

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE/FINANCE COMMITTEE/EXECUTIVE PERSONNEL &
COMPENSATION COMMITTEE MINUTES
MONDAY, MARCH 22, 2010
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER

Chairperson Gleason called the special Meeting of the Executive/Finance Committee and Executive Personnel & Compensation Committee and Special Board Meeting to order at 9:00 a.m., Monday, March 22, 2010, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE

Board Member Finnila led the Pledge of Allegiance.

ROLL CALL

Executive Committee

Present: Committee Members: Cox, Gleason, Smisek
Absent: Committee Members: None

Finance Committee

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

Executive Personnel & Compensation Committee

Present: Committee Members: Boland, Cox, Desmond, Smisek
Absent: Committee Members: None

Also Present: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk; Sara Real, Assistant Authority Clerk I

PUBLIC COMMENT

KAMRAN HAMIDI, SAN DIEGO, spoke in opposition to taxicab trip fees, and suggested a \$1000 cap on the annual permit fee.

NEW BUSINESS

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the February 22, 2010 Committee Meeting.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve the minutes of the February 22, 2010 Committee meeting. Motion carried unanimously.

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2010:

Kathy Kiefer, Director, Accounting, provided a presentation on the Unaudited Financial Statements for the Eight Months Ended February 28, 2010, which included Enplanements, Gross Landed Weight Units, Airport Parking Transactions, Car Rental License Fees, Balance Sheets, Assets, Liabilities and Net Assets, Operating Revenues for the Month Ended February 28, 2010, Operating Expenses, Monthly Operating Revenue, Monthly Operating Expenses, Financial Summary, and Nonoperating Revenues.

Board Member Panknin suggested that on page 24 of the report, that the funds being allocated for the Consolidated Rental Car Facility be clearly identified and separated out in the report.

Board Member Boland requested that data on the unemployment rates be included.

In response to Board Member Cox regarding valet parking, Ms. Kiefer stated that it has brought in positive revenue.

RECOMMENDATION: Receive the report.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF FEBRUARY 28, 2010:

Scott Brickner, Director, Financial Planning & Budget, provided a presentation on the Authority's Investment Report as of February 28, 2010, which included a Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Maturity Distribution, and Benchmark Comparison.

RECOMMENDATION: Receive the report.

4. REVIEW OF THE SUMMARY OF OUTSTANDING COMMERCIAL PAPER:

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

RECOMMENDATION: Receive the report.

FINANCE/EXECUTIVE PERSONNEL & COMPENSATION COMMITTEE NEW BUSINESS

5. DISCUSSION AND POSSIBLE DIRECTION REGARDING THE AIRPORT AUTHORITY PENSION PLAN FUNDING LEVEL:

Jeff Lindeman, Director, Human Resources, provided a presentation on the Pension Funding Level, which included the Background, Current Pension Funding Level Benchmarks, Potential SDCRAA Funding Levels as of June 30, 2010, Impact of 95% Funding, and Impact of 90% Funding.

Board Member Finnila requested to see an analysis on how funding the plan at 95% will impact the Authority's bond rating.

Board Member Boland stated that the Authority cannot forecast future markets, and spoke in support of maintaining funding at 95%.

Board Member Panknin suggested that the Authority establish a policy to get back to 95% funding in five years, and not fund the full amount this year.

Board Member Cox suggested funding the plan at 95% in multiple steps, rather than all at once.

Board Member Smisek suggested that ramping be considered over a five year period, with the ability to review the funding level annually.

Board Member Boland moved that the plan be funded at 95% for FY 2010. The motion died due to lack of a second.

Board Member Cox noted that the policy should acknowledge the volatility of the market.

Thella F. Bowens, President/CEO, suggested evaluating the overall policy, and not look at changing it for just one year. She stated that it would give the Board more flexibility in how the Board achieves the goal.

Breton Lobner, General Counsel, stated that it would be prudent to amend the existing policy, since it was adopted by prior Board action, to allow the Board to make a finding that 90% is appropriate for this year.

Tony R. Russell, Director, Corporate Services/Authority Clerk, clarified that the current policy regarding the funding level was established by Board resolution.

Board Member Desmond stated that clarity is needed on the payment schedule before the Board votes on this issue. He requested that staff develop a policy to fund the plan over multiple years.

RECOMMENDATION: Provide direction to staff.

ACTION: Moved by Board Member Cox and seconded by Board Member Smisek to set the funding level at 90% for FY2010, keeping the target funding level at 95%, and to reevaluate the funding level next year. Motion carried, noting Board Member Boland as voting NO.

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:

Tony R. Russell, Director, Corporate Services/Authority Clerk, provided an overview of the staff report.

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

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

REVIEW OF FUTURE AGENDAS

7. REVIEW OF THE DRAFT AGENDA FOR THE APRIL 1, 2010 BOARD MEETING:

Thella F. Bowens, President/CEO, presented the draft agenda for the April 1, 2010 Board Meeting.

Regarding Item A, Airport's Internet-Based Flight Tracker System, Board Member Desmond requested a live demonstration of the system.

Chairperson Gleason requested that someone from the manufacturer be present to conduct the demonstration.

Ms. Bowens stated that the title for Item B, Residential Sound Attenuation Program Update, would be changed to clarify that the item is regarding the Quieter Home Program.

Item 8, Amend Policy 5.03 Regarding Business Terms for Authority Requests for Proposals, was moved to New Business.

8. REVIEW OF THE DRAFT AGENDA FOR THE APRIL 1, 2010 AIRPORT LAND USE COMMISSION MEETING:

Thella F. Bowens, President/CEO, presented the draft agenda for the April 1, 2010 Airport Land Use Commission Meeting.

Chairperson Gleason stated that the title for Item 5, Status Update and Policy Direction Related to the San Diego International Airport, needs to be expanded.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve the draft agendas for the April 1, 2010 Board and Airport Land Use Commission meetings. Motion carried unanimously.

PRESIDENT/CEO REPORT

NON-AGENDA PUBLIC COMMENT – None

COMMITTEE MEMBER COMMENTS


Board Member Boland noted that the new United Servicemen's Organization facility would have a ribbon cutting on March 25, 2010.

Chairperson Gleason noted that he would be meeting with the new Commanding General from the Marine Corps Recruit Depot on March 23, 2010.

ADJOURNMENT


The meeting was adjourned at 10:26 a.m. The next meeting will be held on April 26, 2010, at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE THIS 26th DAY OF APRIL, 2010.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL