

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

September 12, 2018 - 10:00 AM - Board Room

A. CALL TO ORDER/ROLL CALL

Chair Miller called to order the Regular Meeting of the Board of Directors at 10:04 AM. Directors Cursio, Leffel, Nelson and Sabo were present. The following District Officers were present: Executive Director La Pier, District Counsel Huber, Acting District Secretary Porter and Deputy Executive Director Bergholz.

B. PLEDGE OF ALLEGIANCE

Director Nelson led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Chris Morello, Deputy Director of Strategy and Development, stated that pursuant to CEQA, the public comment period on the draft environmental impact report for the proposed master plan project would open on Monday, September 17th and will be open for 45 days, closing on Wednesday, October 31st. She stated that there would also be a public hearing on Tuesday, October 9th. She noted that notices regarding the comment period and the hearing would be posted in the newspaper, mailings would be sent out and some advertising would be done as well.

Director Leffel reminded the Board about the Monterey County Business Council Luncheon on Friday, October 14th. She noted that MCBC is hosting Aaron Pugh, United Airlines, and she encourages all to attend.

D. PUBLIC COMMENTS

Bob Buck, Del Monte Aviation, along with George Taylor and Jack Van Valkenburgh, presented that they were awarded the Horizon Station of Excellence Award from Alaska Airlines.

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 Budget and Finance Committee of August 6, 2018
- Approve 2. Minutes of the Committee Meeting of the Air Carrier Service, Marketing and Community Relations Committee of August 6, 2018
- Approve 3. Minutes of the Committee Meeting of the Airport Property Development and Leases Committee of August 6, 2018
- Approve 4. Minutes of the Regular Meeting of August 8, 2018
- Approve 5. Minutes of the Special Meeting of August 15, 2018

Director Sabo moved to approve Consent Agenda Items E.1 through E.5. Director Leffel seconded the motion. The motion passed unanimously.

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

None.

G. REGULAR AGENDA - ACTION ITEMS

Approve 1. Agreement to Provide Law Enforcement Services Between the City of Del Rey Oaks and the Monterey Peninsula Airport District

Executive Director La Pier presented Item G.1. He stated that discussions with the Board and Del Rey Oaks have been made at length in past meetings throughout the past six months. He stated that the recommendation for the Board is to approve the Agreement to move forward with consolidation of police services with Del Rey Oaks for greater efficiencies and improved coverage to the District.

Director Leffel noted that there were a few dates within the agreement that were inconsistent and needed to be changed/updated.

Public Comment: Dino Pick, Del Rey Oaks City Manager, thanked the Board for their time and their consideration. He noted that this Agreement is an example of good governance in action and political bodies setting aside egos for a gain in service. He mentioned that the Agreement would be presented to Del Rey Oaks City Council at 6:00 PM that evening.

Director Sabo made the following comment:

I enthusiastically support the proposed outsourcing of the District's police services to our neighboring City of Del Rey Oaks. I applaud the efforts of the Del Rey Oaks City Manager and our Executive Director in developing and detailing this concept. It was no small feat I'm sure.

The consolidation has great potential for improving community services for both partners. And based upon the first-year financial projections presented there is also great potential for the partners to realize significant immediate cost savings. Hopefully, this can yield long term benefits for the City and the District.

The proposed agreement also provides a good method equitably allocating "mandatory" costs and future increases.

It is of concern to me, however, that the District has no method in the agreement for dealing with "discretionary" cost increases as determined by the City. These "discretionary" costs include, but are not limited to, increases in pay and benefits for law enforcement officers. These costs represent over 70% of the "Police Services Fee" to be paid by the District. Any increases in pay and benefits for officers as determined by the City can and will result in significant increases in annual costs to the District.

The agreement as presented does not provide any mechanism for the parties to discuss financial impacts of discretionary cost increases before they are enacted.

If these discretionary costs increase, then place a substantial burden on MPAD's finances the District's only recourse would then be to withdraw from the agreement and reconstitute its own police department. This would not be easy or desirable for either partner.

For this reason, I hesitate to endorse the present agreement without some mechanism for the District to discuss and deliberate with the City on significant "discretionary" matters under consideration by City representatives that will adversely affect the Police Services Fee going forward.

Director Leffel moved to approve the Agreement to Provide Law Enforcement Services Between the City of Del Rey Oaks and the Monterey Peninsula Airport District, with the noted date changes. Director Nelson seconded the motion. The motion passed by a roll call vote of 4-0. Director Sabo abstained.

Adopt 2. Resolution No. 1724, A Resolution of the Monterey Peninsula Airport District Authorizing Alternate Project Delivery Methods for Acquisition of Capital Projects and Construction at the Monterey Regional Airport

District Council Huber presented Item G.2. He stated that state law allows public agencies to procure construction services using a design-build method instead of the more traditional design-bid-build process utilized in the construction of many public projects. Staff is recommending the Board of Directors approve a design-build process as an alternate project delivery method as an option for future capital improvement projects.

