

MINUTES OF THE REGULAR MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

November 13, 2019 - 9:00 AM - Board Room

A. CALL TO ORDER/ROLL CALL

Chair Sabo called to order the Regular Meeting of the Board of Directors at 9:06 AM. Directors Cursio, Leffel, Miller and Sawhney were present. The following District Officers were present: Executive Director La Pier, District Counsel Huber, Acting District Secretary Auker, Deputy Executive Director Bergholz and Deputy Director Morello.

B. PLEDGE OF ALLEGIANCE

Director Sawhney led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Executive Director La Pier noted that at each seat was an invitation to the Carmel Chamber of Commerce's 2019 Awards of Excellence Gala and asked that each Director indicate to staff whether or not they would like to attend. Chair Sabo asked that an email be sent out about it as a reminder.

Director Miller reminded the Board that the opening reception for Art at the Airport would take place on Thursday, November 14th from 5:00-7:00 PM.

Chair Sabo stated that he attended NBAA's Business Aviation Convention & Exhibition. He added that the conference was informative and beneficial, noting that there was a lot of information given about upcoming changes in aviation and about drone traffic, including electric short haul commuter travel (air taxis).

D. PUBLIC COMMENTS

Mike Dawson, member of the public, stated that he traveled out of MRY in late October and when he got back at around 10:30 PM there were no taxis available in front of the terminal. He noted that he had to wait twenty minutes before a taxi arrived and was very disappointed.

E. CONSENT AGENDA - ACTION ITEMS

(The Consent Agenda consists of those items which are routine and for which a staff recommendation has been prepared. A Board member, member of the audience or staff may request that an item be placed on the deferred consent agenda for further discussion. One motion will cover all items on the Consent Agenda. The motion to approve will authorize the action or recommendation indicated.)

- Approve 1. Minutes of the Committee Meeting of the Air Carrier Service, Marketing and Community Relations Committee of October 7, 2019
- Approve 2. Minutes of the Committee Meeting of the Budget and Finance Committee of October 7, 2019
- Approve 3. Minutes of the Committee Meeting of the Airport Property Development and Leases Committee of October 8, 2019
- Approve 4. Minutes of the Regular Meeting of October 9, 2019

Approve 5. Minutes of the Special Meeting of October 17, 2019

Director Cursio moved to approve Consent Agenda Items E-1 through E-5. Director Miller seconded the motion. The motion passed unanimously by a vote of 5-0.

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

None.

G. REGULAR AGENDA - ACTION ITEMS

Presentation 1. Fiscal Year 2019 Audit Report by Brandon Young, LSL CPAs and Advisors

Brandon Young, LSL CPAs and Advisors Senior Manager, stated that he was very pleased with how the Fiscal Year 2019 audit went, and that for a first year relationship he believes everything is off to a good start. He provided the Board with information regarding the audit process and then went through the Fiscal Year 2019 Audit Report, discussing the letters and feedback from the auditors.

Director Leffel stated that the Finance Committee was very pleased with the audit presentations and noted that LSL was very complimentary of staff. She thanked Brandon for all his time and work.

Director Leffel moved to approve the Fiscal Year 2019 Audit Report. Director Miller seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Adopt 2. Resolution No. 1766, A Resolution Amending Resolution No. 1753 and Approving the Amended Operating Budget of the Monterey Peninsula Airport District for Fiscal Year Ending 2020

Executive Director La Pier presented Item G.2, stating that the budget amendment contained two main components and asked that they be taken independently of each other in order for Director Cursio to recuse himself.

Chair Sabo stated that he would like to treat the amendment as a whole rather than independently.

Executive Director La Pier explained that the first component of the proposed Operating Budget amendment is an increase in the marketing budget of \$30.0K to be used in a support package for Alaska Airlines for the potential service to Seattle. He noted that the airport's current Air Service Incentive Program approves the commitment of \$30.0K in marketing support for new service and this budget increase would allow the airport to increase that commitment for a total of \$60.0K.

Public Comment: Rudy Fischer, member of the public, stated that he was here when United Airlines first came to Monterey and that he flies to Phoenix often. He noted that it is such a convenience to fly out of Monterey versus SJC or SFO and he agrees that new service would benefit the hospitality industry.

Public Comment: Matthew Wright, Monterey Fuel Company General Manager, stated that he is excited about additional service and noted that Monterey Fuel Company can incentivize the new service with lower fuel prices.

Director Cursio recused himself from the second half of the discussion and left the room due to a potential conflict.

Executive Director La Pier explained that the second component of the Operating Budget amendment is an increase of \$12.0K to support a new annual sponsorship of all Monterey County Hospitality Association events for the next year.

Chair Sabo asked that the Resolution be amended to reflect the following changes:

- In the third "Whereas" paragraph, remove "revenues and" leaving just "to update changes in expenditures".*
- In the "Now, therefore" paragraph, reword the paragraph to avoid using "Net Position".*

Director Leffel moved to adopt Resolution No. 1766, as amended by Chair Sabo. Director Miller seconded the motion. The motion passed unanimously by a roll call vote of 4-0. Director Cursio was recused from the vote.

