

**SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY**  
**REGULAR MEETING AGENDA**

**WEDNESDAY, FEBRUARY 8, 2012 – 2:00 P.M. (Closed Session, if any)**  
**3:00 P.M. (Open Session)**

MAIN AUDITORIUM – Norton Regional Events Center – 1601 East Third Street, San Bernardino, CA



A regional joint powers authority dedicated to the reuse of Norton Air Force Base for the economic benefit of the East Valley

**Patrick J. Morris, President**

*Mayor, City of San Bernardino*

**Ovidiu Popescu, Vice-President**

*Mayor pro tempore, City of Loma Linda*

**Sam J. Racadio, Secretary**

*Councilmember, City of Highland*

**COMMISSION MEMBERS:**

**Josie Gonzales**

*Supervisor, County of San Bernardino*

**Rikke Van Johnson**

*Councilmember, City of San Bernardino*

**Sarah S. Zamora**

*Mayor, City of Colton*

**ALTERNATE COMMISSION MEMBERS:**

**Ronald Dailey**

*Councilmember, City of Loma Linda*

**Neil Derry**

*Supervisor, County of San Bernardino*

**Susan M. Oliva**

*Councilmember, City of Colton*

**Jody Scott**

*Councilmember, City of Highland*

**Fred Shorett**

*Councilmember, City of San Bernardino*

**Vincent Yzaguirre**

*Councilmember, City of Colton*

- Full agenda packets are available at the SBIAA office, 1601 East Third Street, San Bernardino, California, will be provided at the meeting, and are posted on the Public Meetings/Agenda page of our website at [www.sbdairport.com](http://www.sbdairport.com). Office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.
- Recordings of the SBIAA Commission meetings are available on the Public Meetings/Agenda page of our website at [www.sbdairport.com](http://www.sbdairport.com).
- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SBIAA office at (909) 382-4100. Notification 48 hours prior to the meeting will enable SBIAA staff to make reasonable arrangements to ensure accessibility to this meeting.
- Anyone who wishes to speak during public comment or on a particular item will be required to fill out a speaker slip. Prior to speaking, speaker slips should be turned in to the Clerk of the Board.
- Public comments for agenda items that are not public hearings will be limited to three minutes.
- Public comments for items that are not on the agenda will be limited to three minutes.
- The three-minute limitation shall apply to each member of the public and cannot be shared with other members of the public.

**ORDER OF BUSINESS**

The regular meeting of the governing Commission of the San Bernardino International Airport Authority begins with Closed Session Public Comment and Closed Session at 2:00 p.m., immediately followed by the Open Session portion of the regular meeting which will begin no earlier than 3:00 p.m.

**2:00 P.M. CALL TO ORDER AND CLOSED SESSION PUBLIC COMMENT**

A. **CALL TO ORDER / ROLL CALL**

B. **CLOSED SESSION PUBLIC COMMENT**

The Closed Session Public Comment portion of the San Bernardino International Airport Authority Commission meeting is limited to a maximum of three minutes for each speaker and comments will be limited to matters appearing on the Closed Session portion of the agenda. Additional opportunities for further Public Comment will be given during and at the end of the meeting.

C. **CLOSED SESSION**

An announcement is typically made prior to closed session discussions as to the potential for a reportable action at the conclusion of closed session.

**No closed session items were anticipated at the time of the posting of this agenda.**

D. **REPORT ON CLOSED SESSION**

Public announcement(s) will be made following closed session if there are any reportable actions taken during closed session.

**3:00 P.M. CALL TO ORDER OPEN SESSION**

E. **ITEMS TO BE ADDED OR DELETED**

Pursuant to Government Code Section 54954.2, items may be added on which there is a need to take immediate action, and the need for action came to the attention of the San Bernardino International Airport Authority subsequent to the posting of the agenda.

**F. CONFLICT OF INTEREST DISCLOSURE**

1. Members shall note agenda item contractors and subcontractors which may require member abstentions due to possible conflicts of interest.

**[PRESENTER: Kelly Berry; PAGE#: 005]**

**G. INFORMATIONAL ITEMS**

It is intended that the following subject matters and their attachments are submitted to the Commission members for informational purposes only. No action is required with regard to these items in the form of a receive-and-file motion or otherwise. Members may inquire of staff as to any questions or seek clarifications, but no discussion may ensue other than to place an item on a subsequent agenda for further consideration. In such situations where permissible levels of discussion are conducted, members are reminded that staff has not presented the related contractor and interested parties conflicts of interest disclosures that are typically provided for agenda items for which action is intended to occur. Additionally, questions may arise as to negotiation strategies or other legal issues which are more appropriately addressed in a closed session discussion.

2. Informational Items **[PRESENTER: A.J. Wilson]**
  - a. Executive Director's Report **[PAGE#: 007]**
  - b. Report on Status of Certain Airport Agreements **[PAGE#: 008]**

**H. COMMISSION CONSENT ITEMS**

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time under unless the Commission directs that an item be held for further discussion.

3. Receive Register of Demands  
**[PRESENTER: Gary Silvius; PAGE#: 009]**
4. Receive and file Treasurer's Report for December 31, 2011, for the San Bernardino International Airport Authority (SBIAA)  
**[PRESENTER: Gary Silvius; PAGE#: 018]**
5. Receive and file Second Quarter Financial Report (July 1, 2011 through December 31, 2011) for the San Bernardino International Airport Authority (SBIAA)  
**[PRESENTER: Gary Silvius; PAGE#: 021]**
6. Approve Meeting Minutes: January 25, 2012  
**[PRESENTER: Kelly Berry; PAGE#: 029]**

I. **COMMISSION ACTION ITEMS**

Anyone who wishes to speak on a particular item will be required to fill out a speaker slip. Prior to speaking, speaker slips should be turned in to the Clerk of the Board. Public comments for agenda items that are not public hearings will be limited to three minutes.

7. Consider and Adopt Proposed Mid-Year Budget Adjustments for Fiscal Year 2011-2012  
[PRESENTER: Gary Silvius; PAGE#: 037]
8. Adopt 2011 Statement of Investment Policy for the San Bernardino International Airport Authority (SBIAA) [Continued from January 25, 2012]  
[PRESENTER: Gary Silvius; PAGE#: 042]
9. Adopt Resolution No. 2012-03 of the San Bernardino International Airport Authority (SBIAA) Authorizing the Finance and Budget Committee to Serve the Function of an Audit Committee  
[PRESENTER: A.J. Wilson; PAGE#: 052]

J. **ADDED AND DEFERRED ITEMS**


Deferred Items and Items which have been added pursuant to Government Code Section 54954.2 as noted above in Section E.

K. **OPEN SESSION PUBLIC COMMENT**

Anyone who wishes to speak during Open Session Public Comment will be required to fill out a speaker slip. Prior to speaking, speaker slips should be given to the Clerk of the Board. Public comments for items that are not on the agenda will be limited to three minutes. The three-minute limitation shall apply to each member of the public and cannot be shared with other members of the public.

L. **ADJOURNMENT**

Unless otherwise noted, this meeting will be adjourned to the next regularly scheduled meeting of the San Bernardino International Airport Authority Commission.

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 1</b></p> <p><b>PRESENTER: Kelly Berry, Director of Information Services   Clerk of the Board</b></p>
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**SUBJECT: POSSIBLE CONFLICT OF INTEREST ISSUES FOR THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY (SBIAA) COMMISSION MEETING OF FEBRUARY 8, 2012**

**SUMMARY**

This agenda does not contain recommendations for action relative to any contractors and/or subcontractors and their principals.

**RECOMMENDED ACTION(S)**

Receive for information and consideration in accordance with applicable conflict of interest laws.

**FISCAL IMPACT**

None.

PREPARED BY:	Kelly Berry
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	Timothy J. Sabo
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

The potential conflicts information provided in this report and is intended to be used as a means for each voting member to verify campaign contributions from their individual campaign records. The following information is considered to be complete only to the best knowledge that has been disclosed to staff by the following listed contractors and in many instances may not be complete as of the date of publication of the agenda. Staff will endeavor to provide updates and supplements to the disclosure information to the extent additional contractor disclosure information becomes known to staff at or prior to each particular meeting time.

In addition to other provisions of law which prohibit San Bernardino International Airport Authority (SBIAA) Commission members from having financial interests in the contracts of public agencies, the provisions of California Government Code Section 84308 prohibit individual SBIAA Commission members from participating in any Commission proceeding involving a license, permit, or other entitlement for use pending before the Commission, if the individual member has received a contribution of more than two hundred fifty dollars (\$250.00) within the preceding twelve (12) months or for three (3) months following any such Commission proceeding, from any person, company or entity who is the subject of the proceeding or from any person who actively supports or opposes a particular decision in the proceeding and who has a financial interest in such decision, as defined in California Government Code Section 87103.

The restrictions of Government Code Section 84308 do not apply if the individual member returns the contribution within thirty (30) days from the time he or she knows, or should have known, about the contribution and the proceeding.


This agenda contains recommendations for action relative to the following contractors/principals and their respective subcontractors (as informed to SBIAA staff by the Principals):

<b><u>Agenda Item No.</u></b>	<b><u>Contractors/Tenants</u></b>	<b><u>Subcontractors/Subtenants</u></b>
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**THE FEBRUARY 8, 2012  
AGENDA CONTAINS NO  
RECOMMENDATIONS FOR  
ACTION RELATIVE TO  
CONTRACTORS/PRINCIPALS.**

**Attachments:**

1. None.

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 2a</b></p> <p><b>PRESENTER: A.J. Wilson, Interim Executive Director</b></p>
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**SUBJECT: INFORMATIONAL ITEMS – EXECUTIVE DIRECTOR'S REPORT**

**SUMMARY**

An oral report will be provided at the time of the meeting.


