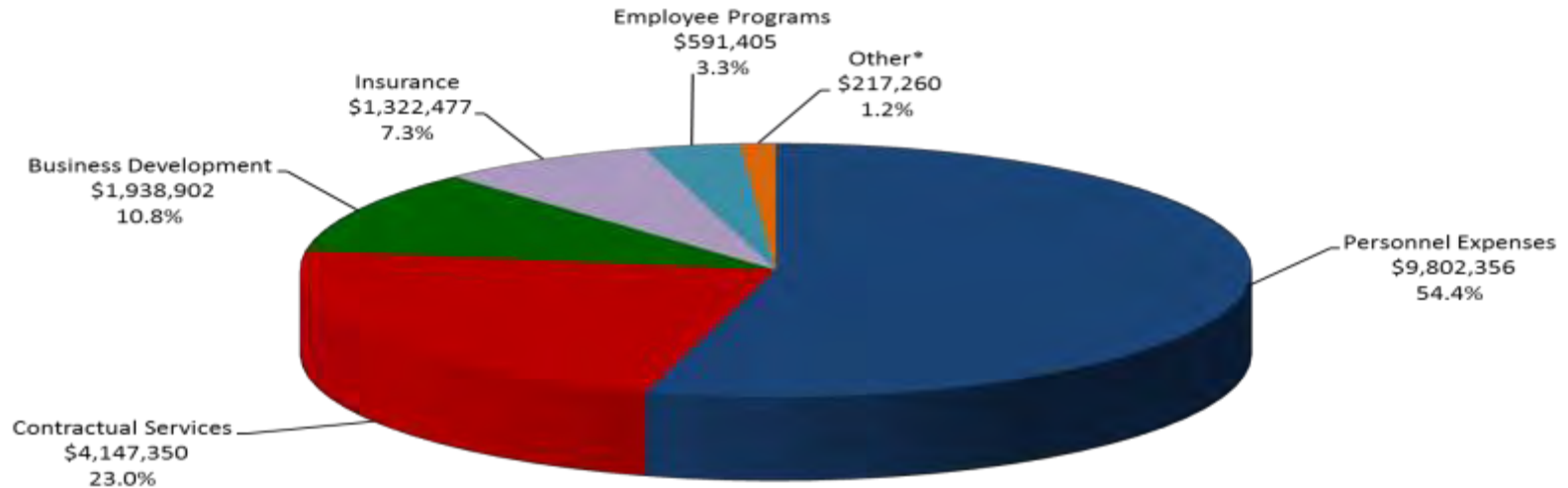
Total FY 2016 Proposed Budget is \$18.0M

# FY 2017 Proposed Conceptual Expense Summary by Department



**Total FY 2017 Proposed Conceptual Budget is \$18.7M**

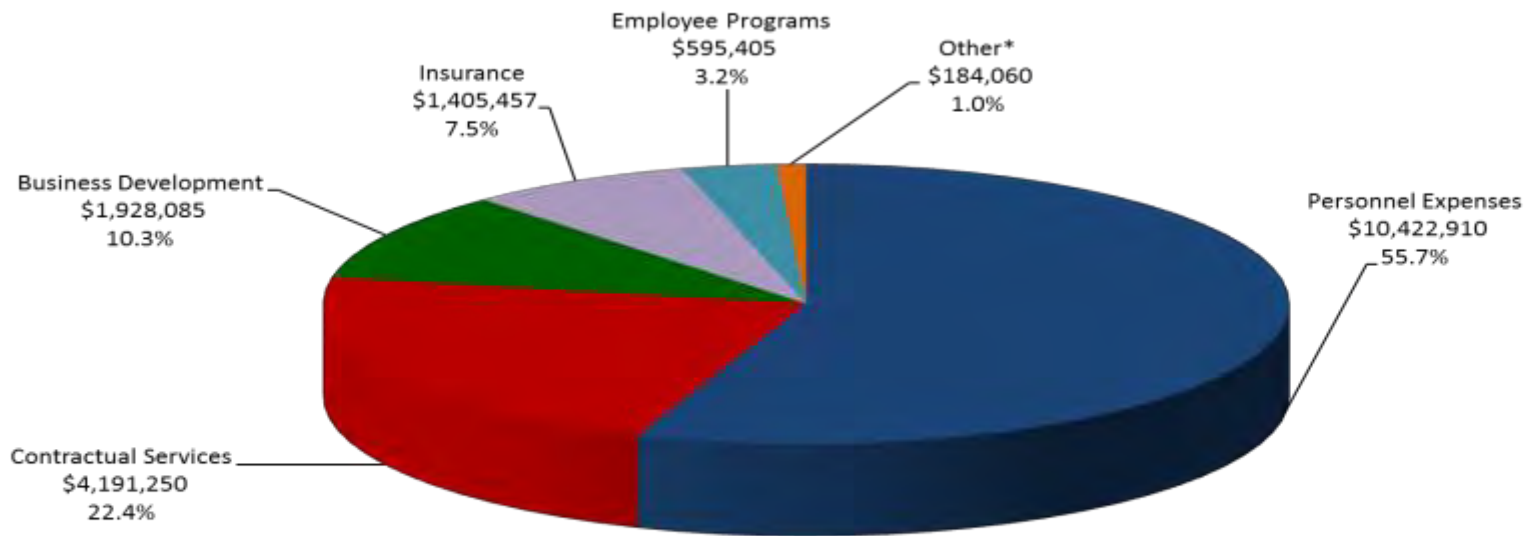
# FY 2016 Proposed Expense Summary by Major Expense Category



\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

**Total FY 2016 Proposed Budget is \$18.0M**

# FY 2017 Proposed Conceptual Expense Summary by Major Expense Category



\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

**Total FY 2017 Proposed Conceptual Budget is \$18.7M**

# FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

## Executive Division

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 6,132,600	\$ 6,583,151	\$ 6,756,624	\$ 6,787,113	\$ 203,962	3.1%	\$ 30,489	0.5%	\$ 7,071,943	\$ 284,830	4.2%
Premium Overtime	14,061	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	2,713,954	3,229,158	3,381,920	3,118,541	(110,618)	-3.4%	(263,379)	-7.8%	3,350,967	232,427	7.5%
Subtotal	8,860,615	9,812,310	10,138,543	9,905,654	93,344	1.0%	(232,890)	-2.3%	10,422,910	517,256	5.2%
Less: Capitalized Labor	(4,002)	(69,479)	(45,514)	(103,298)	(33,819)	48.7%	(57,784)	127.0%	-	103,298	-100.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>8,856,613</b>	<b>9,742,831</b>	<b>10,093,030</b>	<b>9,802,356</b>	<b>59,525</b>	<b>0.6%</b>	<b>(290,674)</b>	<b>-2.9%</b>	<b>10,422,910</b>	<b>620,554</b>	<b>6.3%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	3,410,700	4,108,937	4,106,137	4,147,350	38,413	0.9%	41,213	1.0%	4,191,250	43,900	1.1%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Utilities	261	18,150	3,150	3,400	(14,750)	-81.3%	250	7.9%	3,425	25	0.7%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	68,793	33,650	78,400	86,400	52,750	156.8%	8,000	10.2%	36,900	(49,500)	-57.3%
Operating Supplies	34,365	40,475	38,975	38,935	(1,540)	-3.8%	(40)	-0.1%	38,035	(900)	-2.3%
Insurance	988,382	1,071,422	1,239,364	1,322,477	251,055	23.4%	83,113	6.7%	1,405,457	82,980	6.3%
Employee Programs	487,677	554,515	539,265	591,405	36,890	6.7%	52,140	9.7%	595,405	4,000	0.7%
Business Development	2,140,476	1,962,302	2,081,252	1,938,902	(23,400)	-1.2%	(142,350)	-6.8%	1,928,085	(10,817)	-0.6%
Equipment Rentals & Repairs	52,415	80,550	75,275	72,325	(8,225)	-23.0%	(2,950)	-28.2%	69,500	(2,825)	-13.2%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>7,183,068</b>	<b>7,871,201</b>	<b>8,163,018</b>	<b>8,202,394</b>	<b>331,193</b>	<b>4.2%</b>	<b>39,376</b>	<b>0.5%</b>	<b>8,269,257</b>	<b>66,863</b>	<b>0.8%</b>
<b>Total Operating Expenses</b>	<b>16,039,680</b>	<b>17,614,032</b>	<b>18,256,048</b>	<b>18,004,750</b>	<b>390,718</b>	<b>2.2%</b>	<b>(251,298)</b>	<b>-1.4%</b>	<b>18,692,167</b>	<b>687,417</b>	<b>3.8%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	25,000	10,000	10,000	10,000	0	0.0%	-	0.0%	10,000	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>25,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>10,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>16,064,680</b>	<b>17,624,032</b>	<b>18,266,048</b>	<b>18,014,750</b>	<b>390,718</b>	<b>2.2%</b>	<b>(251,298)</b>	<b>-1.4%</b>	<b>18,702,167</b>	<b>687,417</b>	<b>3.8%</b>
<b>Equipment Outlay</b>	<b>78,978</b>	<b>20,000</b>	<b>20,000</b>	<b>5,000</b>	<b>(15,000)</b>	<b>-75.0%</b>	<b>(15,000)</b>	<b>-75.0%</b>	<b>25,000</b>	<b>20,000</b>	<b>400.0%</b>
<b>Total Executive Division Expenses</b>	<b>\$ 16,143,658</b>	<b>\$ 17,644,032</b>	<b>\$ 18,286,048</b>	<b>\$ 18,019,750</b>	<b>\$ 375,718</b>	<b>2.1%</b>	<b>\$ (266,298)</b>	<b>-1.5%</b>	<b>\$18,727,167</b>	<b>\$ 707,417</b>	<b>3.9%</b>

# FY 2016 Proposed – FY 2017 Proposed Conceptual Executive Division Budget Major Drivers

Executive Division	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 17,644,032</b>	<b>\$ 18,019,750</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	87,282	215,493
1 New position of Records & Information Management Specialist (salaries, benefits & employer taxes)	69,135	-
1 New position of Network Strategist (salaries, benefits & employer taxes)	49,948	-
1 New position of Art Program Coordinator (salaries, benefits & employer taxes)	-	101,093
Capitalized Labor	(33,819)	103,298
Burden (benefits & employer taxes) for current staff	(113,021)	200,670
<b>Total Increase / (Decrease) in personnel costs</b>	<b>59,525</b>	<b>620,554</b>
Insurance	251,055	82,980
Outside professional services	135,500	(22,100)
Other, net	(70,362)	25,983
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>316,193</b>	<b>86,863</b>
<b>Total Increase / (Decrease)</b>	<b>375,718</b>	<b>707,417</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 18,019,750</b>	<b>\$ 18,727,167</b>



