

**MONTEREY PENINSULA AIRPORT DISTRICT  
BOARD OF DIRECTORS**

**Governance Manual and  
Board Operating Rules and Procedures**

(containing ethics standards, references to policies and procedures for  
Board operation, and serving the function of Bylaws for the  
Board of Directors)

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## **PREFACE**

This Governance Manual is not intended to serve as an all-inclusive or comprehensive collection of every past or present policy, procedure and practice utilized in the operation of the Monterey Peninsula Airport District (“District”). The development of such a document would be well beyond the scope of any single, brief manual. Rather, the objective of this Governance Manual is to provide members of the District’s Board of Directors with a handy summary of and reference to the general manner in which the District and its Board of Directors does now and should continue to operate. In addition, this manual sets forth a code of conduct and ethical standards applicable to members of the District’s Board of Directors, as well as to members of District staff, as applicable.

# **BACKGROUND**

## **Monterey Peninsula Airport District (MPAD or District)**

The MPAD boundaries encompass the cities of Carmel, Del Rey Oaks, Monterey, Pacific Grove, Sand City and portions of Seaside, Pebble Beach, Carmel Highlands, portions of Carmel Valley and some of the land along the Monterey Salinas Highway.<sup>1</sup> The District boundaries may be changed through the Monterey County Local Agency Formation Commission.<sup>2</sup>

## **Mission Statement**

The mission of MPAD is to provide users access to the national air transportation system, to operate the airport in a safe, efficient and fiscally responsible manner, and to develop and adapt the airport's facilities to meet future needs.<sup>3</sup> The airport serves both civil and military purposes.<sup>4</sup> The Mission of the District is described by the Strategic Plan which is adopted by the Board and periodically updated.

## **District Powers**

The District has the powers that commonly apply to local government entities (such as the right to sue, the ability to own and develop property, the right to enter into contracts, etc.).<sup>5</sup> The District can condemn property,<sup>6</sup> can borrow money through a variety of means including the issuance of bonds,<sup>7</sup> and is empowered to maintain a police department.<sup>8</sup> By adopting ordinances, the District can define what activities taking place on the airport constitute crimes and can establish penalties for violations (either as a misdemeanor or infraction).<sup>9</sup> The Enabling Act grants the District the power to levy taxes,<sup>10</sup> but by action of the Board of Directors taken in 1978, that power has ceased to be exercised.

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<sup>1</sup> Monterey Peninsula Airport District Act (the "Enabling Act") section 1

<sup>2</sup> Enabling Act section 24, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000

<sup>3</sup> Monterey Peninsula Airport District Strategic Plan – December 10, 2008

<sup>4</sup> Enabling Act section 2

<sup>5</sup> Enabling Act section 3

<sup>6</sup> Enabling Act section 3 (f)

<sup>7</sup> Enabling Act section 3 (g), 23

<sup>8</sup> Enabling Act section 3 (l)

<sup>9</sup> Enabling Act section 3 (l) (2)

<sup>10</sup> Enabling Act section 3 (h), 13, 20

Imposition of new taxes would require voter approval.<sup>11</sup> In sum, the District has all of the powers that are necessary or appropriate to a public airport district which are not specifically prohibited by the California Constitution.<sup>12</sup>

## **Governing Board**

The District is governed by a five member Board of Directors<sup>13</sup> who have lived and been registered voters in the District for at least thirty days prior to nomination.<sup>14</sup> They are elected for staggered four year terms (with either two or three seats up for election during November of each even-numbered year).<sup>15</sup> The Directors are elected at large (that is, any Director may live in any of the communities that are part of the District).<sup>16</sup>

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<sup>11</sup> California Constitution Article XIII, XIII A

<sup>12</sup> Enabling Act section 3 (m)