PREPARED BY:	Mike Burrows
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

None.

**Attachments:**

1. None.

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 2b</b></p> <p><b>PRESENTER: A.J. Wilson, Interim Executive Director</b></p>
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**SUBJECT: INFORMATIONAL ITEMS – REPORT ON STATUS OF CERTAIN AIRPORT AGREEMENTS**

**SUMMARY**

Subsequent to the December 23, 2011 termination of the Airport Management and Development Agreement with San Bernardino Airport Management, LLC, the San Bernardino International Airport Authority (SBIAA) contracted on an interim basis with affected personnel. Pursuant to authority granted to the Interim Executive Director by the SBIAA Commission, certain actions were taken to ensure that affected employees would be retained under separate agreements with SBIAA and that wages and benefits remain intact through this transition period. A non-profit corporation, San Bernardino International Airport, Inc. has been formed for the purposes of facilitating and supporting the operations and maintenance functions of the Airport. At the January 25, 2012 SBIAA Commission meeting, an agreement with Oasis Outsourcing was approved to provide certain staffing services. Additional information regarding the status of these agreements will be discussed at the meeting.


PREPARED BY:	Mike Burrows
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

None.

**Attachments:**

1. None.

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 3</b></p> <p><b>PRESENTER: Gary Silvius, Interim Director of Finance</b></p>
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**SUBJECT: RECEIVE REGISTER OF DEMANDS**

**SUMMARY**

SBIAA's Register of Demands (Accounts Payable Register).

**RECOMMENDED ACTION(S)**

Receive for Information.

**FISCAL IMPACT**

Various accounts as shown.

PREPARED BY:	Gary Silvius
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

The attached registers of demands correspond to checks issued in the month of January, 2012. The total of the registers is \$370,314.23. The largest disbursements are to SASCO for maintenance of electronic systems in the terminal (\$107,740.00) and Serco for tower operations (\$45,313.00). Payments for professional services to Ingraham Enterprises, RAMS CPAs, Hogan Lovells and Paul Hastings total \$81,032.98.

These registers include all operations and maintenance cost previously reimbursed to SBAM. In addition, five benefit payments for former SBAM employees total \$20,417.75. Payments for utilities total \$45,880.95.

The payment to Schindler of \$13,720.80 is the yearly amount for service on the terminal elevator.

Also attached is a copy of the VISA bill for \$1,064.53 for the month with explanation of the charges.

If you have any questions, you may contact me at (909) 382-4100 x141 or at [gsilvius@sbdairport.com](mailto:gsilvius@sbdairport.com).

**Attachments:**

1. Register of Demands for Commission Meeting February 8, 2012
2. Copy of VISA bill with explanation

**San Bernardino International Airport Authority**  
**Register of Demands For Board Meeting**  
**February 8, 2012**

COMPANY NAME	DESCRIPTION	A/P	Register	A/P	Register
			12/28/11		1/5-6/2012
<b>Informational Item:</b>					
Advantage Unlimited	Airfield Maintenance and Supplies				1,705.55
Airgas - West	Maintenance Hazardous Waste Removal				20.51
Arrowhead Pool Service	Airport Monument Cleaning Service				500.00
Asbury	Hazardous Waste Oil Drum Removal				150.00
Associated Laboratories	Storm Water Monitoring				180.00
Avalon Building Maintenance	Janitorial Service Bldg 730				1,209.34
Aztec Towel and Uniform	Janitorial - Floor Mats				230.16
Board Members	Directors Fees				600.00
Bob's Art & Frame	Arial Photo Framing - OPS				243.00
C & A Janitorial Services	Janitorial - Terminal, Tower, Fire Station & Bldg 759				3,541.07
Cal Disposal	7 Monthly Refuse Accounts				716.00
Clifton Gunderson	Professional Services - SBAM Acct. MAS 200				150.00
CoPower	SBAM Benefit				2,080.02
Couts Heating and Cooling	Terminal HVAC				180.00
EAP Consultants	SBAM Benefit				47.38
East Valley Water Dist	1 - Water Consumption				772.51
Fairview Ford	Vehicle Maintenance				66.01
Farwest Corrosion Control	Hazardous Waste Removal				975.00
G & K Services	Maintenance Uniforms				1,356.40
Gas Company	6 of 6 Gas Consumption Accounts				6,273.81
GBH Enterprises	Airport Asphalt Maint.				785.00
GMS Elevator Service	Monthly Tower Elevator Service				299.00
Grainger	Equipment Maintenance				96.87
Graphic Control LLC	Grounds Maintenance - Backflow Meter				174.84
Haaker Equipment	Grounds Maintenance - Sweeper				332.12
Healthnet	SBAM Benefit				9,327.25
Highland Equipment Rental	Grounds Equipment Rental				67.94
Hogan Lovells	Professional Services - DOT Order Analysis		25,000.00		
Home Depot	Grounds and Facilities Maintenance Supplies				3,426.69
HUB Construction Specialties	Building Maintenance Supplies				913.85
Hydro-Scape	Grounds Maintenance - Sprinkler Parts				71.72
Ingraham Enterprises	Professional Services				18,853.28
Inland Auto Supplies	Vehicle Maintenance				421.97
Kaiser	SBAM Benefit				7,110.00
KVAC Environmental Services	Professional Services - Airport Operations				702.89
Lab Safety Supply	Safety Equipment				496.74

**San Bernardino International Airport Authority**  
**Register of Demands For Board Meeting**  
**February 8, 2012**

COMPANY NAME	DESCRIPTION	A/P	Register	A/P	Register
			12/28/11		1/5-6/2012
<b>Informational Item:</b>					
MCI	Phone Service - Long Distance Carrier				33.73
Merit Oil Co.	Fuel for Vehicles - Bulk Storage				4,640.84
Mutual of Omaha	SBAM Benefit				1,577.26
Office Depot	Airport Operations Office Supplies				214.25
RAMS	Auditing Service				20,366.20
Safegaurd Business Systems	Accounts Payable Checks				142.07
SASCO	Monthly Terminal IT Service				107,740.00
SCE	27 of 27 Electrical Consumption Accts.				2,912.35
Schindler Elevator Service	Yearly Terminal Elevator Service 10/1/11-9/30/12				13,720.80
Smalley and Co	Airfield Sealant				139.13
Sparkletts	Office Supplies - Water				293.20
Staples	General Office Supplies				32.27
The Hitch Store	Airfield Supplies - Truck Hitch for Towing				116.34
Traffic Control Service	Airfield Supplies - Signs				189.82
Traffic Management Inc	Airfield Stripe Painting				216.00
Underground Service Alert	Professional Service				1.50
Univar USA Inc	Airfield Pest Control				719.02
US Mobility	Paging Service - Storm Water Alerting				31.23
Verizon California	13 of 26 Telephone Service Accts				2,249.40
Verizon Wireless	Wireless Service				56.07
Visa	Office Supplies / Travel				1,064.53
Vision Service Plan	SBAM Benefit				323.22
Waterman Car Wash	Vehicle Maintenance				35.00
<b>TOTAL</b>			<b>25,000.00</b>		<b>220,891.15</b>

**GRAND TOTAL FOR ALL REGISTERS**

**245,891.15**

**San Bernardino International Airport Authority**  
**Register of Demands For Board Meeting**  
**February 8, 2012**

COMPANY NAME	DESCRIPTION	A/P	Register 01/18/12
<b>Informational Item:</b>			
AE Com	FAA - Engineering Airfield Electrical Grant		1,135.14
Aramark	Coffee - Maints, Ops and Admin		74.75
Aviation Striping Inc	Surface Painted RWY Holding Position Marks		11,730.00
Board Members	Directors Fees		600.00
CED	Building Maintenance Supplies		31.57
City of San Bernardino Water Dept	27 Water Consumption Accounts		4,044.73
Disaster Master	Fire Extinguishers for Assorted Buildings		935.00
DISH	Monthly Cable Fee		32.72
Fairview Ford	Vehicle Maintenance		198.85
G & K Services	Maintenance Uniforms		486.78
Henry Wang	Marketing - Professional Services		2,625.00
Inland Auto Supplies	Vehicle Maintenance		74.61
Interstate Battery	Vehicle Maintenance		360.93
Merit Oil Co.	Fuel for Vehicles - Bulk Storage		5,259.40
NAPA Auto Parts	Vehicle Maint. - Parts		64.75
NEFF Rental	Grounds Equipment Rental		259.63
Paper Recycling and Shredding	Paper Shredding		60.00
Pure Water Technology Inc	Ops/Maintenance Water		416.99
Robb McDermott Signs	Advertising Painting on Building 610		70.00
SCE	2 of 27 Electrical Consumption Accts.		14,844.85
Serco	Air Traffic Controller		45,313.00
US Mobility	Paging Service - Storm Water Alerting		18.46
U Sav-More	Airfield Maintenance and Supplies		54.93
Verizon California	10 of 26 Telephone Service Accts		1,862.50
Waterman Car Wash	Vehicle Maintenance		56.00
<b>TOTAL</b>			<b>90,610.59</b>

<b>GRAND TOTAL FOR ALL REGISTERS</b>	<b>90,610.59</b>
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**San Bernardino International Airport Authority**  
**Register of Demands For Board Meeting**  
**February 8, 2012**