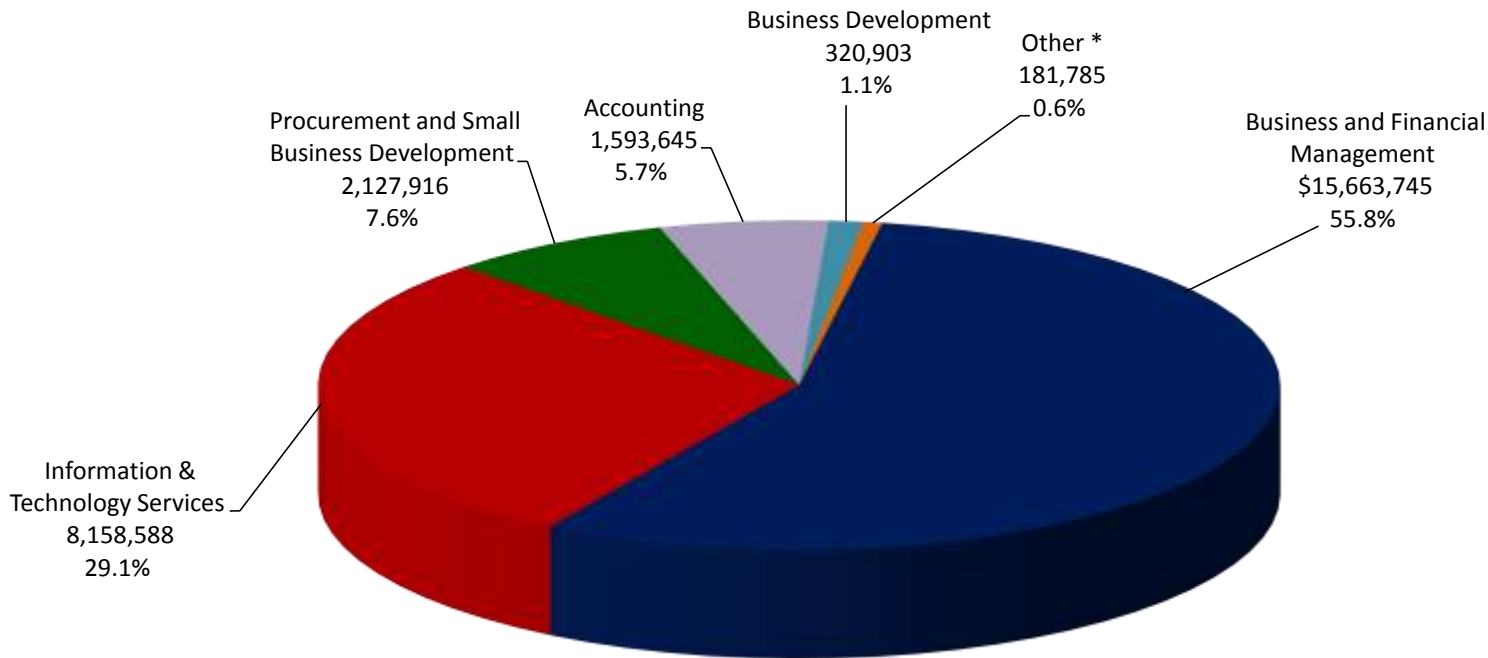


# Finance & Asset Management Division

# FY 2016 – 2017 Organizational Structure



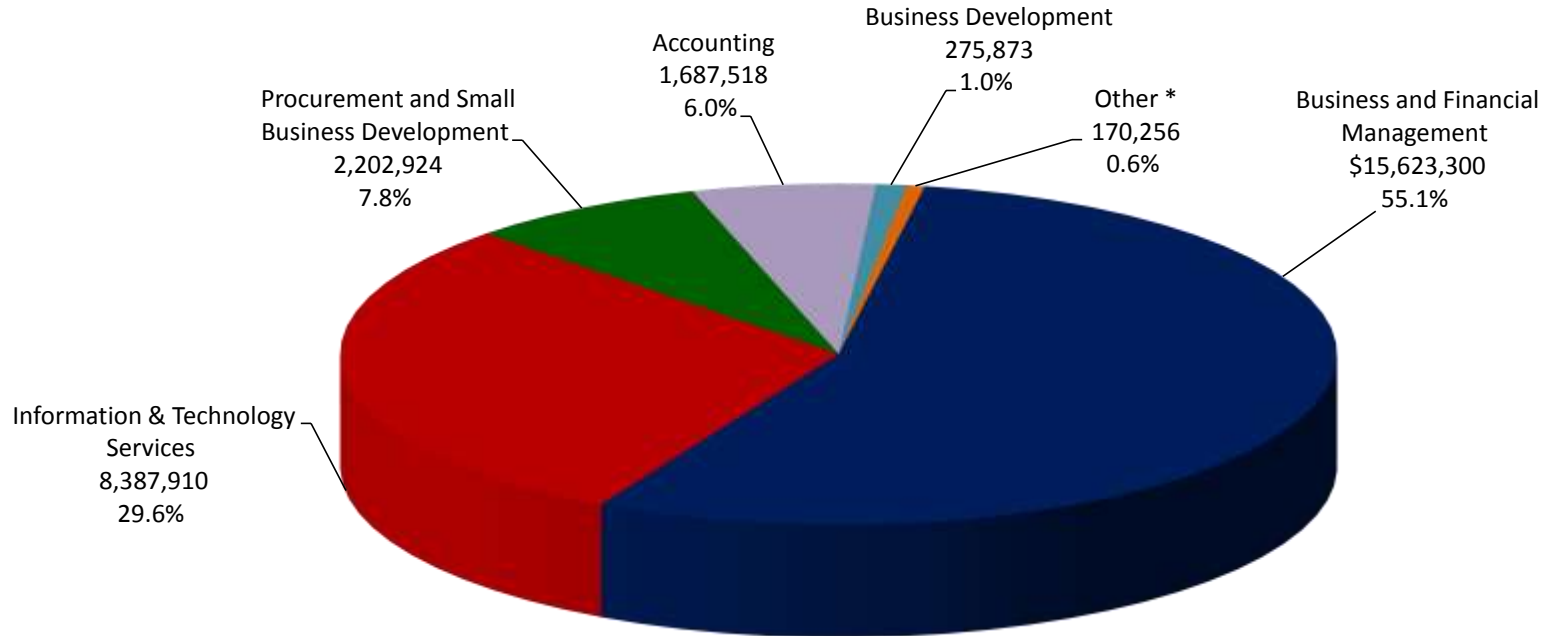
# FY 2016 Proposed Expense Summary by Department



\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

**Total FY 2016 Proposed Budget is \$28.0M**

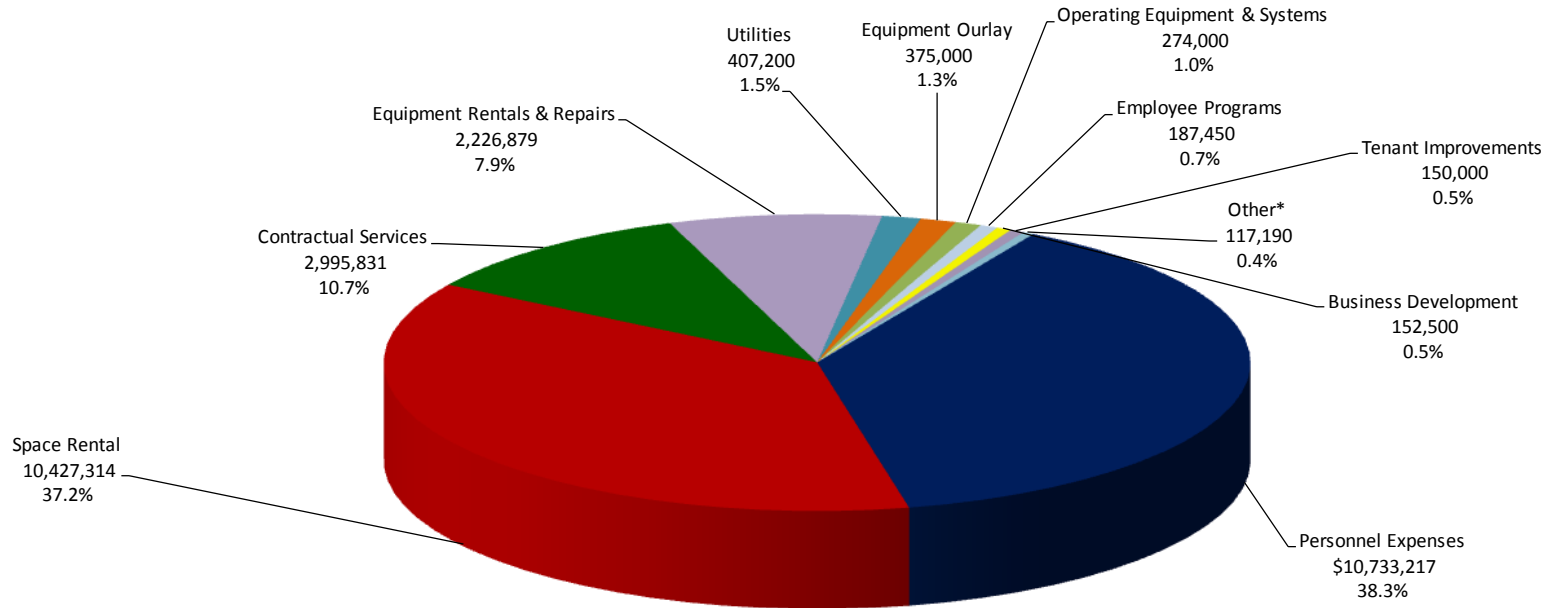
# FY 2017 Proposed Conceptual Expense Summary by Department



\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

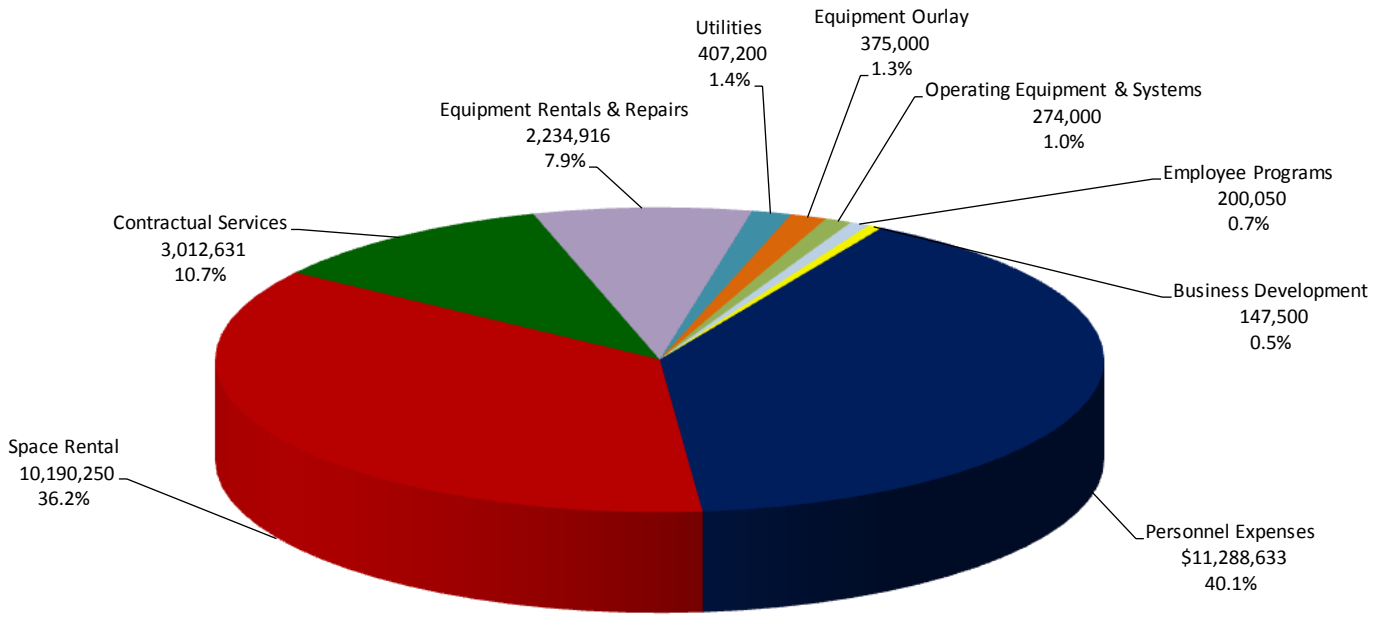
**Total FY 2017 Proposed Conceptual Budget is \$28.3M**

# FY 2016 Proposed Expense Summary by Major Expense Category



**Total FY 2016 Proposed Budget is \$28.0M**

# FY 2017 Proposed Conceptual Expense Summary by Major Expense Category



Total FY 2017 Proposed Conceptual Budget is \$28.3M

# FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

Finance & Asset Management Division	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 6,223,564	\$ 6,788,358	\$ 7,011,203	\$ 7,055,974	\$ 267,616	3.9%	\$ 44,771	0.6%	\$ 7,346,526	\$ 290,553	4.1%
Premium Overtime	161,712	150,000	150,000	150,000	-	0.0%	-	0.0%	150,000	-	0.0%
Employee Benefits *	2,885,519	11,231,018	3,815,043	3,527,243	(7,703,775)	-68.6%	(287,799)	-7.5%	3,792,107	264,864	7.5%
Subtotal	9,270,795	18,169,376	10,976,246	10,733,217	(7,436,159)	-40.9%	(243,029)	-2.2%	11,288,633	555,416	5.2%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses **</b>	<b>9,270,795</b>	<b>18,169,376</b>	<b>10,976,246</b>	<b>10,733,217</b>	<b>(7,436,159)</b>	<b>-40.9%</b>	<b>(243,029)</b>	<b>-2.2%</b>	<b>11,288,633</b>	<b>555,416</b>	<b>5.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,759,097	2,056,420	2,130,384	2,995,831	939,411	45.7%	865,447	40.6%	3,012,631	16,800	0.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	10,478,262	10,449,096	10,423,381	10,427,314	(21,782)	-0.2%	3,933	0.0%	10,190,250	(237,064)	-2.3%
Utilities	347,190	466,000	466,000	407,200	(58,800)	-12.6%	(58,800)	-12.6%	407,200	-	0.0%
Maintenance	19,086	19,650	19,650	20,240	590	3.0%	590	3.0%	20,000	(240)	-1.2%
Operating Equipment & Systems	497,803	340,547	394,269	274,000	(66,547)	-19.5%	(120,269)	-30.5%	274,000	-	0.0%
Operating Supplies	102,610	91,580	92,914	96,950	5,370	5.9%	4,036	4.3%	97,600	650	0.7%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	204,823	177,725	179,565	187,450	9,725	5.5%	7,885	4.4%	200,050	12,600	6.7%
Business Development	106,872	148,975	149,279	152,500	3,525	2.4%	3,221	2.2%	147,500	(5,000)	-3.3%
Equipment Rentals & Repairs	1,898,047	2,043,143	2,102,725	2,226,879	183,736	-21.6%	124,154	-25.6%	2,234,916	8,037	9.1%
Tenant Improvements	402,305	200,000	200,000	150,000	(50,000)	-25.0%	(50,000)	-25.0%	100,000	(50,000)	-33.3%
<b>Total Non-Personnel Expenses</b>	<b>15,816,096</b>	<b>15,993,136</b>	<b>16,158,167</b>	<b>16,938,364</b>	<b>945,228</b>	<b>5.9%</b>	<b>780,197</b>	<b>4.8%</b>	<b>16,684,147</b>	<b>(254,217)</b>	<b>-1.5%</b>
<b>Total Operating Expenses</b>	<b>25,086,891</b>	<b>34,162,512</b>	<b>27,134,413</b>	<b>27,671,582</b>	<b>(6,490,931)</b>	<b>-19.0%</b>	<b>537,169</b>	<b>2.0%</b>	<b>27,972,781</b>	<b>301,199</b>	<b>1.1%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>25,086,892</b>	<b>34,162,512</b>	<b>27,134,413</b>	<b>27,671,582</b>	<b>(6,490,931)</b>	<b>-19.0%</b>	<b>537,169</b>	<b>2.0%</b>	<b>27,972,781</b>	<b>301,199</b>	<b>1.1%</b>
<b>Equipment Outlay</b>	<b>744,453</b>	<b>-</b>	<b>-</b>	<b>375,000</b>	<b>375,000</b>	<b>0.0%</b>	<b>375,000</b>	<b>0.0%</b>	<b>375,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Finance &amp; Asset Management Division Expenses</b>	<b>\$ 25,831,345</b>	<b>\$ 34,162,512</b>	<b>\$ 27,134,413</b>	<b>\$ 28,046,582</b>	<b>\$ (6,115,931)</b>	<b>-17.9%</b>	<b>\$ 912,169</b>	<b>3.4%</b>	<b>\$ 28,347,781</b>	<b>\$ 301,199</b>	<b>1.1%</b>

\* Reflects the reduction in Unfunded Actuarial Liability of \$7.6M budgeted for FY 2015

\*\* Personal costs include vacancy savings

# FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Major Drivers

## Finance & Asset Management Division

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 34,162,512</b>	<b>\$ 28,046,582</b>
<b>Personnel costs</b>		
1 New Position of Cyber Security Specialist (salaries, benefits & employer taxes)	114,431	-
1 Position transferred from Facilities Management (salaries, benefits & employer taxes)	110,337	-
Salary adjustments and pay-for-performance	102,519	289,855
Burden (benefits & employer taxes) for current staff	(162,790)	264,185
SDCERS Unfunded Actuarial Liability (GASB change)	(7,600,000)	-
<b>Total Increase / (Decrease) in personnel costs*</b>	<b>(7,435,503)</b>	<b>554,040</b>
Parking Credit card fees	750,000	37,500
Ground Transportation Systems	205,000	-
Information & Technology (IT) Help Desk Technicians	200,000	-
Terminal 2 East CUPPS Expansion	146,000	-
Space rental	(21,782)	(237,064)
Other, net	40,354	(53,277)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>1,319,572</b>	<b>(252,841)</b>
<b>Total Increase / (Decrease)</b>	<b>(6,115,931)</b>	<b>301,199</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 28,046,582</b>	<b>\$ 28,347,781</b>

\*Personal costs include vacancy savings





# Debt Service

# FY 2015 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
Principal on variable rate debt	\$ 6,065,000	\$ 6,159,000	\$ 6,109,000	\$ 6,124,000	\$ (35,000)	-0.6%	\$ 15,000	0.2%	\$ 6,133,000	\$ 9,000	0.1%
Principal on Revenue Bonds	5,785,000	10,695,000	11,090,000	11,090,000	395,000	3.7%	-	0.0%	11,585,000	495,000	4.5%
Principal & Interest Expense - Capitalized Leases	933,870	877,298	877,298	877,298	(0)	0.0%	-	0.0%	877,298	-	0.0%
Interest on Revenue Bonds and variable rate debt	50,266,141	49,967,809	50,147,267	50,145,953	178,144	0.4%	(1,313)	0.0%	50,214,548	68,595	0.1%
Interest on Special Facility Bonds	5,991,777	-	8,170,605	8,170,605	8,170,605	0.0%	(0)	0.0%	16,341,210	8,170,605	100.0%
Fees	318,581	789,314	886,200	254,370	(534,944)	-67.8%	(631,830)	-71.3%	152,772	(101,598)	-39.9%
Amortization of Bond Premium	(4,392,862)	(3,829,790)	(4,243,249)	(4,243,249)	(413,459)	10.8%	-	0.0%	(4,153,112)	90,137	-2.1%
Other	(986,955)	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Debt Service</b>	<b>\$ 63,980,552</b>	<b>\$ 64,658,631</b>	<b>\$ 73,037,120</b>	<b>\$ 72,418,977</b>	<b>\$ 7,760,346</b>	<b>12.0%</b>	<b>\$ (618,143)</b>	<b>-0.8%</b>	<b>\$ 81,150,715</b>	<b>\$ 8,731,738</b>	<b>12.1%</b>

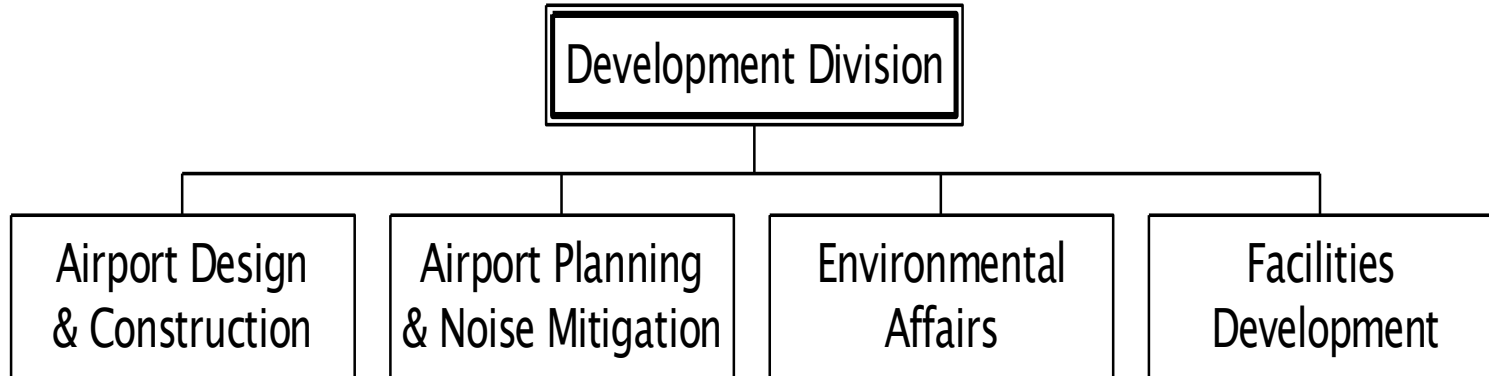


# Development Division

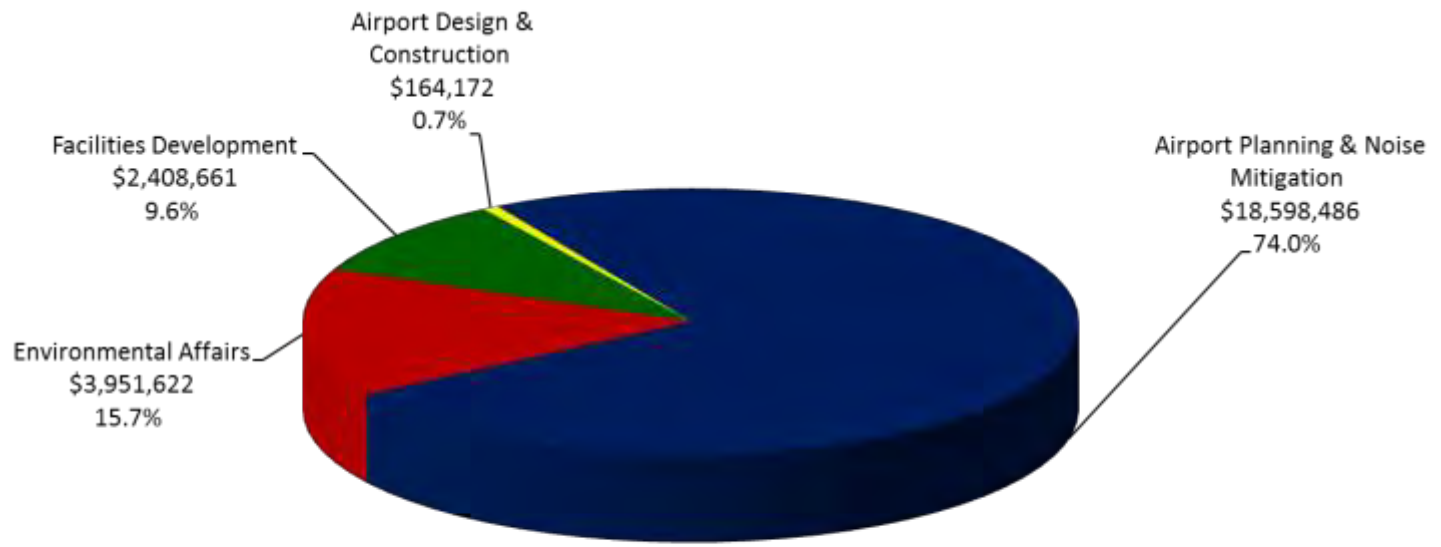


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# FY 2016 – 2017 Organizational Structure

