

MINUTES OF THE BUDGET & FINANCE COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

November 8, 2022 - 9:00 AM

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

Due to the expiration of certain directives contained in the Governor's Declaration of Emergency for the State of California (Executive Order N-29-20), the Board of Directors of the Monterey Peninsula Airport District will return to hold meetings at the Airport Board Room, with in-person attendance.

Due to recent increase in the transmission of the Omicron variant of the Coronavirus, and, as a result of the directives issued by the State of California and the Monterey County Public Health Officer intended to prevent the transmission of the coronavirus, the Airport may utilize the procedures outlined in AB361 to utilize alternative measures related to the conduct of remote meetings and remote comments by members of the public.

Members of the public may participate in the Board meeting via Zoom video conference. To view the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: **826 7371 0806**. The password for this meeting is: **20221108**. If you do not have access to the internet, you may also participate telephonically by calling (253) 215-8782 and entering the same Meeting ID and password.

REMOTE PUBLIC COMMENTS

To make a public comment, the following options are available:

1. Before the Meeting via Email: Written comments can be emailed to info@montereyairport.com. Include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.
2. During the Meeting via Oral Comments: When the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9. The Secretary to the Board will call speaker names and unmute speaker microphones. You will have up to 3 minutes to provide your oral comments, pursuant to Board policy.

Public comments may also be made in person. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment.

A. CALL TO ORDER

The meeting of the Budget & Finance Committee was called to order at 9:05 AM. Director Sabo and Director Leffel, Executive Director La Pier, Acting Board Secretary Adams, Deputy Director of Strategy and Development Morello, and Controller Wilson were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

No Announcements.

C. PUBLIC COMMENTS

No Public Comments.

D. REGULAR AGENDA – ACTION ITEMS

- Review
1. Resolution No. 1833, A Resolution Appointing a New Chief Financial Officer of the Association which Controls the Common Area of the Properties Located at 2801 Monterey Salinas Highway, Monterey, CA, thereby Amending Resolution No. 1759

Executive Director La Pier introduced item D.1 explaining this stems from when the four lots at 2801 Monterey Salinas Highway were purchased and, at the time, each of the four lots had a vote in the

Common Area Association (Association). The Airport acquired all the lots and therefore has all the votes. If a lot were sold the Association would be necessary. That is not contemplated, so District Counsel is looking into whether we can eliminate the Association. In the meantime, it is necessary to appoint a new CFO since the previous CFO has retired. Staff recommends Mark Wilson, Controller, be appointed the CFO of the Common Area Association.

Directors Sabo and Leffel asked questions regarding the entity. Executive Director La Pier stated the Association doesn't pay taxes because we are a government agency, but other questions were items District Counsel was exploring.

Both Director Sabo and Director Leffel expressed their support for Staff's recommendation.

Review 2. Proposed Term Sheet for Real Estate Matter

Executive Director La Pier stated to be able to begin construction on the ramp for the new terminal building next Fall, several things need to be accomplished. There are currently hangars in that location that need to be removed. To do that, we need to come to an agreement with the current tenant on relocation terms and build new hangars in a different location.

Executive Director La Pier reviewed the current terms of the lease and the options the Airport has if it wishes to be released from the agreement. The option to relocate to like kind property on the north side is currently being negotiated and recommended. Executive Director La Pier reviewed the Term Sheet for a new lease agreement and stated he will be asking the Board to approve moving in this direction. The new lease, a hangar management agreement, and other specifics of the terms of finance would then be brought before the Board in December or January.

Controller Wilson reviewed the cash analysis which presented three hypothetical options. He gave the reasoning for the finance assumptions. There was a discussion about debt vs. cash reserves. Director Leffel stated her support.

Director Sabo stated he could recommend the basic premise; he is unsure about the management agreement referred to on the Term Sheet.

Executive Director La Pier introduced Matthew Wright, the General Manager of the Monterey Jet Center, and the Monterey Fuel Company. There was a discussion about the market for hangars and how Monterey is becoming a destination for larger private planes. Mr. Wright presented his vision of the future for general aviation at MRY and ways Monterey Fuel Company and the Airport could help each other grow and expand aeronautical use of Airport land.

After answering several questions from the Directors, Mr. Wright was excused from the meeting.

Director Sabo raised concerns about the customers that currently occupy the hangars not getting enough information. Director Leffel suggested a letter be sent to current occupants from Executive Director La Pier and Mr. Wright. Director Sabo agreed.

Review 3. FYTD 2023 Statements

Director Leffel questioned why we received a refund from Worker's Comp. Executive Director La Pier answered it was an experience rate refund; our worker's comp claims went down year over year.

Director Sabo asked for clarification of the term future funds as mentioned in the analysis of liquidity and capital resources. Controller Wilson answered that referred to the funds that could be drawn upon in the future from COVID-19 related grants.

Director Sabo referred to page 8, Chart 5, and asked about a particularly low count in January 2022. During that discussion, it was determined there was about a month where the parking lot gates were broken, and we were not able to get counts from the parking lot management company. Controller Wilson stated he would investigate that and make a footnote in the appropriate place on the chart.

Review 4. Variance Analysis - MTD and YTD

Director Sabo asked why utilities were getting higher. Executive Director La Pier stated part of it is rate increases and part is higher usage as the airport patronage increases.

Review 5. Accounts Receivable Aged Invoice Report

Director Sabo asked about the negative amounts on the report. Controller Wilson stated he would investigate further but believes it reflects true credits that are due to the timing of the report and the payments.

Review 6. Grant Funds Balance

There were no questions about the Grant Funds Balance.

Discuss 7. General Discussion

There was no General Discussion.

E. ADJOURNMENT

The meeting adjourned at 11:59 AM.

Approved at the
Meeting of November 16, 2022


Carl M. Miller, Chair

ATTEST


Michael La Pier, AAE
District Secretary