

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

December 9, 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: **816 4878 7694**. The password for this meeting is: **20221209**. 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 9:00 AM. Director Sabo and Director Leffel, Executive Director La Pier, Acting Board Secretary Adams, Deputy Executive Director Morello, and Controller Wilson were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

Director Leffel reported that she and Chair Miller attended the Carmel Chamber dinner where the Airport won the Professional Services Award for a large business. Chair Miller will present it during the regular board meeting.

Director Leffel reported she was a speaker at the latest Monterey Rotary meeting and the presentation was well received.

Executive Director La Pier reported we received media coverage about the Dallas plane upgrade in the Fort Worth Telegram. We also received media coverage from ACI on the upcoming Military Lounge.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

- Review 1. Contract Amendment for Kimley Horn Associates, Inc. Design Services for the Well System Water Conveyance Project

Executive Director La Pier turned the floor over to Deputy Executive Director Morello who reviewed the staff report, stating the design services agreement includes power, conveyance, and storage tanks and will be funded with rental car Customer Facility Charge (CFC) funds. Director Sabo asked if the 2801 well water will reduce the water bill at the 2801 property. Executive Director La Pier stated it is possible in the future but that is not the intent at this point. The priority is to get the car rental Quick Turn Around (QTA) facility on non-potable water. Deputy Executive Director Morello added the pump and electrical can support future connections if future projects are considered.

There was a discussion about the process, time, and expense involved in testing, filtering, and purifying the well water for potable uses. Director Leffel noted a substantial amount of potable water would be available for other uses when the QTA facilities are switched to non-potable water.

Director Sabo asked if there was an independent fee estimate (IFE) done on this project. Executive Director La Pier stated that is not required unless funding is from a Federal Grant. Deputy Executive Director Morello noted that an independent fee estimate adds both time and costs to the project. Director Sabo suggested it might be prudent on large projects. Director Leffel stated she sees that as an unnecessary expense.

Director Leffel asked that the Staff Report include the Fiscal Impact, instead of just Impact to Revenue, noting that in this case the fiscal impact is a drawdown on the CFC funds.

- Review 2. Resolution No. 1835, A Resolution Authorizing and Approving the Service Agreement Between the Monterey Peninsula Airport District and Bandit Systems

Executive Director La Pier turned the floor over to Deputy Executive Director Morello who stated this is a Passenger Facility Charge (PFC) funded project for new security cameras. Deputy Executive Director Morello reported Alvarez Technology Group was involved in the review of the Request for Proposal (RFP) and the four RFP responses as a subject matter expert on the latest technology.

Director Leffel asked questions about airport Cyber Security. Deputy Executive Director Morello stated there are two people on staff who receive daily updates regarding cyber security activities. In addition, the review of the proposals included the assurance the system would meet the requirements of Homeland Security.

Directors asked that the Staff Report include the Fiscal Impact. Director Sabo supports the Resolution but asked that the Staff Report include the reason for the project, which is in the Resolution, but not the Staff Report.

- Review 3. FYTD 2023 Statements

Controller Wilson reviewed the October 2022 Finance Staff Report. He stated the Airport is in a great financial position and the audit was extremely clean. Controller Wilson referred to new reports that have been incorporated in the financial package; among them a report entitled "Statement of Net Position" that is a comparison balance sheet in the same format as the audited financials.

Director Sabo asked if Controller Wilson had reviewed internal controls. Controller Wilson stated he had, and the audit partner also reviewed it. There is nothing that needs to be added; it is sound the way it is now.

Review 4. Variance Analysis - MTD and YTD

There were no questions about the Variance Analysis.

Review 5. Accounts Receivable Aged Invoice Report

Directors discussed the Accounts Receivable Aged Invoice Report. Controller Wilson noted there are three accounts that tend to go late and then pay up all at once. There is one late account that is now the responsibility of the renter's estate, and the heirs don't want the property that is in storage. Executive Director La Pier stated District Counsel has been involved in that situation.

Director Sabo asked about the negative amounts on the report. Controller Wilson answered those are prepaids; they represent credits. He noted if you see "-PP" next to the Customer Invoice Number that stands for Prepaid.

Review 6. Grant Funds Balance

There were no questions about the Grant Funds Balance.

Discuss 7. General Discussion

Director Sabo referred to a new chart entitled Cost Per Enplanement and stated he was pleased to see that addition. There was a discussion about the total passengers reported numbers due to a comment from Director Sabo that it was not necessary to report. Executive Director La Pier stated that measurement was requested some time ago. It is still relevant to some people to know how many passengers pass through MRY. Director Leffel stated she liked seeing both metrics.

Director Sabo went through the Finance Report and asked questions.

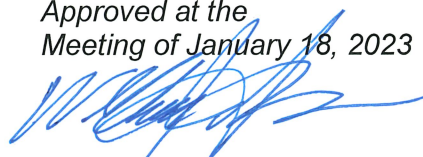
Director Sabo referred to the Operating and Financial Performance Summary and stated it was a good month; much better than budgeted. He asked how much of that could be attributed to the CalPERS UAL paydown, since the savings from that was not budgeted. Deputy Executive Director Morello noted the number is called out on the Analysis Report under Employer Benefit Expenses. Controller Wilson stated there was a \$400k a year savings and that equates to approximately \$33k a month.

Director Leffel asked about November numbers. Controller Wilson stated there are too many external dependencies from vendors and no way to get a "flash" report. Executive Director La Pier stated enplanements are the best indicator and they will be down during the Holidays.

E. ADJOURNMENT

The meeting adjourned at 11:02 PM.

Approved at the
Meeting of January 18, 2023



Bill Sabo, Chair Pro Tem

ATTEST

A handwritten signature in black ink, appearing to read "Michael La Pier". The signature is stylized with a prominent horizontal line at the beginning and a vertical line at the end.

Michael La Pier, AAE
District Secretary