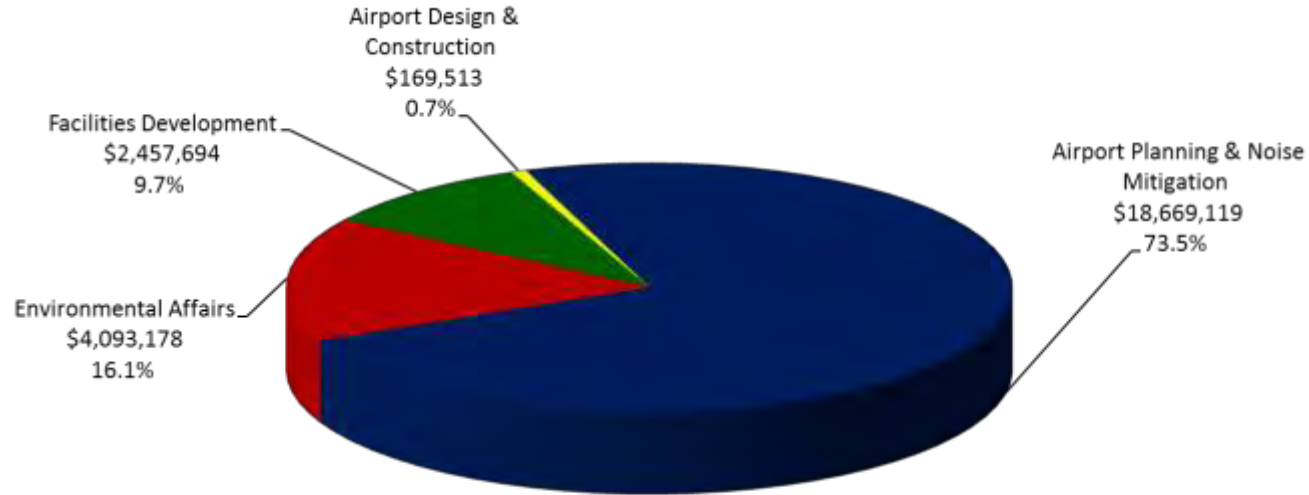


# FY 2016 Proposed Expense Summary by Department



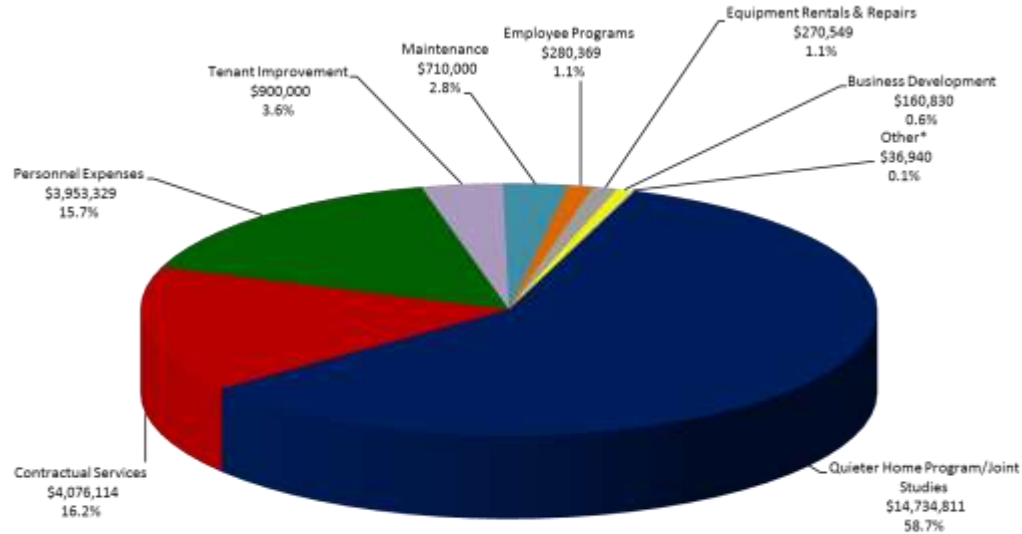
**Total FY 2016 Proposed Budget is \$25.1M**

# FY 2017 Proposed Conceptual Expense Summary by Department



**Total FY 2017 Proposed Conceptual Budget is \$25.4M**

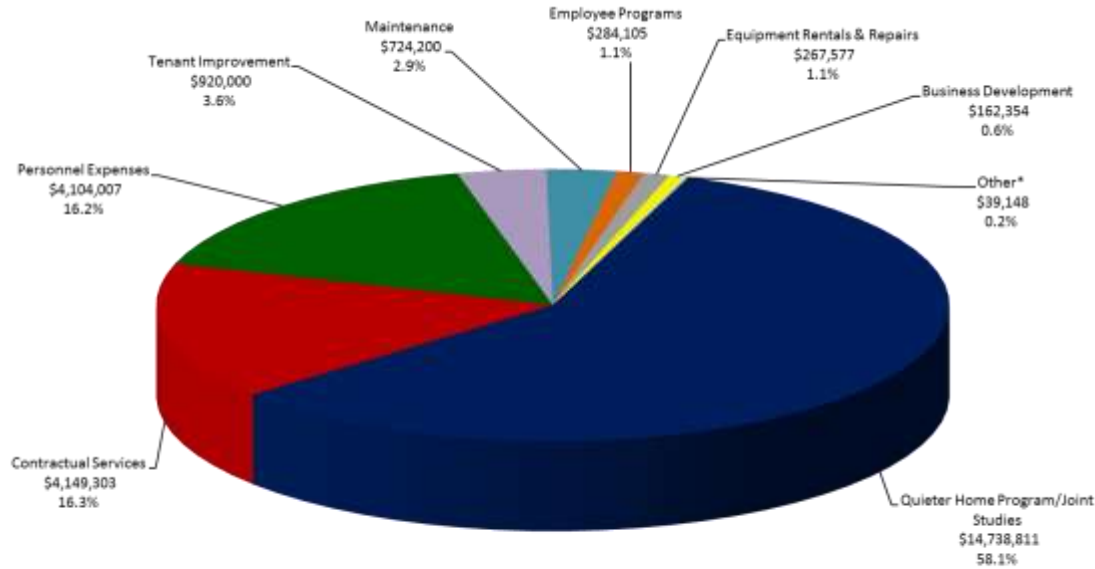
# FY 2016 Proposed Expense Summary by Major Expense Category



\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

**Total FY 2016 Proposed Budget is \$25.1M**

# FY 2017 Proposed Conceptual Expense Summary by Major Expense Category



\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

**Total FY 2017 Proposed Conceptual Budget is \$25.4M**



# FY 2016 Proposed – FY 2017 Proposed Conceptual

## Budget Expense Summary

Development Division	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 5,618,007	\$ 6,797,309	\$ 7,148,419	\$ 6,937,067	\$ 139,758	2.1%	\$ (211,352)	-3.0%	\$ 7,138,459	\$ 201,392	2.9%
Premium Overtime	31,761	20,000	20,000	20,000	-	0.0%	-	0.0%	20,500	500	2.5%
Employee Benefits	2,666,595	3,522,602	3,758,923	3,404,181	(118,421)	-3.4%	(354,742)	-9.4%	3,620,293	216,112	6.3%
Subtotal	8,316,363	10,339,911	10,927,342	10,361,248	21,337	0.2%	(566,094)	-5.2%	10,779,252	418,004	4.0%
Less: Capitalized Labor	(4,735,957)	(5,886,206)	(6,216,937)	(5,733,023)	153,184	-2.6%	483,914	-7.8%	(5,971,838)	(238,815)	4.2%
Less: QHP - Labor/Burdens/Labor Overhead	(684,521)	(663,928)	(688,119)	(674,897)	(10,969)	1.7%	13,223	-1.9%	(703,408)	(28,511)	4.2%
<b>Total Personnel Expenses</b>	<b>2,895,885</b>	<b>3,789,777</b>	<b>4,022,286</b>	<b>3,953,329</b>	<b>163,552</b>	<b>4.3%</b>	<b>(68,958)</b>	<b>-1.7%</b>	<b>4,104,007</b>	<b>150,678</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	3,210,500	3,737,089	3,925,180	4,076,114	339,025	9.1%	150,934	3.8%	4,149,303	73,189	1.8%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	614	1,600	1,600	14,600	13,000	812.5%	13,000	812.5%	16,620	2,020	13.8%
Maintenance	540,966	838,690	710,000	710,000	(128,690)	-15.3%	-	0.0%	724,200	14,200	2.0%
Operating Equipment & Systems	17,890	2,838	2,858	(5,635)	(8,473)	-298.6%	(8,493)	-297.2%	(7,225)	(1,590)	28.2%
Operating Supplies	54,863	15,303	15,341	17,975	2,672	17.5%	2,634	17.2%	19,753	1,778	9.9%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	308,418	264,098	264,133	280,369	16,271	6.2%	16,236	6.1%	284,105	3,736	1.3%
Business Development	94,182	162,034	162,109	160,830	(1,204)	-0.7%	(1,279)	-0.8%	162,354	1,524	0.9%
Equipment Rentals & Repairs	340,454	257,696	196,778	270,549	12,853	-93.1%	73,771	-96.3%	267,577	(2,972)	-0.1%
Tenant Improvements	-	1,000,000	1,000,000	900,000	(100,000)	-10.0%	(100,000)	-10.0%	920,000	20,000	2.2%
<b>Total Non-Personnel Expenses</b>	<b>4,567,887</b>	<b>6,279,348</b>	<b>6,277,999</b>	<b>6,424,802</b>	<b>145,453</b>	<b>2.3%</b>	<b>146,803</b>	<b>2.3%</b>	<b>6,536,685</b>	<b>111,884</b>	<b>1.7%</b>
<b>Total Operating Expenses</b>	<b>7,463,772</b>	<b>10,069,125</b>	<b>10,300,285</b>	<b>10,378,130</b>	<b>309,005</b>	<b>3.1%</b>	<b>77,845</b>	<b>0.8%</b>	<b>10,640,693</b>	<b>262,562</b>	<b>2.5%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	15,275,997	14,955,716	14,734,811	14,734,811	(220,905)	-1.5%	-	0.0%	14,738,811	4,000	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>15,275,997</b>	<b>14,955,716</b>	<b>14,734,811</b>	<b>14,734,811</b>	<b>(220,905)</b>	<b>-1.5%</b>	<b>-</b>	<b>0.0%</b>	<b>14,738,811</b>	<b>4,000</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>22,739,769</b>	<b>25,024,841</b>	<b>25,035,096</b>	<b>25,112,941</b>	<b>88,100</b>	<b>0.4%</b>	<b>77,845</b>	<b>0.3%</b>	<b>25,379,504</b>	<b>266,562</b>	<b>1.1%</b>
<b>Equipment Outlay</b>	<b>133,815</b>	<b>80,000</b>	<b>10,000</b>	<b>10,000</b>	<b>(70,000)</b>	<b>-87.5%</b>	<b>-</b>	<b>0.0%</b>	<b>10,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Development Division Expenses</b>	<b>\$ 22,873,584</b>	<b>\$ 25,104,841</b>	<b>\$ 25,045,096</b>	<b>\$ 25,122,941</b>	<b>\$ 18,100</b>	<b>0.1%</b>	<b>\$ 77,845</b>	<b>0.3%</b>	<b>\$ 25,389,504</b>	<b>\$ 266,562</b>	<b>1.1%</b>

# FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Major Drivers

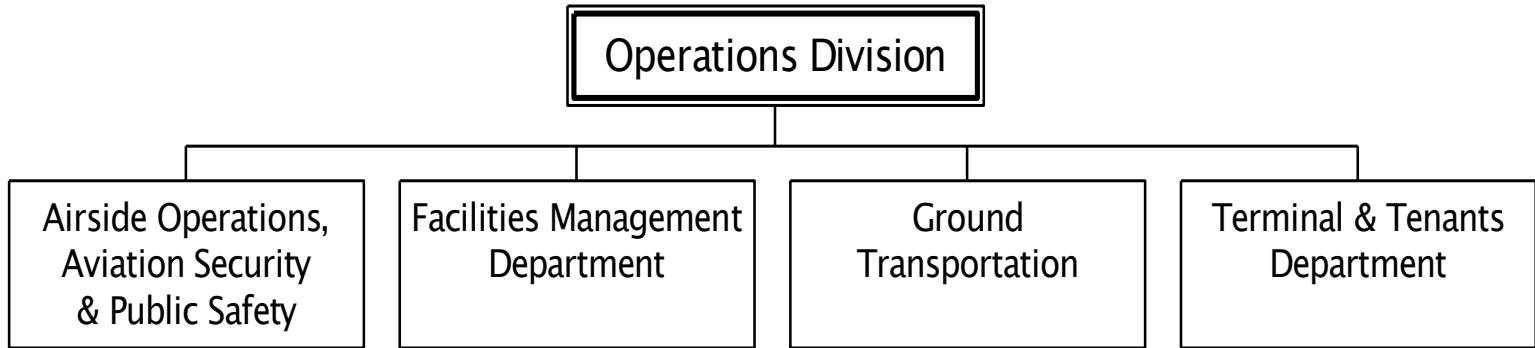
## Development Division

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	\$ 25,104,841	\$ 25,122,941
<b>Personnel costs</b>		
Capitalized labor	142,215	(267,326)
Salary adjustments and pay-for-performance	139,758	201,892
Burden (benefits & employer taxes) for current staff	(118,421)	216,112
<b>Total Increase / (Decrease) in personnel costs</b>	<b>163,552</b>	<b>150,678</b>
Facility Development Outside Professional Services	186,025	(340)
Planning and land use projects	120,000	-
Stormwater management program	117,000	14,500
Tenant improvement	(100,000)	20,000
Water quality, San Diego bay sediment quality	(150,000)	100,000
Major maintenance	(178,690)	2,200
Quieter Home Program	(220,905)	-
Other, net	81,118	(20,476)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(145,452)</b>	<b>115,884</b>
<b>Total Increase / (Decrease)</b>	<b>18,100</b>	<b>266,562</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 25,122,941</b>	<b>\$ 25,389,504</b>