<sup>13</sup> Enabling Act section 4

<sup>14</sup> Enabling Act section 7

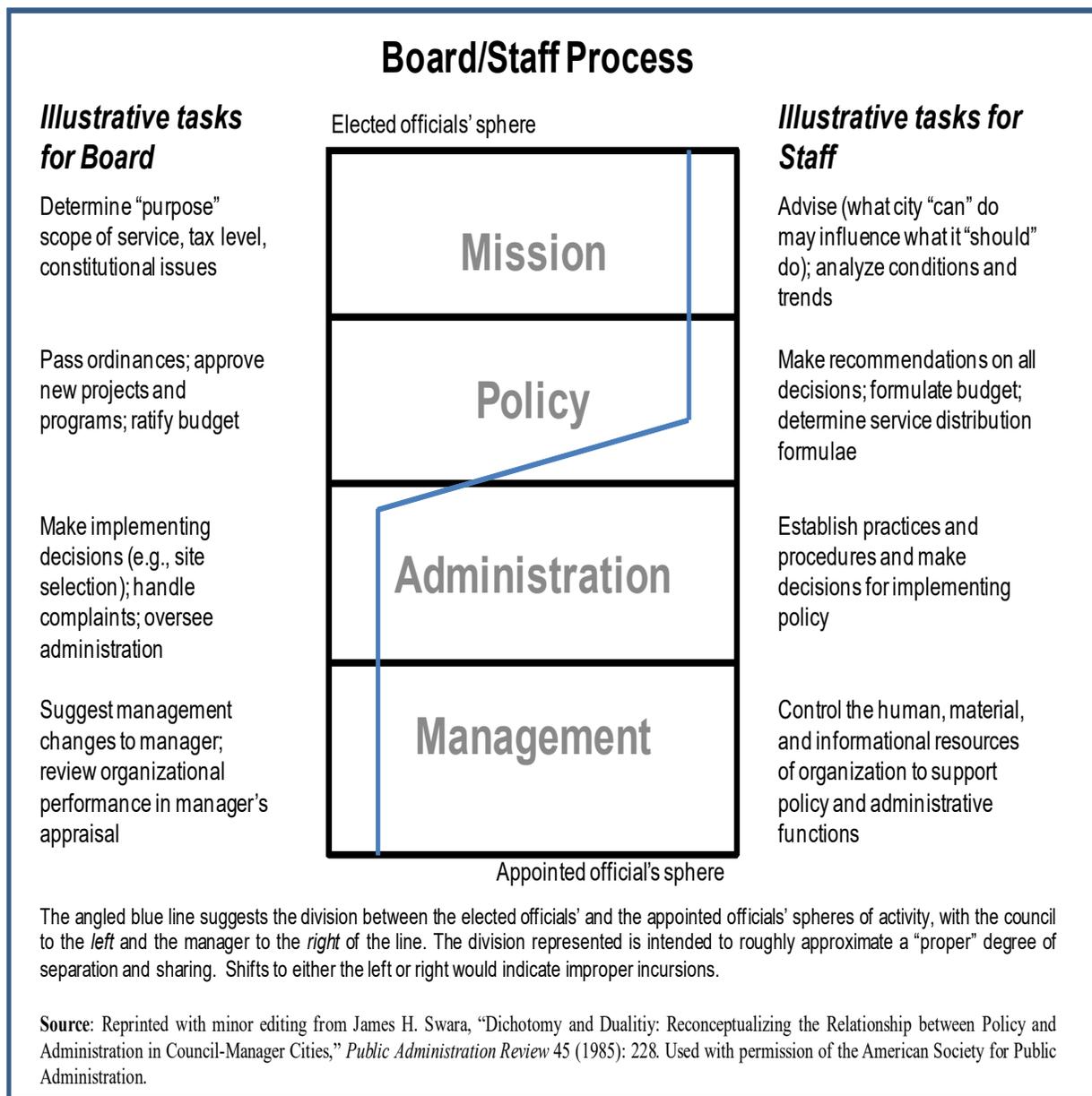
<sup>15</sup> Enabling Act section 5

<sup>16</sup> The Enabling Act is attached as “Exhibit B.”

# BOARD ROLE AND FUNCTIONS

## The Role of the Board of Directors in Relation to District Staff

The primary role of the Board of Directors is to establish and oversee implementation of policy for the District. Established policy is carried out and implemented by the airport staff, under the supervision of the General Manager. The following chart illustrates the proper relationship between the Board and District staff. (Where the chart references “city” read as “district”.)



## **MPAD Officers**

Officers of the District are the members of the Board of Directors, the General Manager, one or more Assistant Managers, a Secretary, District Counsel and an Auditor (internally referred to as the Controller)<sup>17</sup>. MPAD officers include a Senior Deputy General Manager and Deputy General Managers. The Board appoints the General Manager and a District Counsel. The General Manager appoints all other employees of the District.