Director Sabo moved to adopt Resolution No. 1724. Director Leffel seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

RESOLUTION NO. 1724

A RESOLUTION OF THE MONTEREY PENINSULA AIRPORT DISTRICT AUTHORIZING ALTERNATIVE PROJECT DELIVERY METHODS FOR ACQUISITION OF CAPITAL PROJECTS AND CONSTRUCTION AT THE MONTEREY REGIONAL AIRPORT

WHEREAS, the term "design-bid-build" is the traditional project delivery method in which a public agency contracts separately for both the design and construction of a project; and

WHEREAS, the Monterey Peninsula Airport District has traditionally utilized the "design-bid-build" model for delivery of a public project; and

WHEREAS, the California Legislature implemented SB785 on January 1, 2015 to enable certain public agencies to engage in a development process in which both the design and construction of a project are procured from a single entity; and

WHEREAS, the term "design-build" is defined by the California Public Contracts Code section 22161 as "a procurement process in which both the design and construction of a project are procured from a single entity; and

WHEREAS, the California Public Contracts Code section 22160 provides that "local agencies" may utilize the design-build process; and

WHEREAS, the term "local agencies" is defined in California Public Contracts Code section 22161, subsection (f)(2) as, "A special district that operates wastewater facilities, solid waste management facilities, water recycling facilities, or fire protection facilities"; and

WHEREAS, the Monterey Peninsula Airport District operates fire protection facilities as part of its airport operations; and

WHEREAS, the Monterey Peninsula Airport District would like to take advantage of the benefits of the design-build process for procurement and delivery of capital projects when beneficial to the Monterey Peninsula Airport District; and

WHEREAS, several factors support the use of the design-build alternative project delivery method:

- (1) A 1997 study of 351 design-build projects by the Construction Industry Institute and Penn State University that found that project delivery time, including design and construction, was 33 percent faster, construction time was 12 percent faster and project costs were 6 percent lower when the design-build method of project delivery was used, compared to when the traditional design-bid-build delivery method was used;
- (2) A 1996 study by the University of Reading in the United Kingdom found that the design-build method reduced construction risks by 14 percent when compared with design-bid-build method;
- (3) The design-build method's structure allows the design-build engineer and builder to jointly consider options to improve the design, cut project costs during the bid process and streamline the schedule;
- (4) The design-build method, with its single point of responsibility, minimizes the contract's administration burden and allows leveraging of available staff resources;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:

SECTION 1. Findings. The Board of Directors finds and determines that each of the findings set forth above are true and correct.

SECTION 2. Authorization for Design Build Project Delivery Method. The Board of Directors hereby determines that findings outlined above support the use of a design-build solicitation method when beneficial to the Monterey Peninsula Airport District for future construction and capital projects at the Monterey Regional Airport.

SECTION 3. Criteria for Contract Award. The Board of Directors, with the assistance of Airport staff, will select the design-build team for contract award using the following criteria:

- (1) Quality and completeness of the proposal.
- (2) Proposer's understanding of the scope of work outlined in the Request for Proposals.
- (3) The proposer's stated work plan, including text, preliminary layouts and/or drawings, equipment control strategies, etc.
- (4) Quality of materials and equipment to be furnished, beyond what is required in the proposal and on which the bid price was based.
- (5) Any realistic and innovative ideas proposed.

- (6) Evidence that the proposer can meet the schedule, such as from the description of project management method or clarity of the work plan in terms of task detail and interrelationship of the activities.
- (7) Cost Proposal
- (8) Staff experience on similar projects

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 12th day of September 2018, by the following roll call vote:

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

A break was taken from 11:11 AM to 11:18 AM.

Approve 3. Regional Government Services Authority Amendment to Agreement for Management and Administrative Services

Executive Director La Pier presented Item G.3, stating that Regional Government Services has provided HR Services for the last two years and the proposed amendment would adjust the term of the agreement and the fiscal impact of this amendment would be an increase in annual operating expense of \$1,000.

Director Leffel noted that there were several dates in the amendment and the Agreement that did not coincide and requested that they be updated.

Director Leffel moved to approve the Regional Government Services Authority Amendment to Agreement for Management and Administrative Services, with the requested date changes. Director Sabo seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Presentation 4. Planning Update on Denver Inaugural Flight Celebration

Executive Director La Pier introduced Item G.4. Acting District Secretary Porter presented the plans for the Denver Inaugural Flight Celebration, describing the community and passenger celebratory events, the "Mile-High Denver Getaway" contest and the proposed plans to host a pop-up wine tasting event at Denver International Airport in partnership with Monterey County Vintners and Growers Association.

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 & Sabo
 - ii. Air Service, Marketing, Community Relations Directors Cursio & Nelson
 - iii. Airport Property Development and Leases Directors Miller & Nelson

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

c. Liaison/Representatives:

- | | | |
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| 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: Nelson |
| iv. Special Districts Association Liaison | Director Miller | Alt: Sabo |

The Board entered into Closed Session at 1:02 PM.

J. CLOSED SESSION

- 1. REAL PROPERTY NEGOTIATIONS** (Government Code Section 54956.8) The Board will meet with Real Property Negotiators, Executive Director and District Counsel, regarding the properties identified as 2801 Monterey-Salinas Highway, Monterey, CA 93940.
- 2. LABOR NEGOTIATIONS** (Government Code section 54957(b)) The Board will meet with the Executive Director and District Counsel to consider the evaluation of performance related to the following position: Executive Director.

K. RECONVENE TO OPEN SESSION

The Board returned to Open Session at 3:20 PM.

Chair Miller reported that no 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)*
- *Presentation on Cost and Parameters of AMBAG Ex Officio Membership (scheduled for October regular meeting)*

M. DISCUSSION OF FUTURE AGENDAS

None.

N. ADJOURNMENT


The meeting adjourned at 3:35 PM.

Minutes Approved at the
Meeting of October 8, 2018



Carl M. Miller, Chair

ATTEST



Michael La Pier, AAE
District Secretary