

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

May 13, 2024 – 10:30 AM

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Committee Meeting in person and request to speak to the Committee Members when the Chair calls for public comment.

Alternatively, members of the public who desire to provide input as to any item can send an email to info@montereyairport.com and 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 Committee Members for consideration and will be compiled as part of the record.

A. CALL TO ORDER

The meeting of the Budget & Finance Committee of the Monterey Peninsula Airport District Board of Directors was called to order at 10:32 AM. Directors Leffel and Gaglioti, Executive Director La Pier, Deputy Executive Director Morello, Deputy Executive Director Robare, Controller Wilson, and Acting Board Secretary Adams were in attendance.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. Resolution No. 1872, A Resolution Authorizing a Professional Services Agreement with Ballard Spahr, LLP for Bond/Tax and Disclosure Counsel Services

Controller Wilson reviewed the RFQ and interview process leading up to the selection of Ballard Spahr, LLP for Bond/Tax and Disclosure Counsel Services and noted Ballard Spahr's experience with similarly sized airports. He advised that an independent fee estimate (IFE) had been performed, and Ballard Spahr's fee was significantly less than firms whose clients are typically large airports. Executive Director La Pier added that Ballard Spahr, LLP had good references.

Controller Wilson answered questions from Directors and remarked that our Financial Advisor, PFM, has experience with Ballard Spahr's work also.

The Finance Committee agreed to recommend adoption of Resolution No. 1872 to the rest of the Board.

Review 2. Resolution No. 1873, A Resolution Authorizing a Professional Services Agreement with Unison Consulting for Airport Consulting Services

Controller Wilson reviewed the RFQ and interview process leading up to the selection of Unison Consulting for Airport Consulting Services. Executive Director La Pier explained this is the consultant that will produce an independent review of the investment opportunity at Monterey Regional Airport for the financial markets.

Controller Wilson advised Directors an IFE had been received from a similar firm that was very comparable, with Unison's proposal being slightly lower.

Controller Wilson and Executive Director La Pier answered questions from Directors.

The Finance Committee agreed to support the adoption of Resolution No. 1873.

Review 3. Gatekeeper Taxi Management System Agreement Extension and Authorize Executive Director to Execute

Executive Director La Pier reminded committee members this system was put in use a number of years ago to manage airport taxi service. The agreement extension is for one year and covers the technology necessary to identify and track vehicles so that taxi revenues can be generated.

Executive Director La Pier answered questions from Director Leffel about competitive systems.

The Finance Committee agreed to recommend this item be approved.

Review 4. Resolution No. 1874, A Resolution Approving of a Professional Services Agreement with Tartaglia Engineering for Design Services for 28L-10R Improvements

Deputy Executive Director Morello reviewed the needed runway improvements focused on rehabilitation, restoration, and preservation of Runway 28L-10R. She reported this project is eligible for grant reimbursement, and MRY can apply for grants based on bids. Design Services are needed to prepare the bid specifications and Tartaglia was chosen as the most qualified from the Airport hiring list of vendors. She added that an IFE was completed, and this proposal was lower.

Deputy Executive Director Morello answered questions from Directors regarding timing of the work.

The Finance Committee agreed to recommend adoption of Resolution 1874.

Review 5. Resolution No. 1875, A Resolution Approving of a Professional Services Agreement with Telemetrix Integrated Systems to Provide Installation of the ARFF Crash Alert System

Deputy Executive Director Morello provided an overview of the enhanced ARFF Crash Alert System project stating the final components have not been installed by the contractors under Agreement for ARFF construction, although the infrastructure is complete. Since the FAA considers this a small purchase, the airport is able to move forward to complete the installation from a set aside that has not been paid to the contractors.

Deputy Executive Director Morello and Executive Director La Pier answered questions from Directors.

The Finance Committee agreed to support adoption of Resolution 1875.

Review 6. Amendment to the Service Agreement between the Monterey Peninsula Airport District and Disaster Kleenup Specialists

Deputy Executive Director Morello reported Disaster Kleenup Specialists found previously unknown asbestos in the floor and ceiling of the uninhabited building at 2801 Monterey Salinas Highway. Staff will ask the board to approve an amendment to the Disaster Kleenup Specialists service agreement for the additional abatement. She reminded Directors this work would need to be done even if it were determined the building would be demolished.

The Finance committee members supported this service agreement amendment.

Review 7. FY 2025 Operating and Capital Budget Draft

Controller Wilson began the Operating and Capital Budget Draft presentation with an overview of the FY 2025 macro environment of the airline industry. He reported the enplanement projections from the air service consultant and the terminal area forecasts from FAA are almost identical and have been used in the budget assumptions.

Controller Wilson reviewed the assumptions for rates and charges, the rental car forecasts, parking revenues, and leasing activity.

Controller Wilson reviewed operating expense categories.

There was a discussion about the parking lot rates and parking systems. There was a discussion about the timing of the completion of the temporary long term parking lot.

There was a discussion about the wage and benefit survey and the proposed FY25 Salary Schedule. Director Leffel suggested the board presentation include the cost of benefits.

Controller Wilson reviewed variance items on the manager-controlled expense budget draft.

Deputy Executive Director Morello reviewed the Capital Improvement Program (CIP) budget proposed projects.

Review 8. FYTD Financial Statements

Controller Wilson reviewed the highlights of the March 2024 Financial Statements.

Review 9. Variance Analysis - MTD

There were no questions on the March 2024 Variance Analysis.

E. ADJOURNMENT

The meeting adjourned at 1:06 PM.

Approved at the
Meeting of June 20, 2024


Mary Ann Leffel, Chair

ATTEST



Michael La Pier
District Secretary