<b>COMPANY NAME</b>	<b>DESCRIPTION</b>	<b>A/P Register 01/19/12</b>	<b>A/P Register 01/27/12</b>
<b>Informational Item:</b>			
C & A Janitorial Services	Janitorial - Terminal, Tower, Fire Station & Bldg 759	2,430.51	
Northwest Meterology	NAVAID Maint. And Repair	1,880.44	
Office Depot	Airport Operations Office Supplies	539.31	
Paul Hastings	Legal		16,813.50
SCE	12 of 27 Electrical Consumption Accts.	11,595.88	
Verizon California	1 of 26 Telephone Service Accts	86.97	
Verizon Credit	Telephone Service/ Inc Tower - Equipment	465.88	
<b>TOTAL</b>		<b>16,998.99</b>	<b>16,813.50</b>

**GRAND TOTAL FOR ALL REGISTERS**

**\$ 33,812.49**

INLAND VALLEY DEVELOPMENT AGENCY  
 SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY  
**REQUEST FOR PAYMENT**

<b>Payee</b> <i>Visa</i> <b>Address</b> <b>City</b> <b>State</b> <b>Zip</b>	<b>Check Date</b> <i>02/01/12</i>  <b>Vendor No.</b> <i>visa</i> <b>P.O.</b>
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Description	Account Number	Invoice No.	Amount
acct #4326-6400-0112-0007			
Travel	5115-000		
Computer Maintenance and Repair	5205-000		
Office Supplies - Computer, USB Cords, Portable HD, Batteries Extension cords (IT Dept)	5232-000		422.24
Dues and Subscriptions (Core Logic Clerk )	5150-000		300.00
Meetings and Conferences (panera bread- Hospitality for Transportation Dept)	5120-000		86.02
Advertising	5675-000		
Building Maintenance	5627-300		
Marketing	5240-100		
Enterprise zone	1461-000		
Dues (1 yr to VIMEO Pro - It Dept)	5150-000		199.00
airfield	5010-200		
ops	5627-220		
Misc			
Finance Charges			

<b>Prepared By:</b> Monette Mendoza	<b>Date</b> 01/27/12	<b>Total</b> <b>1,007.26</b>
<b>Managers Signatures:</b>		<b>Accounts Payable Use ONLY:</b>
<b>Chief Financial Officer Signature:</b>	<b>Date</b>	



Account number	xxxx-xxxx-xxxx-0130	Statement closing date	12/18/11
Credit limit	\$10,000	Previous balance	\$1,287.04
Available credit	\$8,935	Payments and credits	1,287.04
		Purchases	1,064.53
<b>Questions? Call</b>	800-654-7728	Cash advances	0.00
Lost or Stolen Card	800-449-7728	<b>FINANCE CHARGES</b>	<b>0.00</b>
<b>or Write:</b>		<b>New balance</b>	<b>\$1,064.53</b>
CUSTOMER SERVICE P.O. BOX 31112 TAMPA FLORIDA 336313112		Minimum payment due	32.00
<b>Remit payment to:</b>		Payment due date	01/12/12
P.O. BOX 60097	CITY OF INDUSTRY, CA 91716-0		

**TRANSACTIONS**


See statement back for explanation of Finance Charge calculation. Credit Purchase Finance Charges calculated using Method G. Cash Advance Finance Charges calculated using Method A.

Trans	Post	Reference Number	Description	Amount
11/17	11/18	2469216A100ALWR78	WWW.LOGMEIN.COM 888-326-2642 MA MCC: 4816 MERCHANT ZIP: 01801	69.95
11/30	12/01	2469216AE00P8KKGA	Amazon.com AMZN.COM/BILL WA MCC: 5942 MERCHANT ZIP: 98101	134.21 ✓
11/30	12/01	2469216AE00P9AR9D	Amazon.com AMZN.COM/BILL WA MCC: 5942 MERCHANT ZIP: 98101	34.53
12/05	12/06	2469216AK007LNQJZ	CORELOGIC INFORMATION 800-345-7334 CA MCC: 5969 MERCHANT ZIP: 92707	300.00 ✓
12/08	12/08	7432664AN300L35FH	PAYMENT - THANK YOU	- 1,287.04
12/06	12/16	2443106AX9LLFMM8Z	ALASKA AIR 0278728602468 SEATTLE WA MCC: 3256 MERCHANT ZIP: BURROWS/MICHAEL PATR	75.00
		01/18/12 1 AS T 2 AS G	ONTARIO SEATTLE SEATTLE ONTARIO	<i>Cancellation FEE</i>
12/06	12/16	2443106AX9LLFMM9P	ALASKA AIR 0278728602469 SEATTLE WA MCC: 3256 MERCHANT ZIP: ESTRADA/ALEX	75.00
		01/18/12 1 AS T 2 AS G	ONTARIO SEATTLE SEATTLE ONTARIO	
12/18	12/18	2469216B0005HX6X7	APL*APPLE ONLINE STORE 800-676-2775 CA MCC: 5734 MERCHANT ZIP: 95014	375.84

**PAID**

San Bernardino International Airport Authority  
 Recap of VISA bill  
 Statement date - 12/18/11

17-Nov Logmein.com	Yearly license - 1 computer	IS	\$ 69.95
30-Nov Amazon.com	Electronic Level	R&T	134.21
30-Nov Amazon.com	Case for Level	R&T	34.53
5-Dec Corelogic Information	Nov fee for geographic package - Realquest	IS	300.00
6-Dec Alaska Airlines	Rebooking fee	R&T	75.00
6-Dec Alaska Airlines	Rebooking fee	R&T	75.00
8-Dec Apple On Line Store	12 Apple iPad Docks	IS	<u>375.84</u>
			<u>\$ 1,064.53</u>

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 4</b></p> <p><b>PRESENTER: David C. Kennedy, Treasurer of the Authority</b></p>
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**SUBJECT: RECEIVE AND FILE TREASURER'S REPORT FOR DECEMBER 31, 2011, FOR THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY (SBIAA)**

**SUMMARY**

SBIAA's monthly cash reconciliation report.

**RECOMMENDED ACTION(S)**

Receive and file Treasurer's Report for December 31, 2011, for the San Bernardino International Airport Authority (SBIAA)

**FISCAL IMPACT**

None

PREPARED BY:	Gary Silvius
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

Attached is the Treasurer's Report for December 31, 2011, for the San Bernardino International Airport Authority (SBIAA). Total cash being held by financial institutions for the SBIAA on December 31, 2011 is \$1,069,556 with a book balance of \$1,014,440. The difference between the two numbers is related to the outstanding checks and the deposits in transit at December 31, 2011.

If you have any questions about this report please contact me at (909) 886-5048.

**Attachments:**

1. Treasurer's Report for December 31, 2011

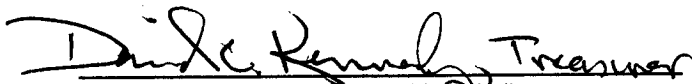
**SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY**


**Treasurer Report**

**December 31, 2011**

<u>Cash</u>	Balance 11/30/11	Increases	Decreases	Balance 12/31/11
<i>Checking Account - Wells Fargo Bank</i>	520,039	421,164	728,378	212,825
Deposits In Transit:				
Beginning				
Ending				
Outstanding Checks:				
Beginning	(155,423)		(155,423)	-
Ending			54,675	(54,675)
 <i>Premium Money Market Account - Wells Fargo Bank</i>	 688,281	 145	 200,000	 488,426
Deposits In Transit:				
Beginning				
Ending				
 <i>Imprest Account - Wells Fargo Bank</i>	 64,808	 200,000	 188,596	 76,212
Deposits In Transit:				
Beginning				
Ending				
Outstanding Checks:				
Beginning	(20,299)		(20,299)	-
Ending			441	(441)
Off setting activity between Checking to Imprest				-
Off setting activity between MMKT to Imprest		(200,000)	(200,000)	-
 Subtotal	 <u>1,097,406</u>	 <u>421,309</u>	 <u>796,368</u>	 <u>722,347</u>
 <u>Investments</u>				
<i>Local Agency Investment Funds</i>	292,093	-	-	292,093
Deposits In Transit:				
Beginning				
Ending				
 Subtotal	 <u>292,093</u>	 <u>-</u>	 <u>-</u>	 <u>292,093</u>
 Total Cash and Investments	 <u>\$ 1,389,499</u>	 <u>\$ 421,309</u>	 <u>\$ 796,368</u>	 <u>\$ 1,014,440</u>

I certify that this report accurately reflects all cash and investments for the above period.

  
 David C. Kennedy, C.P.A., Treasurer of the Authority

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 5</b></p> <p><b>PRESENTER: Gary Silvius, Interim Director of Finance</b></p>
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**SUBJECT: RECEIVE AND FILE SECOND QUARTER FINANCIAL REPORT (JULY 1, 2011 THROUGH DECEMBER 31, 2011) FOR THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY**

**SUMMARY**

Submitted for your consideration is the Second Quarter Financial Report (July 1, 2011 through December 31, 2011) of the San Bernardino International Airport Authority.

**RECOMMENDED ACTION(S)**

Receive and file the second quarter financial report (July 1, 2011 through December 31, 2011) for the San Bernardino International Airport Authority.

**FISCAL IMPACT**

None by this action.