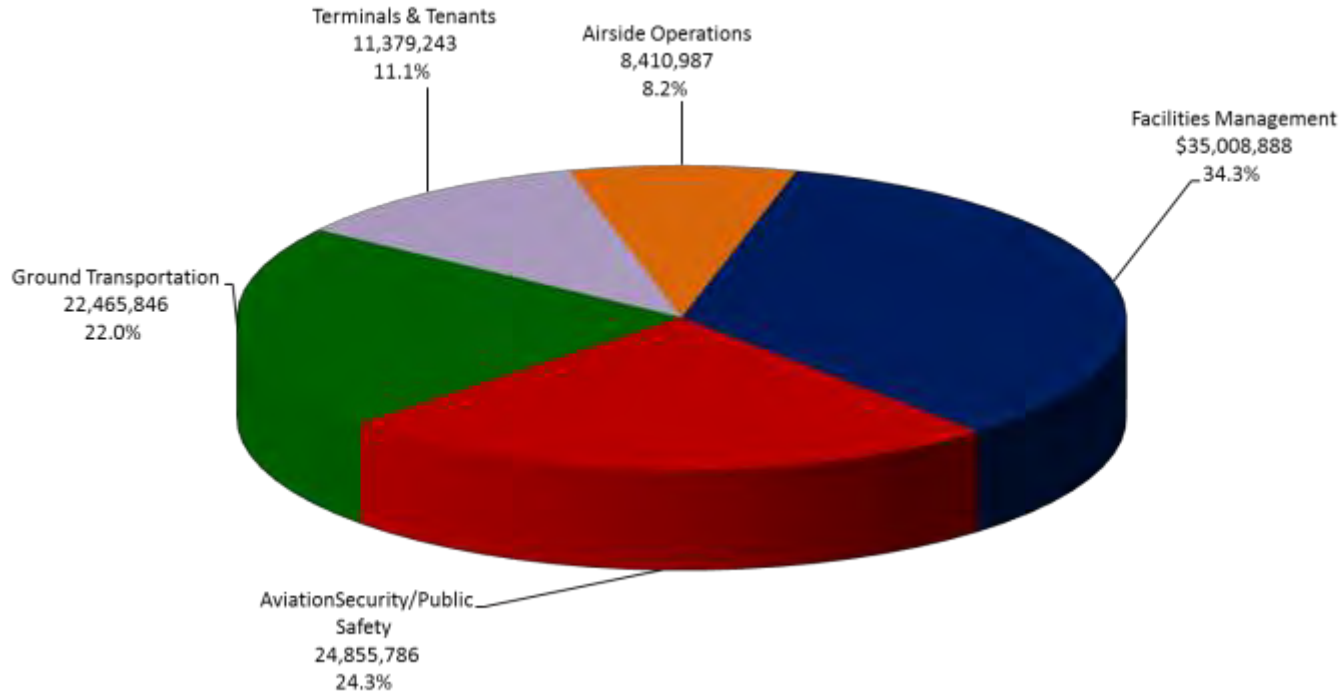


# Operations Division

# FY 2016 – 2017 Organizational Structure

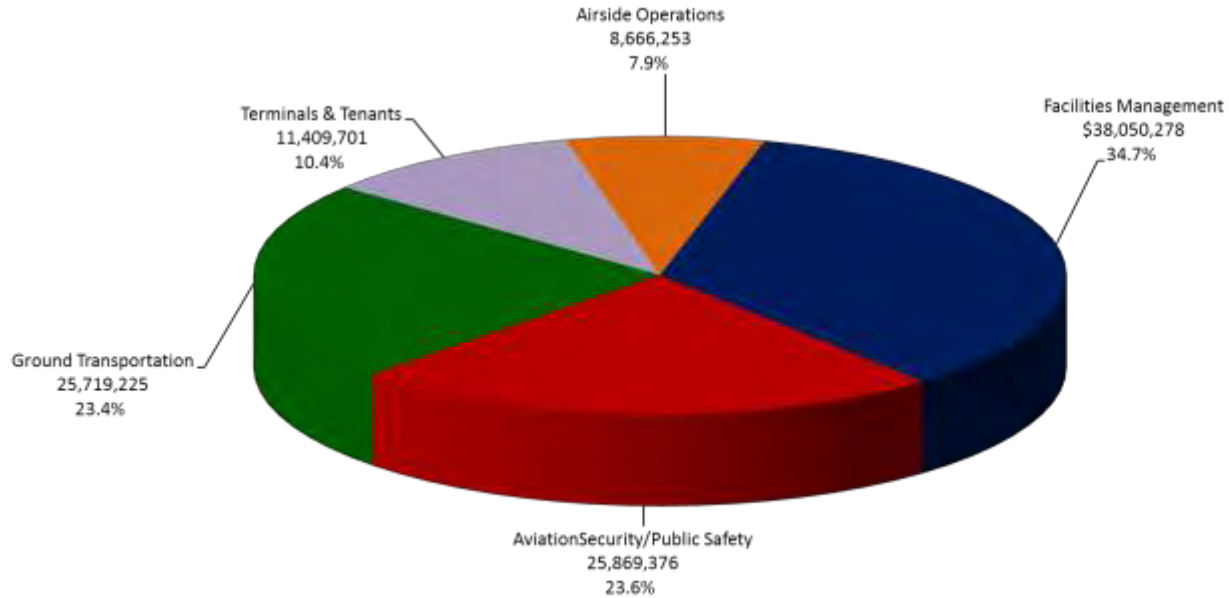


# FY 2016 Proposed Expense Summary by Department



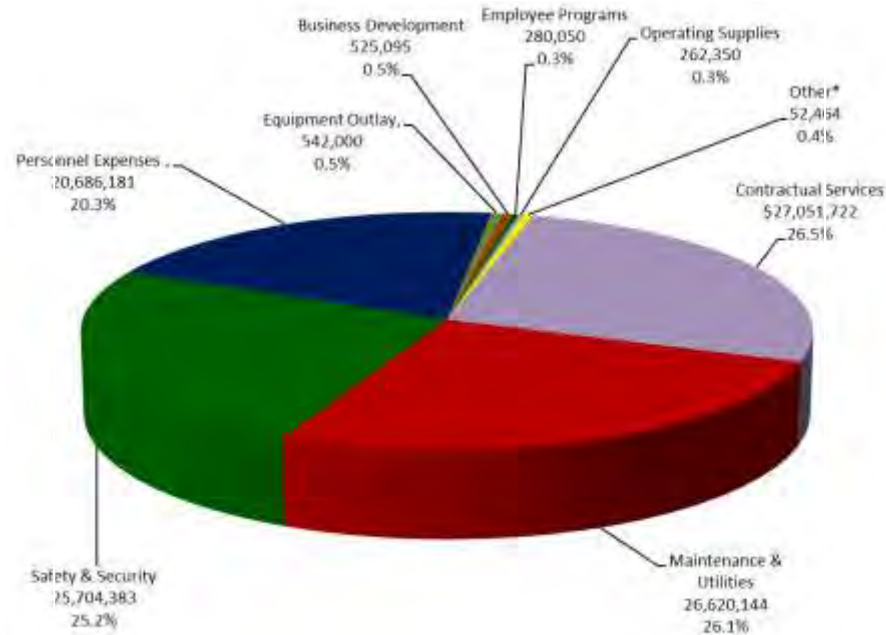
**Total FY 2016 Budget is \$102.1M**

# FY 2017 Proposed Conceptual Expense Summary by Department



**Total FY 2017 Proposed Conceptual Budget is \$109.7M**

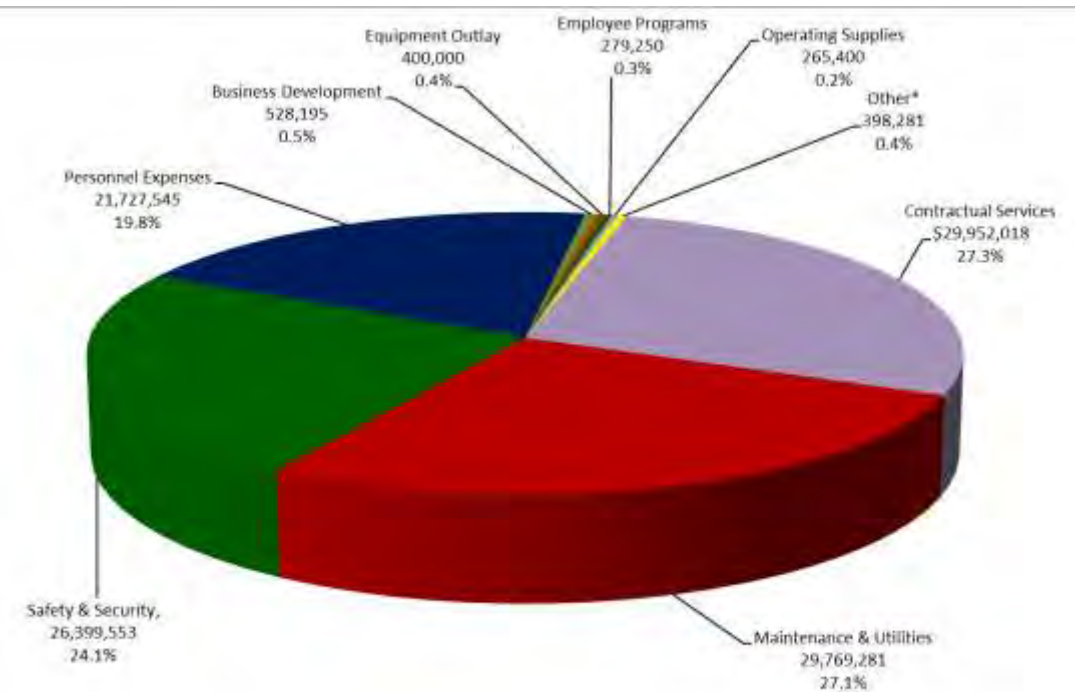
# FY 2016 Proposed Expense Summary by Major Expense Category



\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

**Total FY 2016 Proposed Budget is \$102.1M**

# FY 2017 Proposed Conceptual Expense Summary by Major Expense Category



\*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

**Total FY 2017 Proposed Conceptual Budget is \$109.7M**



# FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

## Operations Division

	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>												
<b>Personnel Expenses</b>												
Salaries and Wages	\$ 10,357,160	\$ 11,267,423	\$ 12,207,019	\$ 12,772,204	\$ 13,024,805	\$ 817,786	6.7%	\$ 252,601	2.0%	\$ 13,544,335	\$ 519,530	4.0%
Premium Overtime	824,458	762,209	671,000	671,000	529,500	(141,500)	-21.1%	(141,500)	-21.1%	530,500	1,000	0.2%
Employee Benefits	5,691,379	6,267,384	7,264,161	7,693,910	7,225,587	(38,573)	-0.5%	(468,322)	-6.1%	7,745,425	519,837	7.2%
Subtotal	16,872,996	18,297,016	20,142,180	21,137,113	20,779,892	637,712	3.2%	(357,221)	-1.7%	21,820,259	1,040,367	5.0%
Less: Capitalized Labor	(371,529)	(185,025)	(100,000)	(100,000)	(100,000)	-	0.0%	-	0.0%	(100,000)	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>16,501,467</b>	<b>18,111,991</b>	<b>20,042,180</b>	<b>21,037,113</b>	<b>20,679,892</b>	<b>637,712</b>	<b>3.2%</b>	<b>(357,221)</b>	<b>-1.7%</b>	<b>21,720,259</b>	<b>1,040,367</b>	<b>5.0%</b>
<b>Non-Personnel Expenses</b>												
Contractual Services	19,371,119	23,178,709	24,171,209	29,076,718	27,054,373	2,883,163	11.9%	(2,022,345)	-7.0%	29,954,613	2,900,240	10.7%
Safety and Security	23,994,020	24,150,563	25,001,794	25,794,332	25,704,383	702,589	2.8%	(89,948)	-0.3%	26,399,553	695,170	2.7%
Space Rental	-	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	6,308,144	8,332,346	9,071,786	9,943,849	12,696,713	3,624,927	40.0%	2,752,864	27.7%	14,377,382	1,680,669	13.2%
Maintenance	10,610,009	13,421,637	15,227,108	14,639,855	13,923,431	(1,303,677)	-8.6%	(716,425)	-4.9%	15,391,899	1,468,468	10.5%
Operating Equipment & Systems	96,142	85,751	181,200	206,500	218,300	37,100	20.5%	11,800	5.7%	162,350	(55,950)	-25.6%
Operating Supplies	298,759	248,171	262,150	264,150	262,350	200	0.1%	(1,800)	-0.7%	265,400	3,050	1.2%
Insurance	-	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	149,073	169,633	232,910	222,360	280,050	47,140	20.2%	57,690	25.9%	279,250	(800)	-0.3%
Business Development	87,311	319,692	411,917	333,695	525,095	113,178	27.5%	191,400	57.4%	528,195	3,100	0.6%
Equipment Rentals & Repairs	84,395	211,562	144,730	145,750	234,164	89,434	202.9%	88,414	201.7%	235,931	1,768	1.8%
Tenant Improvements	-	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>60,998,972</b>	<b>70,118,064</b>	<b>74,704,804</b>	<b>80,627,209</b>	<b>80,898,858</b>	<b>6,194,054</b>	<b>8.3%</b>	<b>271,649</b>	<b>0.3%</b>	<b>87,594,573</b>	<b>6,695,715</b>	<b>8.3%</b>
<b>Total Operating Expenses</b>	<b>77,500,438</b>	<b>88,230,055</b>	<b>94,746,984</b>	<b>101,664,323</b>	<b>101,578,750</b>	<b>6,831,766</b>	<b>7.2%</b>	<b>(85,572)</b>	<b>-0.1%</b>	<b>109,314,833</b>	<b>7,736,082</b>	<b>7.6%</b>
<b>Non-Operating Expenses:</b>												
Joint Studies/Sound Attenuation	-	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>4,355,226</b>	<b>88,230,055</b>	<b>94,746,984</b>	<b>101,664,323</b>	<b>101,578,750</b>	<b>6,831,766</b>	<b>7.2%</b>	<b>(85,572)</b>	<b>-0.1%</b>	<b>109,314,833</b>	<b>7,736,082</b>	<b>7.6%</b>
<b>Equipment Outlay</b>	<b>833,030</b>	<b>744,978</b>	<b>47,000</b>	<b>254,000</b>	<b>542,000</b>	<b>495,000</b>	<b>1053.2%</b>	<b>288,000</b>	<b>113.4%</b>	<b>400,000</b>	<b>(142,000)</b>	<b>-26.2%</b>
<b>Total Operations Division Expenses</b>	<b>\$ 78,333,468</b>	<b>\$ 88,975,033</b>	<b>\$ 94,793,984</b>	<b>\$ 101,918,323</b>	<b>\$ 102,120,750</b>	<b>\$ 7,326,766</b>	<b>7.7%</b>	<b>\$ 202,428</b>	<b>0.2%</b>	<b>\$ 109,714,833</b>	<b>\$ 7,594,082</b>	<b>7.4%</b>

# FY 2016 Proposed – FY 2017 Proposed

## Conceptual Budget Major Drivers

### Operations Division

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 94,793,984</b>	<b>\$ 102,120,750</b>
<b>Personnel costs</b>		
Salary adjustments,contracted wage increases and pay for performance	272,766	468,048
4 New Air Traffic Officers position (salaries, benefits & employer taxes)	260,146	-
2 New positions of Carpenter/Locksmith and Maintenance Mechanic(salaries, benefits & employer taxes)	163,037	-
1 New position of Airside Operations Duty Mgr II (salaries, benefits & employer taxes)	105,613	-
1 New Security & Public Safety Analyst position (salaries, benefits & employer taxes)	100,389	-
1 New Staff Assistant position (salaries, benefits & employer taxes)	69,813	-
1 New Program Coordinator position (salaries, benefits & employer taxes)	-	75,438
1 Position transferred to IT department (salaries, benefits & employer taxes)	(110,337)	-
Burden (benefits & employer taxes) for current staff	(223,714)	496,881
<b>Total Increase / (Decrease) in personnel costs</b>	<b>637,713</b>	<b>1,040,367</b>
Utilities	3,625,927	1,680,669
Rental Car Center(RCC) busing	2,866,409	2,909,958
Law enforcement costs - Harbor Police Department	339,999	519,112
Access Control System maintenance	307,450	650,000
Security guard services	250,000	-
Parking and shuttles operations	245,605	122,855
Vehicles replacement	200,000	-
12kV maintenance	(513,000)	-
Airfield pavement and striping	(861,000)	193,000
Other annual repair and services contracts	(60,227)	572,808
Other, net	287,890	(94,686)
<b>Total Increase/ (Decrease) in non-personnel costs</b>	<b>6,689,053</b>	<b>6,553,715</b>
<b>Total Increase/ (Decrease)</b>	<b>7,326,766</b>	<b>7,594,082</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 102,120,750</b>	<b>\$ 109,714,833</b>



# Capital Program Budget Fiscal Years 2016-2020

# Proposed Capital Program

## FY2016 – 2020 program total includes:

- Immediate need projects which have been defined and are ready to execute by Facilities Development Department
- Potential Projects with placeholder amounts to be refined pending Facilities Condition Assessment (FCA) completion
- Small projects to be performed by sponsor departments

# Capital Program Budget Summary

FY 2015 – 2019 Capital Improvement Program	\$ 530,645,466
Rental Car Center (CIP)	316,124,104
The Green Build	<u>820,000,000</u>
<b>FY 2015 – 2019 Capital Program Budget</b>	<b>\$1,666,769,570</b>
FY 2015 – 2019 CIP Project Closeouts & Adjustments	\$ (127,116,438)
The Green Build Closeout (except roof and PV elements)	<u>(812,821,670)</u>
FY 2015 – 2019 Capital Program Balance	\$ 726,831,462
Proposed FY 2016 – 2020 CIP Projects & Adjustments	<u>87,495,200</u>
<b>Proposed FY 2016-2020 Capital Program Budget</b>	<b>\$ <u>814,326,662</u></b>

# Current CIP Projects

Project	Budget	Funding Source	Pre 2016	F Y 1 6	F Y 1 7	F Y 1 8	F Y 1 9	F Y 2 0
NTC Landfill Remediation Project	1,460,571	Bonds / Cash						
TDY Site Demolition (Residual for Phase II)	3,984,309	CP / Bonds						
Runway 9 Displaced Threshold Relocation	5,606,919	AIP / PFC						
Interior North Side Road and Utilities	17,814,959	Bonds / Cash						
North Side Utility Infrastructure - Storm Drain Trunk	14,014,587	AIP / Bonds						
Relocate Taxiway B - Phase I	8,924,070	AIP / PFC						
Comprehensive Strategic Master Drainage Plan	1,062,600	Bonds						
Terminal Link Road	13,957,711	Bonds / Cash						
TLR - Triturator	2,311,699	Cash						
Construct Airport Electrical Distribution System	28,677,292	Bonds / Cash						
SDIA Airport Development Plan	6,500,000	PFC						
Concession Development Program Support	4,469,000	Bonds / Cash						
Enterprise Content Management System	1,500,000	Cash						
E-Project Management System	500,000	Cash						
Upgrade Remaining 12 Remote Noise Monitoring Poles	722,541	PFC / Cash						
Update Ground Transportation Systems - Phase I	2,380,000	Cash						

# Current CIP Projects

Project	Budget	Funding Source	Pre 2016	F Y 1 6	F Y 1 7	F Y 1 8	F Y 1 9	F Y 2 0
Update Ground Transportation Systems - Phase II	577,469	Cash						
SDIA Wayfinding Signage -Terminals	1,900,000	Cash						
SDIA Wayfinding Signage - Parking	680,000	Cash						
SDIA Wayfinding Signage - RCC	1,700,000	Cash						
SDIA Wayfinding Signage - RCC Bus Notification Sys.	710,000	Cash						
Acquire RCC Buses	8,875,000	CFC						
Construct North Side Bypass Taxiway	10,000,000	AIP / PFC						
Rehabilitate Cross Taxiway B8 and Terminal Aprons	8,519,550	AIP / PFC						
Replace Passenger Boarding Bridges in T1	2,770,000	PFC						
Reconfig. Security Chkpt 2/Refurb. T1 Rotundas /Baggage Claim	8,400,000	Bonds / Cash						
Terminal Flight Information Display System Update	942,000	PFC						
Construct RCC Bus Parking Facility	8,831,200	CFC						
T2E CUPPS Expansion	2,800,000	Cash						
Develop Administrative Space	5,300,000	Cash						
FIS Passenger Processing Improvements	1,460,000	Cash						
Employee Parking Lot 6 Expansion	6,598,000	Cash						

# Current CIP Projects

Project	Budget	Funding Source	Pre 2016	F Y 1 6	F Y 1 7	F Y 1 8	F Y 1 9	F Y 2 0
Modernize SIEMENS APPOGEE Bldg. Control System	1,000,000	Cash						
Construct Taxi Hold Lot	5,654,000	Cash						
Air Freight Buildings Roof Replacement	2,240,000	Cash						
Hazardous Waste Storage Facility	640,000	Cash						
Solid Waste Disposal and Recycling Facility	1,050,000	Cash						
Replace & Refurbish Passenger Boarding Bridges	23,300,000	PFC / Cash						
Pavement Rehabilitation - Air Freight Bldg.	1,100,000	Cash						
Pavement Rehab. - Pavement Mgmt. Study	500,000	Cash						
Construct Concessionaire & Janitorial Wash Areas	50,000	Cash						
East Side Fiber Loop Installation	700,000	Cash						
Northside Additional Landscaping (ADC)	3,358,630	Bonds / Cash						
Restaurant Development at RCC (ADC)	6,924,000	Cash						
Terminal 2 Parking Plaza (ADC)	80,880,000	Cash						
Parking Plaza - Public Art (ADC)	1,200,000	Cash						
RCC Small Market-share Build-outs (ADC)	4,679,560	Cash						
Public Art Allowance -Program	1,719,441	Bonds / Cash						



# Current CIP Projects

Project	Budget	Funding Source	Pre 2016	F Y 1 6	F Y 1 7	F Y 1 8	F Y 1 9	F Y 2 0
T2E Ceiling Art Integration - Public Art	300,000	Cash						
CT Exterior East-Facing Wall - Public Art	327,250	Bonds						
Exhibition Display Equipment - Public Art	50,000	Cash						
Wind Tunnel South-Facing Wall - Public Art	350,000	Cash						
FMD Capital Expenditures - Terminal	3,682,715	Bonds / Cash						
Replace Terminal Seating in T1 & T2	5,420,000	Cash						
Cargo Development Oversight	1,550,500	Cash						
Cargo Taxiways	9,545,000	AIP / PFC						
Environmental Assessment for Taxiway B Relocation	300,000	AIP / PFC						
Rehabilitate Runway 9-27 Wing Pavement	12,300,000	AIP / PFC						
Rehabilitate Cross Taxiways (B4-B7, C3-C6) & CT Apron	12,289,440	Cash						
Reconstruct Aprons at Cargo Terminal and T1	1,169,015	AIP / PFC						
Rehabilitate Runway 9-27 Keel Pavement	7,300,000	AIP / PFC						
Relocate Taxiway B - Phase II	30,000,000	AIP / PFC						
<b>Total Current CIP Projects</b>	<b>\$ 403,529,028</b>							

# FY 2016 – 2020 Proposed Projects

Project	Budget	Funding Source	Pre 2016	F Y 1 6	F Y 1 7	F Y 1 8	F Y 1 9	F Y 2 0
Update IT Master Plan	250,000	Cash						
Expand Wi-Fi Coverage	2,839,500	Cash						
Terminal Paging System Upgrade	2,330,000	Cash						
Ground Transportation Systems Phase 3	1,100,000	Cash						
Facilities Condition Assessment	800,000	Cash						
Observation Area at Palm Street	2,250,000	Cash						
World Trade Center Demolition	1,310,000	Cash						
Terminal 2 East Improvements	4,170,000	Cash						
Replace 3 ARFF Vehicles	4,080,000	AIP/PFC						
Construct McCain Road Parking Lot	650,000	Cash						
Widen Sassafra Street Intersection	6,000,000	Cash						
T2W Restroom Remodel	1,200,000	Cash						
HVAC Modernization in T2E & T2W	16,549,000	Cash						
Electrical Modernization in T2W	5,590,000	Cash						
Modernise Vertical Convenance - T1 & T2	4,431,700	Cash						
Construct Janitorial Wash Areas in Terminals	740,000	Cash						

# FY 2016 – 2020 Proposed Projects

Project	Budget	Funding Source	Pre 2016	FY 16	FY 17	FY 18	FY 19	FY 20
Develop Mitigation Plan for Least Terns	2,000,000	Cash						
Fire Suppression System	3,000,000	Cash						
T1 & T2E Roof Replacement	15,000,000	Cash						
Commuter Terminal 1st Floor Build-out	1,500,000	Cash						
CT Roof Replacement	3,000,000	Cash						
CT - Replace 2 Boilers	1,500,000	Cash						
<b>Total FY 2016 - 2020 Proposed Projects</b> \$	<b>80,290,200</b>							

# FY 2016 – 2020 Proposed Adjustments

Project	Budget	Funding Source	Pre 2016	FY 16	FY 17	FY 18	FY 19	FY 20
Capital Project Allowance	5,000,000	Cash						
Hazardous Waste Storage Facility	600,000	Cash						
NSU - Storm Drain Trunk	1,400,000	AIP/Bonds						
Public Art Allowance	205,000	Cash						
<b>Total FY 2016 - 2020 Proposed Adjustments \$</b>	<b>7,205,000</b>							



# Plan of Finance Fiscal Years 2016-2020

# Uses of Funds by Location

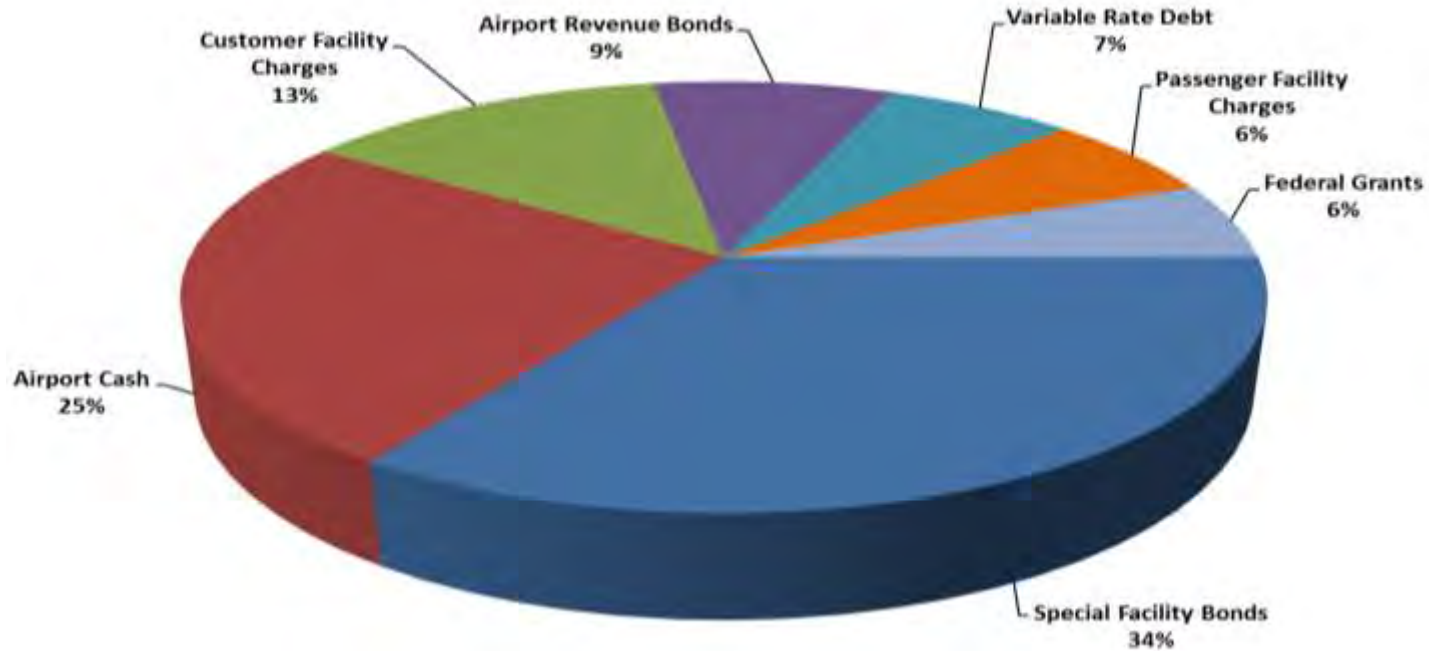
<b>Total Use of Funds by Location</b>	
<b>Pre FY2016 - FY 2020</b>	
<b>(in thousands)</b>	
<b><u>Location</u></b>	<b><u>Capital Program</u></b>
Landside and Ancillary	\$ 552,096
Terminal	122,919
Airside	117,467
Admin	21,845
Finance Costs	73,820
<b>Total</b>	<b>\$ 888,147</b>

# Uses and Sources of Funds

<i>(in thousands)</i>	<u>Total Use of Funds</u>						
	Pre FY2016	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Capital Program	\$ 359,667	\$ 229,160	\$ 99,499	\$ 56,033	\$ 26,940	\$ 43,028	\$814,327
Finance Costs	73,820	-	-	-	-	-	73,820
<b>Total</b>	<b>\$ 433,487</b>	<b>\$ 229,160</b>	<b>\$ 99,499</b>	<b>\$ 56,033</b>	<b>\$ 26,940</b>	<b>\$ 43,028</b>	<b>\$888,147</b>