RESOLUTION NO. 1766

A RESOLUTION AMENDING RESOLUTION NO. 1753 AND APPROVING THE AMENDED OPERATING BUDGET OF THE MONTEREY PENINSULA AIRPORT DISTRICT FOR FISCAL YEAR ENDING 2020

WHEREAS, Executive Staff recommends the Fiscal Year 2020 Operating Budget be amended to reflect material financial changes in District expected operations; and

WHEREAS, it is the desire of the Board of Directors to amend the "Fiscal Year 2020 Operating Budget" to reflect the inclusion of anticipated changes in operations resulting in significant changes to the Operating Budget; and

WHEREAS, it is the desire of the Board of Directors to amend the "Fiscal Year 2020 Operating Budget" to update changes in expenditures identified since the approval of Resolution No. 1753; and

WHEREAS, the revenues and expenditures of the District for the Fiscal Year 2020 are hereby appropriated as set forth and segregated in the amended Operating Budget; and

WHEREAS, all amended operating expenditures for the Fiscal Year 2020 as set forth in the District Amended Operating Budget shall be payable in such time, form and manner as is prescribed by the Monterey Peninsula Airport District Act and by Resolution No. 1424, a Resolution Establishing Fiscal Control Policies and Procedures for the Monterey Peninsula Airport District; and

WHEREAS, all debt service expenditures, interest and principal, for the Fiscal Year 2020 are identified and shall be payable in such time, form and manner as prescribed by contract or covenant, are hereby approved.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT, that the District's Fiscal Year 2020 Budgeted Net Operating Income is decreased of \$42,000 resulting in a revised Budgeted Net Operating Income of \$547,715.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 13th day of November 2019 by the following roll call vote:

AYES:	DIRECTORS:	Leffel, Miller, Sawhney, Chair Sabo
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	None
RECUSE:	DIRECTORS:	Cursio
ABSENT:	DIRECTORS:	None

Director Cursio returned at 10:12 AM.

Approve 3. AMBAG Energy Watch, Ecology Action and PG&E Energy Efficiency Retrofit Program Participation

Executive Director La Pier introduced Item G.3, noting that in keeping with the airport's sustainability program, this participation allows the airport to take advantage of a lighting program opportunity.

Chris Morello, Deputy Director of Strategy and Development, presented Item G.3, briefly describing past lighting programs and adding that since then, lighting technology has changed significantly in the last ten years. She stated participation in the proposed program would include replacement of all bulbs in the terminal building and AMBAG would work to get rebates and/or loans worked out with PG&E. She also highlighted potential savings from improving the lighting and briefly explained the financing.

Director Sawhney stated that the Item had been previously reviewed by Finance Committee, and they concurred with staff's recommendation.

Public Comment: Mike Dawson, member of the public, stated that as a previous business owner, an investment with only a two year payback is a "slam dunk!"

Public Comment: Rudy Fischer, member of the public, stated that he was also in favor of this program. He added that the airport is a heavy user of electricity and believes that any opportunity to save money in that area should be taken. He described other organizations he has been involved in where energy costs have been significantly reduced by updating equipment.

Public Comment: Anita Reska, member of the public, stated that as a past member of an airport Board she was delighted to be at the meeting. She asked if the airport's solar array was cleaned often.

Director Leffel moved to approve AMBAG Energy Watch, Ecology Action and PG&E Energy Efficiency Retrofit Program Participation. Director Sawhney seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

A break was taken from 10:45 AM to 10:53 AM.

Discussion 4. Highway 68 Corridor Study

Chair Sabo stated that he asked for the discussion to be put on the agenda, indicating that the Highway 68 project is no longer a TAMC project, but is now a CalTrans project and they are currently in the scoping process to study solutions. He added that he is concerned about how the Highway 68 congestion impedes on access to the airport and that this \$55M project is important to the airport.

Executive Director La Pier stated that he put together a comment letter with Chair Sabo, highlighting the importance of improved access to the airport and the need for improved capacity on the corridor, not just an increase in flow.

After Board discussion, Chair Sabo asked that staff work to bring in representatives from California Department of Transportation (Caltrans) and/or Transportation Agency for Monterey County (TAMC) to present information regarding the Highway 68 improvements project.

H. ACCEPTANCE OF DEPARTMENT REPORTS

(The board receives department reports which do not require any action by the board)

I. BOARD COMMITTEE REPORTS

(Report on meetings attended by Board Members at Monterey Peninsula Airport District's expense - AB1234)

- a. Standing Committees:
 - i. Budget and Finance Directors Leffel & Sawhney
 - ii. Air Service, Marketing, Community Relations Directors Cursio & Sabo
 - iii. Airport Property Development and Leases Directors Miller & Cursio

- b. Ad-Hoc Committees:
 - i. Local Jurisdiction Liaison Directors Leffel & Miller

- c. Liaison/Representatives:
 - i. Local Agency Formation Commission Director Leffel Alt: Sabo
 - ii. Regional Taxi Authority Director Leffel Alt: La Pier
 - iii. Transportation Agency for Monterey County Director Sabo Alt: Cursio
 - iv. Special Districts Association Liaison Director Miller Alt: Cursio
 - v. Association of Monterey Bay Area Governments E.D. La Pier Alt: Sabo

J. CLOSED SESSION

The Board entered into Closed Session again at 12:19 PM.

- 1. **POTENTIAL LITIGATION** (Government Code section 54956.9(d)(4)) The Board will meet with the Executive Director and District Counsel to discuss potential initiation of litigation - one case.

K. RECONVENE TO OPEN SESSION

The Board returned to Open Session at 1:47 PM.

Chair Sabo stated that no reportable action was taken during Closed Session.

L. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

- Fort Ord Reuse Authority Presentation on the Eastside Parkway Project (tabled until completion of EIR)
- Information Regarding Weed Mitigation in Del Rey Oaks
- Report on the Del Rey Oaks Police Services Contract at the end of its first year

M. DISCUSSION OF FUTURE AGENDAS

- Presentation(s) from California Department of Transportation (Caltrans) and/or Transportation Agency for Monterey County regarding Highway 68 Improvements Project

N. ADJOURNMENT

The meeting adjourned at 1:49 PM.

Minutes Approved at the
Meeting of December 11, 2019



William Sabo, Chair

ATTEST



Michael La Pier, AAE
District Secretary