PREPARED BY:	Gary Silvius
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

The attached San Bernardino International Airport Authority (SBIAA) second quarter statement of revenues and expenses covers the period July 1, 2011 through December 31, 2011. The format of the report is budget (for the two quarters ending December 31, 2011) compared to actual for the period. The budgeted amounts are prorated to 50% of the adopted budget.

The net loss from operations is \$ 2,649,805 before consideration of grant activity and other non-operating activities. The statement shows \$67,099 net loss after all activity for the second quarter. The main reason for the difference is the \$2,750,000 IVDA grant to support airport operations.

This report is brought forth at this time in conjunction with the Mid-Year Budget Review and due to scheduling issues is being presented prior the being reviewed by SBIAA's Finance Committee.

If have any questions about the report, please contact the Interim Chief Financial Officer at (909)382-4100, ext 141.

Staff recommends the Commission approve the recommended action as set forth above.

**Attachments:**

1. Second quarter financial report

**SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY  
REVENUE AND EXPENSE REPORT  
SECOND QUARTER ENDING 12/31/11**

	<u>2ND QTR BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>Operating Revenue</b>			
Lease Revenue	\$ 1,785,900	\$ 1,278,095	\$ (507,805)
Non-Airline Other	94,000	215,948	121,948
Airline Related Revenue	1,189,700	-	(1,189,700)
	<u>3,069,600</u>	<u>1,494,043</u>	<u>(1,575,558)</u>
<b>Operating Expenses</b>			
Administrative	2,000,950	1,882,824	118,126
Marketing	342,500	26,456	316,044
Operations - Airfield	344,400	240,360	104,040
Operations - Tower & ARFF	906,500	362,137	544,363
Airfield Maintenance	386,550	262,024	124,526
Building Maintenance	305,700	237,265	68,435
Terminal/Parking Ops	1,864,850	1,089,345	775,505
Vehicle Equipment & Maint	47,000	43,438	3,562
	<u>6,198,450</u>	<u>4,143,848</u>	<u>2,054,602</u>
<b>Net Income (Loss) from Operation</b>	<u>(3,128,850)</u>	<u>(2,649,806)</u>	<u>479,044</u>
<b>Non-Operating Revenue</b>			
Intergovernmental	2,750,000	2,750,000	-
FAA Grants	349,100	377,142	28,042
	<u>3,099,100</u>	<u>3,127,142</u>	<u>28,042</u>
<b>Non-Operating Expenses</b>			
Interest - IVDA Loan	44,000	45,273	(1,273)
Improv - Bldg 730 Upgrades	50,000	-	50,000
Airfield Electrical & Drainage- FAA	367,450	499,162	(131,712)
	<u>461,450</u>	<u>544,435</u>	<u>(82,985)</u>
<b>Excess of Revenue over (under) Expense</b>	<u>\$ (491,200)</u>	<u>\$ (67,099)</u>	<u>\$ 424,101</u>

**SAN BERNARDINO INTERNATIONAL AIRPORT  
OPERATING REVENUES  
SECOND QUARTER ENDING 12/31/11**

	<u>2ND QTR BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>NOTE</u>
<b>Operating Revenues</b>				
Late Fees	\$ -	\$ 77,647	\$ 77,647	1
Lease - Bldg 56	137,800	59,634	(78,166)	2
Lease - Bldg 302	53,850	53,832	(18)	
Lease - Bldg 333	68,050	46,208	(21,842)	2
Lease - Bldg 610	19,150	10,385	(8,765)	
Lease - Bldg 674	322,050	282,624	(39,427)	2
Lease - Bldg 675	10,700	-	(10,700)	
Lease - Bldg 680	5,050	4,038	(1,012)	
Lease - Bldg 695	35,050	44,640	9,590	
Lease - Bldg 730	60,000	19,391	(40,609)	2
Lease - Bldg 747	310,950	310,936	(14)	
Lease - Bldg 757	54,400	54,396	(4)	
Lease - Bldg 759	12,000	5,655	(6,345)	
Lease - Bldg 763	407,800	332,394	(75,406)	2
Lease - Bldg 795	131,100	126,318	(4,782)	
Lease - NW Exterior Space	9,000	-	(9,000)	
Lease - NE Exterior	88,600	111,428	22,828	2
Lease - Land Fill	-	12,087	12,087	
Lease - NE Tango	52,250	62,477	10,227	
Lease - N Section Taxiway B	2,100	3,090	990	
Lease - Other	6,000	71,546	65,546	3
Provision for bad debt	-	(410,630)	(410,630)	4
<b>Total Lease Revenue</b>	<b>1,785,900</b>	<b>1,278,095</b>	<b>(585,452)</b>	
Landing Fees	6,000	13,059	7,059	
Other Income	6,000	21,266	15,266	
Other Income - SCE Rebate	-	110,846	110,846	5
Tie Down Fees	5,500	-	(5,500)	
Fuel Flow Fees	70,000	46,504	(23,496)	2
Equipment Lease FBO	-	22,770	22,770	2
Interest Income	6,500	1,503	(4,997)	
<b>Total Non Airline - Other</b>	<b>94,000</b>	<b>215,948</b>	<b>121,948</b>	
Landing /fees	176,600	-	(176,600)	6
Fuel Flow fees	70,750	-	(70,750)	6
Parking Revenue	686,250	-	(686,250)	6
Terminal Concessions	128,400	-	(128,400)	6
Rental Car Concessions	67,700	-	(67,700)	6
Lease Bldg 674	60,000	-	(60,000)	6
	-	-	-	
<b>Total Airline Related Revenue</b>	<b>1,189,700</b>	<b>-</b>	<b>(1,189,700)</b>	
<b>Total Operating Revenue</b>	<b>3,069,600</b>	<b>1,494,043</b>	<b>(1,653,204)</b>	

**Note:**

- 1 Late Fees billed through 12/31/11
- 2 Variance exist because of the change in situation since budget was created - adjustments made in Mid Year Budget Adjustment Report
- 3 Increased film shoot revenue
- 4 Allowance for Uncollectible through 12/31/11
- 5 Budget corrected based on receipts from SCE
- 6 Lack of airlines activity

**SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY  
OPERATING EXPENSES  
SECOND QUARTER ENDING 12/31/11**

	<u>2ND QTR BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>NOTE</u>
<b>Administrative Expense</b>				
Salaries & Benefits	\$ 400,800	\$ 253,776	\$ 147,024	1
Salaries - SBAM Additional	228,550	142,378	86,172	1
Director Fees	6,000	6,200	(200)	
Travel	14,250	9,588	4,662	
Meetings & Training	5,000	5,448	(448)	
Uniforms & Laundry	22,500	6,281	16,219	
Dues & Subscriptions	7,500	7,787	(287)	
Office Equipment	25,000	13,259	11,741	
Printing	2,500	318	2,182	
Postage	2,750	2,188	562	
Office Supplies	17,500	23,751	(6,251)	
Courier	1,000	867	133	
Gas	10,250	7,198	3,052	
Electric	95,000	85,526	9,474	
Water/Sewer	13,500	23,863	(10,363)	
Telephone	30,000	35,027	(5,027)	
Pagers	100	168	(68)	
Refuse	2,500	6,831	(4,331)	
Insurance - Liability	215,000	501,530	(286,530)	2
Legal	100,000	102,458	(2,458)	
Accounting/Auditing	27,500	35,442	(7,942)	
SBAM - Airport Manager	128,750	128,750	(0)	
SBAM Revenue Sharing	125,000	125,000	(0)	
SBAM - Airlines Start Up Cost	125,000	-	125,000	1
Prof Services - Lobbyist	30,000	20,000	10,000	
Consulting - Other	275,000	235,308	39,692	
Consulting - Executive Dir	-	22,800	(22,800)	3
U.S. Customs	75,000	67,580	7,420	
Other - Misc	15,000	1,310	13,690	
Other - Misc (Bank Charges)		5,768	(5,768)	
Other - Misc (Payroll Svc Fee)		2,757	(2,757)	
Other - HR & Employee exp		3,665	(3,665)	
	<u>2,000,950</u>	<u>1,882,824</u>	<u>118,126</u>	
<b>Marketing</b>				
Meetings & Conferences	12,500	144	12,356	
Dues & Subscriptions	10,000	-	10,000	
Advertising	25,000	12,062	12,938	
Airline Service Co Marketing	275,000	-	275,000	1
Professional Services	20,000	14,250	5,750	
	<u>342,500</u>	<u>26,456</u>	<u>316,044</u>	

**SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY  
OPERATING EXPENSES  
SECOND QUARTER ENDING 12/31/11**


	<u>2ND QTR BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>NOTE</u>
<b>Airfield Operations</b>				
Salaries - SBAM Additional	312,900	229,522	83,378	1
Communication	10,000	2,896	7,104	
Hazmat removal	5,000	853	4,147	
Operations - Supplies & Rentals	11,000	3,474	7,526	
Licenses & Permits	5,500	3,616	1,884	
	<u>344,400</u>	<u>240,360</u>	<u>104,040</u>	
<b>Operations - Control Tower and ARFF</b>				
Gas	5,000	377	4,623	
Electric	47,500	60,457	(12,957)	
Water	1,500	-	1,500	
Janitorial	6,500	4,457	2,043	
Refuse	1,000	-	1,000	
ARFF Supplies	2,500	189	2,311	
HVAC	2,500	151	2,349	
Maintenance & Repair	20,000	9,694	10,306	
Fire Contract Services	412,500	-	412,500	1
Control Tower Contract Svcs	387,500	271,878	115,622	1
ILS Contract	20,000	14,933	5,067	
	<u>906,500</u>	<u>362,137</u>	<u>544,363</u>	
<b>Airfield Maintenance</b>				
Salaries & Benefits	315,550	-	315,550	1
Salaries - SBAM Additional		229,370	(229,370)	1
Uniforms		-	-	
Storm Water Monitoring	1,000	1,607	(607)	
NAVIDS/ATCT Parts/Repairs	10,000	1,705	8,295	
Airfield Supplies/Repairs/Lndscp	27,500	22,861	4,639	
Fencing/Signage	12,500	3,851	8,649	
Electrical & Lighting	5,000	2,170	2,830	
Landscaping/ Maintenance	12,500	-	12,500	
Electrical. Generators & Gates	2,500	460	2,040	
	<u>386,550</u>	<u>262,024</u>	<u>124,526</u>	
<b>Building Maintenance</b>				
Salaries & Benefits	-	-	-	
Salaries - SBAM Additional	206,700	175,762	30,938	1
Janitorial	20,000	20,348	(348)	
Security & Fire	45,000	23,154	21,846	4
HVAC	12,500	8,885	3,615	
Maintenance & Repair	20,000	9,018	10,982	
Supplies	1,500	97	1,403	
	<u>305,700</u>	<u>237,265</u>	<u>68,435</u>	

**SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY  
 OPERATING EXPENSES  
 SECOND QUARTER ENDING 12/31/11**

	<u>2ND QTR BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>NOTE</u>
<b>Terminal/Parking Ops</b>				
Salaries & Benefits	137,400	-	137,400	1
Salaries - SBAM Additional	92,250	-	92,250	1
Gas	18,000	7,292	10,708	
Electric	75,000	47,591	27,409	
Water	10,000	10,504	(504)	
Janitorial	150,000	12,869	137,131	1
Refuse	7,500	-	7,500	
Security, IT, Comm, Fire	646,450	646,440	10	
HVAC	15,000	11,091	3,909	
Maint & Repairs	100,000	19,914	80,086	1
Supplies	5,000	135	4,865	
Airport Security	605,750	333,510	272,240	1
Signage	2,500	-	2,500	
	<u>1,864,850</u>	<u>1,089,345</u>	<u>775,505</u>	
<b>Vehicle &amp; Equip Maintenance</b>				
Fuel & Lubricants	28,500	27,480	1,020	
Maint & Repairs	17,500	15,958	1,542	
Shop Tools	1,000	-	1,000	
	<u>47,000</u>	<u>43,438</u>	<u>3,562</u>	
<b>Total Operating Expense</b>	<u>\$ 6,198,450</u>	<u>\$ 4,143,848</u>	<u>\$ 2,054,602</u>	

**NOTE:**

- 1 Activity didn't increase due to lack of airlines
- 2 Insurance paid through 6/30/12
- 3 New line item/ separated from other consulting
- 4 Favourable contract on security

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 6</b></p> <p><b>PRESENTER: Kelly Berry, Director of Information Services   Clerk of the Board</b></p>
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**SUBJECT: APPROVE MEETING MINUTES: JANUARY 25, 2012**

**SUMMARY**

Meeting minutes of the SBIAA Commission Regular meeting held Wednesday, January 25, 2012.

**RECOMMENDED ACTION(S)**

Approve meeting minutes of January 25, 2012.

**FISCAL IMPACT**

None.

PREPARED BY:	Kelly Berry
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

A draft copy of the referenced action minutes is attached for your consideration. If you have any questions or changes, please contact my office prior to the meeting so we may verify the information and report to you at the meeting, if necessary.

We do have video recordings of most meetings, if anyone wishes to review the meeting at any point in time. The appropriate video can be made available as soon as possible by calling my office at (909) 382-4100.

**Attachments:**

1. Meeting minutes of the SBIAA Commission Regular meeting held Wednesday, January 25, 2012.

**SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY  
COMMISSION ACTIONS  
January 25, 2012**

A Regular Meeting of the San Bernardino International Airport Authority was called to order by President Patrick J. Morris at approximately 3:06 p.m. on Wednesday, January 25, 2012, at Norton Regional Events Center, Main Auditorium, 1601 East Third Street, San Bernardino, California.

**COMMISSION MEMBERS PRESENT:**

City of Colton	Councilmember Vincent Yzaguirre (alt.)
City of Loma Linda	Vice-President/Mayor pro tempore Ovidiu Popescu
County of San Bernardino	Supervisor Josie Gonzales
City of Highland	Secretary/Councilmember Sam J. Racadio Councilmember Jody Scott (alt.) (in audience non-voting)
City of San Bernardino	President/Mayor Patrick J. Morris Councilmember Rikke Van Johnson

**OTHERS PRESENT:**

A. J. Wilson, Interim Executive Director  
Michael Burrows, Assistant Director  
Bill Ingraham, Aviation Director  
Gary Silvius, Interim Director of Finance  
Timothy J. Sabo, Lewis Brisbois Bisgaard & Smith, LLP  
Kelly Berry, Director of Information Services | Clerk of the Board

**A. CALL TO ORDER / ROLL CALL**

Roll call was duly noted and recorded.

**B. ITEMS TO BE ADDED OR DELETED**

Mr. A.J. Wilson, Interim Executive Director, requested Agenda Item No. 6 be continued to the February 8, 2012, regular meeting of the SBIAA Commission.

Mr. Wilson announced that there was a need to take action on an item which was brought to the attention of the San Bernardino International Airport Authority (SBIAA) staff after the posting of the Agenda for this January 25, 2012, meeting. Mr. Wilson read the recommended action for the record.

President Patrick J. Morris called for a motion to add the item as Agenda Item No. 7.

**ACTION:** Add the following item to the agenda as Agenda Item No. 7:

**Item #7 – Approve an Agreement with Oasis Outsourcing III, Inc. for Employment Services Related to Operations and Maintenance of San Bernardino International Airport**

Motion was made by Racadio, seconded by Gonzales, and passed unanimously.

**C. CONFLICT OF INTEREST DISCLOSURE**

**Item #1 - Conflict of Interest Disclosure Items**

President Patrick J. Morris stated Commission members should note the item(s) listed which might require member abstentions. There were no conflicts noted.

**D. INFORMATIONAL ITEMS**

**Item #2 - Informational Items**

Mr. A.J. Wilson, Interim Executive Director, presented the following informational items:

**a. Executive Director's Report**

Mr. Wilson briefly provided the executive director's report.

**b. Report on Status of Certain Airport Agreements**

Mr. Wilson provided information relating to the status report on certain airport agreements, noting continued advancements in the transitioning process for the temporary employees and Commission approval to continue will be brought before the Commission as added Agenda Item No. 7.

See Section G. below for the discussion of and voting on Agenda Item No. 7.

**c. Report on Status of Implementation of Recommendations from the San Bernardino County Grand Jury Report**

Mr. Wilson provided information relating to the status of implementation of recommendations from the San Bernardino County Grand Jury. Handout 2c was provided to the Commission members, staff and members of the public.

Councilmember Vincent Yzaguirre expressed appreciation to staff for their hard work and follow through in addressing the concerns of the San Bernardino County Grand Jury.

**d. Report on Proposed Change in meeting Time and Agenda Order for the San Bernardino International Airport Authority (SBIAA) Commission Meetings**

Mr. Wilson provided information relating to the proposed change in meeting time and the agenda order for the SBIAA Commission meetings.

**E. COMMISSION CONSENT ITEMS**

**Item #3 – Authorize Advertisement of a Request for Proposals (RFP) from Qualified Firms to Provide Auditing Services for the San Bernardino International Airport Authority (SBIAA)**

**Item #4 – Approve Meeting Minutes: January 11, 2012**

Ms. Kelly Berry, Clerk of the Board noted the minutes would be revised to reflect the attendance of Supervisor Josie Gonzales, and requested that the Commission approve the minutes with this correction. Supervisor Josie Gonzales asked that the Meeting Minutes of January 11, 2012, also be amended to reflect comments made relative to the \$716.00 line item from Cal Disposal on the Register of Demands.

**ACTION:** Approve the Consent Calendar.

Motion was made by Popescu, seconded by Racadio, and passed unanimously.

**F. COMMISSION ACTION ITEMS**

**Item #5 – Consider and Adopt Resolution No. 2012-02 of the San Bernardino International Airport Authority (SBIAA) Changing the Meeting Time of the Regular Meetings of the SBIAA Commission and Amending Resolution No. 94-4**

A revised Resolution No. 2012-02 was provided to the Commission members, staff and members of the public.

**ACTION:** Consider and adopt Resolution No. 2012-02 of the San Bernardino International Airport Authority (SBIAA) changing the meeting time of the regular meetings of the SBIAA Commission and amending Resolution No. 94-4.

Motion was made by Popescu, seconded by Gonzales, and passed unanimously.

**Item #6 – Adopt 2011 Statement of Investment Policy for the San Bernardino International Airport Authority (SBIAA)**

At the request of staff, Agenda Item No. 6 was continued to the next regular meeting of the SBIAA Commission.

**ACTION:** Continue Agenda Item No. 6 to the February 8, 2012, regular meeting of the SBIAA Commission.

Motion was made by Racadio, seconded by Gonzales, and passed unanimously.

**G. ADDED AND DEFERRED ITEMS**

**Item #7 – Approve an Agreement with Oasis Outsourcing III, Inc. for Employment Services Related to Operations and Maintenance of San Bernardino International Airport**

**ACTION:** Authorize the Interim Executive Director to negotiate and execute a Client Services Agreement with Oasis Outsourcing III, Inc., subject to technical and conforming changes as approved by Legal Counsel, and all related documents necessary to provide employment services for the operation and management of San Bernardino International Airport.