<i>(in thousands)</i>	<u>Total Sources of Funds</u>						
	Pre FY2016	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Special Facility Bonds	\$ 263,240	\$ 42,639	\$ -	\$ -	\$ -	\$ -	\$305,879
Airport Cash	32,156	54,218	51,060	49,737	23,458	11,575	222,204
Customer Facility Charges	62,918	52,893	-	-	-	-	115,811
Airport Revenue Bonds	66,411	9,412	-	-	-	-	75,823
Variable Rate Debt	-	26,217	33,583	-	-	-	59,800
Passenger Facility Charges	1,194	32,189	10,246	4,360	871	8,357	57,217
Federal Grants	7,567	11,592	4,610	1,936	2,612	23,096	51,413
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 433,487</b>	<b>\$ 229,160</b>	<b>\$ 99,499</b>	<b>\$ 56,033</b>	<b>\$ 26,940</b>	<b>\$ 43,028</b>	<b>\$888,147</b>

# Total Sources of Funds Pre FY2016-FY2020

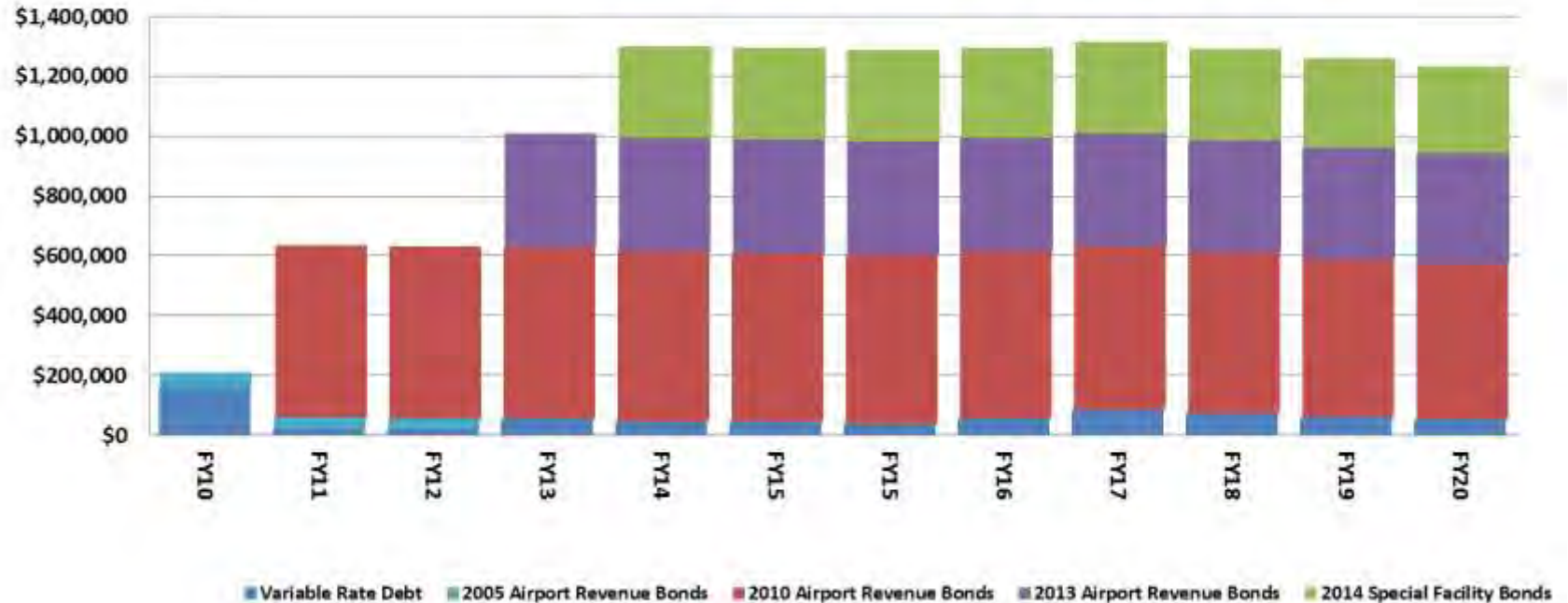




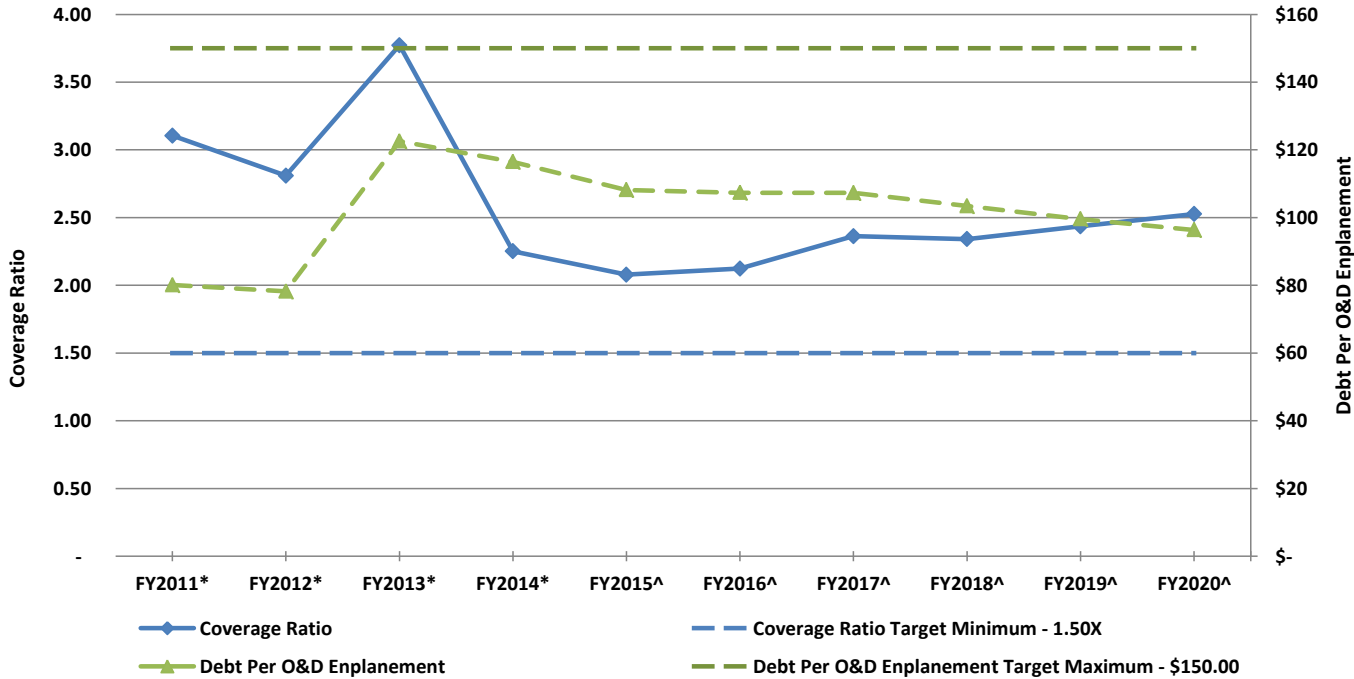
# Aggregate Debt

FY2010 - FY2020

(in Thousands)



# Coverage Ratio & Debt Per Origin & Destination (O&D) Enplanement



\* Actuals  
 ^ Forecast

# Coverage Ratio & Debt Per Origin & Destination (O&D) Enplanement

Fiscal Year	Enplanement		Outstanding	Debt per O&D	Debt
	Enplanements	Growth	Debt <sup>1</sup>	EPAX <sup>2</sup>	Coverage <sup>3</sup>
<b>FY2011*</b>	8,441,120	-0.2%	\$ 635,298,000	80.07	3.11
<b>FY2012*</b>	8,575,475	1.6%	\$ 630,538,000	78.22	2.81
<b>FY2013*</b>	8,737,617	1.9%	\$ 1,006,595,572	122.56	3.77
<b>FY2014*</b>	9,082,244	3.9%	\$ 994,338,572	116.47	2.25
<b>FY2015^</b>	9,663,523	6.4%	\$ 982,374,572	108.15	2.08
<b>FY2016^</b>	9,828,000	1.7%	\$ 991,772,677	107.35	2.12
<b>FY2017^</b>	9,995,000	1.7%	\$ 1,008,132,572	107.30	2.36
<b>FY2018^</b>	10,125,000	1.3%	\$ 984,292,572	103.42	2.34
<b>FY2019^</b>	10,256,000	1.3%	\$ 959,738,572	99.55	2.44
<b>FY2020^</b>	10,380,000	1.2%	\$ 939,973,572	96.34	2.53

<sup>1</sup> Debt excludes Special Facility bonds

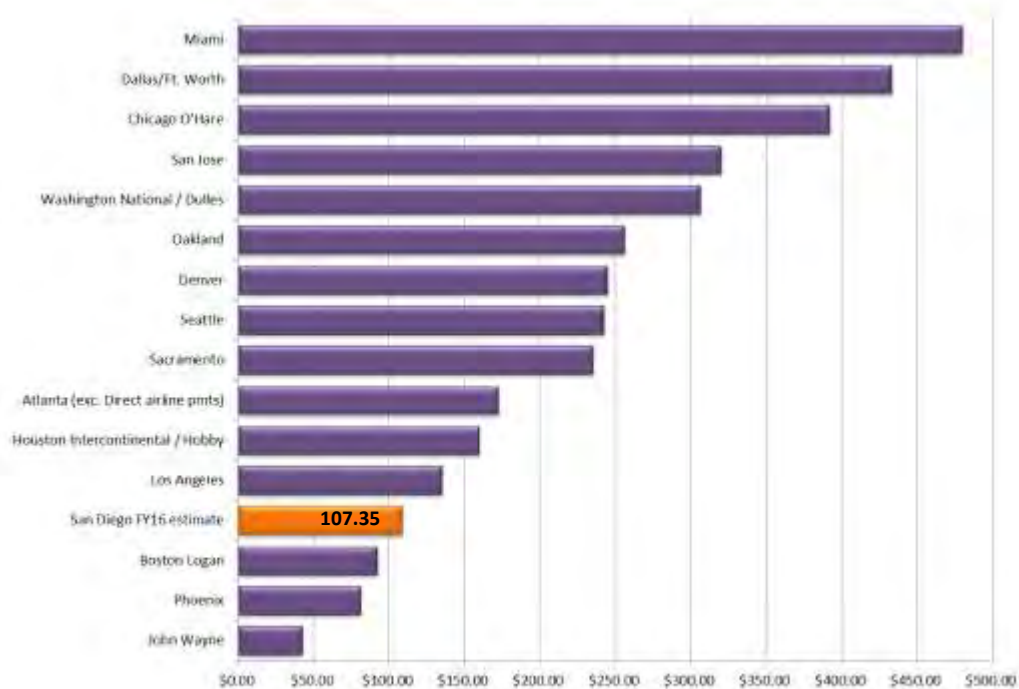
<sup>2</sup> Target per Debt Policy is no more than \$150 per O&D enplaned passenger (excluding CFC backed Special Facility bonds)

<sup>3</sup> Target minimum per Debt Policy: 1.50x

\* Actuals

^ Forecast

# Airline Debt Per Origin & Destination (O&D) Enplanements by Select Airports



Median (\$235.00) for the above selected Moody's rated airports  
Source: Moody's Investor Service, MFRA Database, as of April, 2015



# Conclusion

# Conclusion

- Honors the Authority's legislative and regulatory mandates
- Provides necessary resources to accomplish the Authority's Strategies and Initiatives
- Enhances the financial position of the Authority through revenue enhancement and cost reduction/ containment
- Demonstrates the conservatism necessary to remain a sustainable enterprise
- Supports regional transportation partnerships and community outreach
- Maintains competitive rates for airline tenants and airport users
- Supports continued efforts to create sustainable Long Term Capital Plan and addresses facility maintenance needs

Questions?