Motion was made by Yzaguirre, seconded by Racadio, and passed unanimously.

Mr. Michael Harding, private citizen, provided a brief public comment relating to Agenda Item No. 7.

**H. PUBLIC COMMENT**

Mr. Scott Miller, owner of Scott's Carpet Cleaning requested assistance from the Commission in obtaining payment on a past due invoice in the amount of \$8,395 for work performed at the Million Air facility. Members of the Commission requested staff work with legal counsel to review Mr. Miller's contract and provide assistance as applicable.

**I. CLOSED SESSION**

There was no closed session.

**J. ADJOURN MEETING**

There being no further business before the Commission at this session, President Patrick J. Morris declared the meeting adjourned at 4:19 p.m.

**Approved at a Regular Meeting of the San Bernardino International Airport Authority  
Commission on Wednesday, February 8, 2012.**

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**Kelly Berry**  
**Assistant Secretary of the Commission**

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**MEMBERS ABSENT:**

City of Colton	Mayor Sarah S. Zamora
County of San Bernardino	Supervisor Neil Derry (alt.)



**TO: San Bernardino International Airport Authority Commission**

**DATE: February 8, 2012**

**ITEM NO: 7**

**PRESENTER: Gary Silvius, Interim Director of Finance**

**SUBJECT: CONSIDER AND ADOPT PROPOSED MID-YEAR BUDGET ADJUSTMENTS FOR FISCAL YEAR 2011-2012**

### **SUMMARY**

The mid-year budget adjustments modify and correct the adopted budget to reflect improved estimates and changes in conditions that have been revealed since the adoption of the original budget.

### **RECOMMENDED ACTION(S)**

Adopt the Mid-Year Budget Adjustments as Summarized in the Attached Reports.

### **FISCAL IMPACT**

Based on totals in the report.

PREPARED BY:	Gary Silvius
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

On June 22, 2011, the San Bernardino International Airport Authority (SBIAA) Commission adopted the SBIAA Budget for Fiscal Year 2011/12. SBIAA Staff have reconciled various accounts within the budget through mid-year and have recommended several adjustments to reflect the current status and conditions with respect to proposed projects and programs for the current year. A summary and detail report recommending specific increases and/or decreases to budget line items is attached.

Staff recommended adjustments for net decreases in revenues of \$2,867,800 and net decreases in expenses of \$3,257,800. The overall budget adjustments will result in a \$390,000 reduction in projected loss for fiscal year 2011/12. Detail explanations for the proposed adjustments, grouped by related cause are included in the attached report.

Staff recommends adoption of the adjustments contained in the attached Mid-Year Budget Report.

**Attachments:**

1. Mid-Year Budget Report

**SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY  
PROPOSED BUDGET ADJUSTMENT  
FOR FISCAL YEAR ENDING 6/30/12  
SUMMARY REPORT**

<b>Operating Revenue</b>	<b>Original Budget</b>	<b>Increase</b>	<b>Decrease</b>	<b>Final Budget</b>
Lease Revenue	\$ 3,571,800	\$ 44,800	\$ 578,700	\$ 3,037,900
Non-Airline Other	188,000	45,500		233,500
Airline Related Revenue	2,379,400		2,379,400	-
<b>Total Operating Revenue</b>	<b>6,139,200</b>	<b>90,300</b>	<b>2,958,100</b>	<b>3,271,400</b>
<b>Operating Expenses</b>				
Administrative	4,001,900	316,500	500,000	3,818,400
Marketing	685,000		450,000	235,000
Operations - Airfield	688,800		150,000	538,800
Operations - Tower & ARFF	1,813,000	30,000	875,000	968,000
Airfield Maintenance	773,100		150,000	623,100
Building Maintenance	611,400		40,000	571,400
Terminal/Parking Ops	3,729,700		1,339,300	2,390,400
Vehicle Equipment & Maint	94,000			94,000
<b>Total Operating Expense</b>	<b>12,396,900</b>	<b>346,500</b>	<b>3,504,300</b>	<b>9,239,100</b>
<b>Non-Operating Revenues</b>				
Intergovernmental Revenue	5,500,000			5,500,000
Grants	698,200			698,200
<b>Total Non-Operating Revenues</b>	<b>6,198,200</b>	<b>0</b>	<b>0</b>	<b>6,198,200</b>
<b>Non-Operating Expenses</b>				
Interest - IVDA Loan	88,000			88,000
Improv - Bldg 730 Upgrades	100,000		100,000	0
Airfield Electrical - FAA	618,300			618,300
Airfield Drainage - FAA	116,600			116,600
<b>Total Non-Operating Expenses</b>	<b>922,900</b>	<b>0</b>	<b>100,000</b>	<b>822,900</b>
<b>Excess of Revenue over (under) Expense</b>	<b>\$ (982,400)</b>	<b>\$ (256,200)</b>	<b>\$ (646,200)</b>	<b>\$ (592,400)</b>

**RECAP ON NET EFFECT OF BUDGET ADJUSTMENT:**

Beginning Deficit as Budgeted	\$ (982,400)
Increase in Revenue	90,300
Decrease in Revenue	(2,958,100)
Increase in Expense	(346,500)
Decrease in Expense	3,604,300
Ending Deficit, as Adjusted	<u>\$ (592,400)</u>

**SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY  
 PROPOSED BUDGET ADJUSTMENT  
 FOR FISCAL YEAR ENDING 6/30/12  
 DETAILED SCHEDULE**

	<u>Increase</u>	<u>Decrease</u>	<u>Note</u>
<b><u>OPERATING REVENUES:</u></b>			
4102-000 Lease - Bldg 56		\$ 160,600	1
4109-000 Lease - Bldg 333		45,500	2
4123-000 Lease - Bldg 674		88,000	3
4131-000 Lease - Bldg 730		60,000	4
4139-000 Lease - Bldg 763		44,800	2
4139-000 Lease - Bldg 763		96,084	5
4139-000 Lease - Bldg 763		74,116	4
4140-000 Lease - Bldg 795		9,600	1
4142-000 Lease - NE Exterior	44,800		2
	<u>44,800</u>	<u>578,700</u>	
<b>Total Lease Revenue</b>			
4157-000 Equipment Lease FBO	45,500		2
<b>Total Non Airline - Other</b>	<u>45,500</u>	<u>-</u>	
4150-000 Landing /fees		353,200	6
4153-000 Fuel Flow fees		141,500	6
4154-000 Parking Revenue		1,372,500	6
4155-000 Terminal Concessions		256,800	6
4156-000 Rental Car Concessions		135,400	6
4122-000 Lease Bldg 674		120,000	6
<b>Total Airline Related Revenue</b>	<u>-</u>	<u>2,379,400</u>	
<b>Total Operating Revenue</b>	<u>\$ 90,300</u>	<u>\$ 2,958,100</u>	
<b><u>OPERATING EXPENSES</u></b>			
<b>Administrative Expense</b>			
5000-000 Salaries & Benefits		200,000	7
5001-000 Salaries - SBAM Additional		100,000	7
5205-000 Office Equipment - Maintenance/Replace	25,000		12
5320-000 Insurance - Liability	71,500		8
5320-000 Insurance - Worker's Comp	50,000		9
5330-000 Legal	50,000		12
5345-000 SBAM - Airport Manager		125,000	10
5346-000 SBAM - Revenue Sharing		125,000	10
5346-000 SBAM - Airline Start up Cost		250,000	10
5366-000 Consulting - Exe Director	120,000		11
<b>Marketing</b>			
5365-100 Marketing		450,000	7
<b>Airfield Operations</b>			
5001-200 Salaries - SBAM Additional		150,000	7

<b>Operations - Control Tower and ARFF</b>			
5270-220	Electric	30,000	12
5628-220	Fire Contract Services		775,000 7
5636-220	Control Tower Contract Svcs		100,000 7
<b>Airfield Maintenance</b>			
5001-250	Salaries & Benefits		150,000 7
<b>Building Maintenance</b>			
5001-300	Salaries & Benefits - SBAM Additional		40,000 7
<b>Terminal/Parking Ops</b>			
5001-320	Salaries & Benefits		274,800 7
5002-320	Salaries - SBAM Additional		164,500 7
5265-320	Gas		10,000 7
5270-320	Electric		40,000 7
5300-320	Janitorial		250,000 7
5627-320	Maintenance & Repair		150,000 7
5665-320	Airport Security		450,000 7
<b>Total Operating Expense</b>		<u>\$ 346,500</u>	<u>\$ 3,504,300</u>
 <b>NON-OPERATING EXPENSES</b>			
5914-000	Improv - Bldg 730 Upgrades		100,000 13
<b>Total Non-Operating Expense</b>		<u>\$ -</u>	<u>\$ 100,000</u>


**Note:**

**Revenues:**

- 1 Monthly rent adjustments - granted after 7/1/11.
- 2 Separated budget line - Reallocated to/from other revenue acct
- 3 Anticipated increase in rent during the year.
- 4 Termination of lease/license agreement.
- 5 Correct budget for contract receivable.
- 6 Adjustments due to no commercial airline activity.

**Expenses:**

- 7 Adjustments due to no commercial airline activity.
- 8 Paid through 6/30/12, Adjusted to actual
- 9 Additional Worker's comp for Operation and Maintenance Department
- 10 Termination of SBAM Contract
- 11 Separated budget line - Adjustment due to new contract
- 12 To meet the need of actual expense.
- 13 No improvement to bld 730.

 <p>The logo of the San Bernardino International Airport Authority is circular. It features a red airplane in flight above a blue stylized runway or terminal structure. The text "SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY" is written around the top inner edge of the circle, and the year "1992" is at the bottom.</p>	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 8</b></p> <p><b>PRESENTER: Gary Silvius, Interim Director of Finance</b></p>
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**SUBJECT: ADOPT 2011 STATEMENT OF INVESTMENT POLICY FOR THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY (SBIAA) [CONTINUED FROM JANUARY 25, 2012]**

### **SUMMARY**

This updated Statement of Investment Policy forms the basis of investing activities for the Authority.

### **RECOMMENDED ACTION(S)**

Adopt 2011 Statement of Investment Policy for the San Bernardino International Airport Authority.

### **FISCAL IMPACT**

The investment policy sets goals and guidelines related to safety and liquidity which along with market factors determine the income earned from investments.

PREPARED BY:	Gary Silvius
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

The San Bernardino International Airport Authority's cash management system is designed to monitor and forecast cash flows enabling the Authority to invest funds to the fullest extent possible. This 2011 Statement of Investment Policy provides staff with guidelines for prudent investment decisions, sets specific limitations as to investments by type, investment quality based on ratings and maturities. In addition, the policy defines instances where collateralization of investments is required.

Most importantly, the 2011 Statement of Investment Policy requires regular reporting of investing activities to the Authority's Commission and sets the content of those reports.

This policy was presented for review at the most recent meeting of the Authority's Finance Committee.

This item was carried over from the January 25 meeting.

**Attachments:**

1. 2011 Statement of Investment Policy

# SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY

## “Fiscal Year 2011-12 Statement of Investment Policy”

### I. Purpose

This Statement of Investment Policy (this “Policy”) is intended to provide guidelines for the prudent investment of all funds held by the San Bernardino International Airport Authority (“SBIAA”) that are eligible to be invested, and to outline the policies for maximizing the efficiency of the cash management system for SBIAA. The ultimate goal is to enhance the economic status of the while protecting its pooled cash and all other funds under its control

When investing proceeds from the issuance of bonds and held by the bond trustee/fiscal agent, SBIAA is not limited to the allowable investments identified in this Policy. Bond Proceeds shall be invested in accordance with the requirements and restrictions as outlined in the bond documents.

The California Government Code Section 53646(a)(2) requires that the Investment Policy of SBIAA be updated on an annual basis.

### II. Objective

The cash management system of SBIAA is designed to accurately monitor and forecast expenditures and revenues, thus enabling SBIAA to invest funds to the fullest extent possible. SBIAA will attempt to obtain the highest yield possible that investments meet the criteria established for safety and liquidity.

### III. Policy

SBIAA adheres to the guidelines provided by the “prudent man rule”, which obligates a fiduciary to ensure that:

“...an investment shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived.”

#### A. Safety:

Safety and the minimization of risks associated with investments refer to attempts to reduce the potential loss of principal, interest, or a combination

of the two. The first level of control is in California State (the “State”) Law, which restricts municipalities to certain investment instruments. The second level of risk control is the investment in instruments, which appear on examination to be the most credit worthy. The third level of control is in the reduction of market risk by investing in appropriate instruments that have maturities coinciding with dates of disbursement. SBIAA only invests in those instruments that are considered very safe.

## **B. Liquidity**

Liquidity is the ability to easily sell investment instruments at any time with the minimal risk of losing some portion of principal or interest. Liquidity is an extremely important quality as SBIAA may have an unexpected need for funds to be disbursed.

Most investments are highly liquid, with the exception of collateralized or insured term certificates of deposit issued by banks and savings institutions. Certificate maturities are selected to anticipate cash needs, thereby eliminating the need for forced liquidation.

## **C. Yield**

Yield is the potential dollar earnings an investment can provide, or “rate of return”. SBIAA attempts to obtain the highest yield possible when selecting an investment, provided that the criteria stated in this Policy for safety and liquidity are met and the investment guidelines and strategy are adhered to.

## **D. Public Trust**

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluations. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolios’ investment return, provided that adequate diversification has been obtained.

## **E. Bank and Securities Dealers**

In the selection of financial institutions for the deposit or investment of SBIAA funds, staff shall consider the credit worthiness of the institutions. Staff shall continue to monitor each financial institution’s credit

characteristics and financial history throughout the period in which SBIAA funds are deposited or invested.

In an effort to reduce portfolio risk while attaining a market rate of return, the /SBIAA's portfolio will be suitably diversified by security/agency type and by institution/issuer. With the exception of U. S. Treasuries, agencies, and authorized pools, such as LAIF, no more than 50% of the SBIAA's total investment portfolio will be invested in a single security type or with a single issuer.

#### **F. No Commingling of Funds or Other Pooled Investments**

All SBIAA funds to be invested pursuant to this Policy as required by the rules and regulations and other grant assurance agreements as applicable to SBIAA shall not be commingled with or otherwise pooled with other investment funds. SBIAA must maintain the integrity of the accountability of the special purpose funds that are entrusted to SBIAA to enable the SBIAA to achieve their stated purposes pursuant to the laws of the State of California in a financially prudent manner.

### **IV. Investments**

Authorized investment instruments shall include:

Securities of the United States Government and obligations of its agencies; registered treasury notes, bonds, or legal obligations of the State of California; certificates of deposit placed with commercial banks and savings institutions; bankers acceptances; repurchase agreements (to be collateralized at 102%); commercial paper; negotiable certificates of deposit; Local Agency Investment Fund ("LAIF") demand deposits; passbook savings account demand deposits; interest bearing demand deposits; and, money-market accounts of acceptable instruments.

Government and agency securities are the highest quality investments available in terms of safety and liquidity. Certificates of deposit, savings accounts, repurchase agreements and banker's acceptances are insured or collateralized. Only commercial paper with both "P-1" Moody's and "A-1+" Standard and Poor's ratings (or better) are permitted.

SBIAA operates its investment program with many federal, state and self-imposed constraints. This Policy prohibits the purchasing of or dealing in stocks, futures, options, derivatives, security loan agreements, and federal agency securities that take the form of inverse floaters, range notes, mortgage-backed interest-only strips, or any floating-rate investment without a floor.

To maximize investment income, SBIAA uses all available economically feasible investment tools. Economic conditions and various money markets are monitored in order to assess the probable course of interest rates.

The final basic premise underlying the investment philosophy of SBIAA is to ensure the safety of existing funds and ensure consistent availability of same.

## **V. Maturities and Portfolio Percentages**

Investments will be chosen with appropriate maturities so that funds will be available to meet the cash flow requirements of SBIAA. No investment will be made with a maturity date in excess of five (5) years. An exception to the five (5) year maturity limit is investments of funds held by the Bond Trustee whereby it is prudent to match the portfolio of the bond funds with the maturity schedule of the bond issue.

It is the full intent of SBIAA, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

- 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 have no percentage limitation of the portfolio for investment purposes, but are limited to the five (5) year maturity.
- B. Obligations issued by the Government National Mortgage Association (“GNMA”), the Federal Farm Credit System (“FFCS”), the Federal Home Loan Bank Board (“FHLB”), the Student Loan Marketing Association (“SLMA”), the Federal National Mortgage Association (“FNMA”) and the Federal Home Loan Mortgage Association (“FHLMC”) have no percentage limitation of the portfolio, although the five (5) year maturity is applicable.
- C. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker’s acceptances may not exceed 180 days to maturity or thirty percent (30%) of the cost of the portfolio.
- D. Commercial paper ranked “P-1” by Moody’s Investor Service or “A-1+” by Standard and Poor’s, and issued by domestic corporations having assets in excess of \$500,000,000 and having an AA or better rating on their long term debentures as provided by Moody’s or Standard and Poor’s, may not exceed two hundred seventy (270) days to maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed fifteen percent (15%) of the cost of the value of the portfolio.

- E. Negotiable certificates of deposit issued by nationally or State chartered banks or State or Federal savings institutions may not exceed thirty percent (30%) of the total portfolio, and the maturity limit of five (5) years is applicable.
- F. Repurchase agreements may not exceed maturity of ninety (90) days and shall not exceed ten percent (10%) of the total portfolio. The market value of the securities used as collateral for the repurchase agreements shall not be allowed to decline to less than one hundred two percent (102%) of the value of the repurchase agreements.
- G. LAIF, which is a State of California managed investment pool, may be used to the maximum extent permitted by California State Law.
- H. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings institutions with no more than twenty percent (20%) of the total investment portfolio.
- I. Various daily cash funds, including short-term money market accounts administered for or by trustees, paying agents and custodial banks contracted by SBIAA, may be purchased as allowed under the State of California Government Code. Only funds holding United States Treasury or Government Agency obligations may be utilized. No more than twenty percent (20%) of the total portfolio may be invested in this manner.

J. Municipal Bonds:

Registered treasury notes or bonds of any of the other forty-nine (49) state governments of the United States, in addition to California, payable solely from the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the other forty-nine (49) state governments of the United States, in addition to the State of California. Such securities must have ratings from at least two (2) of the three (3) ratings as follows: "A1" by Moody's Investors Service, or "A+" by Standard & Poor's, or "A+" by Fitch Ratings; or as otherwise approved by SBIAA.

Registered general obligation treasury notes or bonds of any of the fifty (50) state governments of the United States. Such securities must have ratings from at least two (2) of the three (3) ratings as follows: at least "A3" by Moody's Investors Service, or "A-" by Standard & Poor's, or "A-" by Fitch Ratings; or as otherwise approved by SBIAA.

Adjustable rate registered treasury notes or bonds of any of the fifty (50) state governments of the United States, including bonds payable solely from the

revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the other forty-nine (49) state governments of the United States, in addition to the State of California. Such securities must have ratings from at least two (2) of the three (3) ratings as follows: "P-1" by Moody's Investors Service, or "A-1+" by Standard & Poor's, or "F-1+" by Fitch Ratings; or as otherwise approved by SBIAA.

Adjustable rate notes or bonds warrants, or other evidences of indebtedness of any local agency within the State of California with a minimum rating of either "P-1" by Moody's Investors Service, or "A-1+" by Standard & Poor's, or "F-1+" by Fitch Ratings, including bonds, notes, warrants, or other evidences of indebtedness payable solely from the revenues from a revenue-producing property owned, controlled, or operated by either the local agency, a department, board, agency, or authority of the local agency, or of any local agency within the State of California.

Taxable or tax-exempt bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California with a minimum rating of either "A1" by Moody's Investors Service, or "A+" by Standard & Poor's, or "A+" by Fitch Ratings (the minimum rating shall apply to the local agency, irrespective of any credit enhancement), including bonds, notes, warrants, or other evidences of indebtedness payable solely from the revenues from a revenue-producing property owned, controlled or operated by either the local agency, a department, board, agency or authority of the local agency, or of any local agency within the State of California.

K. FDIC-insured Certificates of Deposit:

The principal amount of the investment must be federally insured. No more than the prevailing FDIC insured coverage amount may be invested with any one deposit. Interest on the principal must be paid to SBIAA at least annually. The placement of Certificates of Deposit with local banks that qualify in accordance with Government Code Section 53601(h) is encouraged. SBIAA, at its discretion, may invest a portion of its surplus funds in certificates of deposit at a commercial bank, savings bank, savings institutions, or credit union using a private sector entity to assist in the placement of such certificates, provided that it complies with Government Code Section 53601.8. Such investments may not exceed in total fifteen percent (15%) of the funds of SBIAA invested pursuant to Government Code Sections 53601.8, 53635.8 and 53601, and shall have a maximum maturity of one year from the date of the deposit.

L. FDIC-insured Money Market Accounts:

Federal Deposit Insurance Corporation insured money market savings accounts or time deposits which are deposited through depository institutions which are participants of the Money Market Insured Deposit Account Service (“MMIDAS”).

**VI. Collateral Requirements**

Collateral is required for investments in certificates of deposit and repurchase agreements. In order to reduce market risk, the collateral level will be at least one hundred two percent (102%) of market value or principal and accrued interest.

In order to conform with the provisions of the Federal Bankruptcy Code, which provides for liquidations of securities held as collateral, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible banker’s acceptances, medium term notes or securities that are direct obligations or, or are fully guaranteed as to principal and interest by, the United States or any agency of the United States.

**VII. Use of SBIAA Investments as Collateral for Loans**

Subject to formal approval of the governing body of SBIAA, SBIAA may encumber their respective pooled investments as may be invested from time to time pursuant to this Policy for the purpose of accomplishing other borrowings and loans utilizing such SBIAA pooled investments as pledged collateral for such additional loans to SBIAA. Such SBIAA loans as may be secured by the pooled investments of SBIAA shall be for either project specific purposes or general working capital loans and lines of credit of in furtherance of either the administrative obligations of the SBIAA or other governmental activities of SBIAA. The dollar amount of the SBIAA pooled investments that may be utilized at any particular time as collateral for such loans pursuant to this Policy shall not exceed a dollar amount equal to seventy-five percent (75%) of then current dollar value of the total pooled investment funds as separately calculated for SBIAA that are invested at anytime in accordance with this Policy. The market value of such SBIAA pooled investment funds shall be determined for compliance purposes as of the date of the pledge as authorized by this Section VII.


## **VIII. Reporting**

SBIAA shall submit regular investment reports to their respective legislative bodies. Under Section 53646 of the California Government Code the required elements of the report shall include:

- a. Type of investment
- b. Institution- issuer of investment
- c. Cost of investment
- d. Par value of investment
- e. Market value of investment
- f. Source of market information
- g. Date of maturity
- h. Statement of compliance of the portfolio as to the investment policy
- i. Statement as to the ability to meet its expenditure requirement for the next six (6) months

## **IX. Internal Controls**

A system of internal controls shall be established and documented. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees of the SBIAA. Controls deemed most important include: control of collusion, separation of duties, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and code of ethics. The Executive Director, or designee, shall oversee and authorize all investment activities pursuant to this Policy, unless approval is otherwise required to be obtained from the governing body of the SBIAA..

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 9</b></p> <p><b>PRESENTER: A.J. Wilson, Interim Executive Director</b></p>
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**SUBJECT: ADOPT RESOLUTION NO. 2012-03 OF THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY (SBIAA) AUTHORIZING THE FINANCE AND BUDGET COMMITTEE TO SERVE THE FUNCTION OF AN AUDIT COMMITTEE**

**SUMMARY**

It is appropriate to formally designate the Finance and Budget Committee, a standing committee of the San Bernardino International Airport Authority (SBIAA) formed in 2006, to serve the function of an audit committee.

**RECOMMENDED ACTION(S)**

Adopt Resolution No. 2012-03 of the San Bernardino International Airport Authority (SBIAA) authorizing the Finance and Budget Committee to serve the function of an audit committee.

**FISCAL IMPACT**

None.

PREPARED BY:	Kelly Berry
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	Timothy J. Sabo
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

At the October 20, 2011, meeting of the SBIAA Finance and Budget Committee meeting, staff suggested it appropriate to formally designate the Finance and Budget Committee, a standing committee of the San Bernardino International Airport Authority (SBIAA) formed in 2006, to serve the function of an audit committee. The Committee unanimously agreed to perform in this capacity and directed staff to present the recommended action set forth above to the SBIAA Commission for consideration and approval.

**Attachments:**

1. Resolution 2012-03 [proposed]

RESOLUTION NO. 2012-03

A RESOLUTION OF THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY (SBIAA) AUTHORIZING THE STANDING COMMITTEE KNOWN AS THE FINANCE AND BUDGET COMMITTEE TO SERVE THE FUNCTION OF AN AUDIT COMMITTEE FOR THE PURPOSE OF REVIEW OF THE SBIAA ANNUAL INDEPENDENT FINANCIAL AUDITS

WHEREAS, the San Bernardino International Airport Authority (“SBIAA”) is a joint powers authority organized and existing pursuant to Government Code Section 6500, et seq.; and

WHEREAS, SBIAA was formed to direct the policies and activities of a civilian aviation facility at the former Norton Air Force Base (“NAFB”) and to acquire, own, maintain and operate the aviation related portions of the NAFB for all aviation uses as may be legally permitted upon such property or such other uses as may be legally permitted and as may be determined by SBIAA; and

WHEREAS, acquisition, ownership, maintenance and operation of the aviation related portions of NAFB by SBIAA on the Airport has dramatically increased and is projected to continue in the future, resulting in issues in need of additional attention to be focused on such endeavors; and

WHEREAS, on April 26, 2006, the SBIAA Commission adopted Resolution No. 2006-01, creating a standing committee to be known as the Finance and Budget Committee (“F&B Committee”); and

WHEREAS, on August 9, 2006, the SBIAA Commission adopted Resolution No. 2006-02, amending and restating certain portions of Resolution No. 2006-01 regarding F&B Committee membership; and

WHEREAS, it is deemed appropriate to formally designate, by adoption of this Resolution No. 2012-03, the F&B Committee to serve the function of an audit committee for the purpose of review of the SBIAA annual independent financial audits.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. It is hereby formally designated that the F&B Committee shall serve the function of an audit committee for the purpose of financial audits of the SBIAA.

SECTION 2. The auditing functions performed by the F&B Committee shall be consistent with the Government Finance Officers Association (GFOA) Best Practices and Advisories, and shall include authorization and review of the SBIAA annual independent financial audits and related actions thereto.

SECTION 3. The purview and jurisdiction of the F&B Committee in serving the function of an audit committee shall be to make recommendations to the entire SBIAA Commission relative to actions to be taken by the SBIAA on matters impacting annual independent financial audits. The F&B Committee shall have no authority to take any final official actions either on its own or on behalf of the SBIAA Commission, and is hereby authorized only to make recommendations to the SBIAA Commission on such matters as are within the jurisdiction thereof as granted by the SBIAA Commission.

SECTION 4. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED THIS 8<sup>th</sup> day of February, 2012.

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Patrick J. Morris, President  
San Bernardino International Airport Authority

(SEAL)  
Attest:

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Kelly Berry, Assistant Secretary  
San Bernardino International Airport Authority

I, Kelly Berry, Assistant Secretary of the San Bernardino International Airport Authority (SBIAA) Commission do hereby certify that the foregoing Resolution No. 2012-03 was duly and regularly passed and adopted by the SBIAA Commission at a Regular meeting thereof, held on the 8<sup>th</sup> day of February, 2012, and that the foregoing is a full, true and correct copy of said Resolution and has not been amended or repealed.

(SEAL)  
Attest:

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Kelly Berry, Assistant Secretary  
San Bernardino International Airport Authority