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<sup>17</sup> Enabling Act section 7

## **EMPLOYMENT MATTERS**

### **Appointment and Discharge of General Manager and District Counsel**

The General Manager is the administrative head of the District<sup>18</sup> and is appointed by the affirmative vote of at least three members of the Board of Directors.<sup>19</sup> In the event that an opening occurs, the Board should advertise for candidates or establish another unbiased procedure for selection. The General Manager's performance and compensation is evaluated annually by the Board.

The District Counsel is an attorney-at-law admitted to practice before the Supreme Court of the State of California<sup>20</sup> and is appointed by the affirmative vote of at least three members of the Board of Directors.<sup>21</sup> In the event that an opening occurs, the Board should approve an appointment procedure which is clear and unbiased. The District Counsel serves at the pleasure of the Board of Directors.

The General Manager or District Counsel may be removed only by the affirmative vote of at least four members of the Board of Directors if the removal is without cause.<sup>22</sup> However, either the General Manager or the District Counsel may be removed by the affirmative vote of at least three members of the Board of Directors if the removal is for cause.<sup>23</sup> Appropriate provisions for notice and hearing are in place.<sup>24</sup>

### **Employee Compensation**

The Board of Directors sets compensation ranges for each position description. This is typically done in conjunction with the budget approval process or as a function of approval of collective bargaining agreements.

Employees move through established compensation steps as established by approved salary ranges. The Board of Directors does not play a role in the awarding of step increases. The process of evaluating the performance of subordinate employees and adjusting their rates of pay within the pay range

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<sup>18</sup> Ordinance 905 section 4

<sup>19</sup> Ordinance 905 section 1

<sup>20</sup> Ordinance 905 section 5

<sup>21</sup> Ordinance 905 section 1

<sup>22</sup> Ordinance 905 section 1

<sup>23</sup> Ordinance 905 section 1

<sup>24</sup> Ordinance 905 section 2

established by the Board (or the labor contracts that have been approved by the Board) is within the responsibility of the General Manager.

## **Other Officers and Employees of the District**

The District employees are comprised of multiple disciplines. Classifications for each authorized position are maintained by the Human Resource Manager. These documents establish job duties, education requirements, necessary experience and knowledge required of each position.

The General Manager has oversight authority regarding the recruitment, hiring and retention of District employees. The General Manager is the hiring authority and as a result the Board has no authority over these subordinate positions.

## **Employee Grievances**

The District's collective bargaining agreements (Memorandums of Understanding) reflect that certain employee grievances may be pursued through an appeal to the Board of Directors. Generally speaking, aggrieved employees must first exhaust reviews up through the chain of supervision, ultimately to the General Manager. Only if the grievance has not been resolved by one of these earlier reviews does the matter come before the Board of Directors. Grievance procedures are established by the various Memorandums of Understanding.

## **Staff Direction**

The Board does not manage the daily operations of the airport. The Board of Directors, as a body, provides policy-level direction to the General Manager. The General Manager directs staff so as to carry out these policies. Individual Directors may appropriately make simple inquiries of or seek basic information from staff.

However, members of the Board of Directors, either collectively or individually, are prohibited from giving orders or instructions to any subordinates of the General Manager.<sup>25</sup>

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<sup>25</sup> Ordinance 905 section 9

## MISCELLANEOUS ISSUES

### Ordinance vs. Resolution

The Board of Directors makes laws by adopting ordinances or resolutions. Other things that the Board of Directors may do can be accomplished by resolution, motion or order.<sup>26</sup> Ordinances are the most permanent and binding type of Board action. An ordinance may be repealed or replaced only by a subsequent ordinance.<sup>27</sup> An ordinance must be “passed to print” before it may be adopted (and thus requires at least two meetings to put into effect).<sup>28</sup> Ordinances must be published as a legal advertisement in an appropriate newspaper. The adoption of an ordinance cannot take place until more than three days have passed since its publication and more than five days have passed since its introduction (i.e., passage to print).<sup>29</sup> Except in emergency situations, the effective date of an ordinance is 30 days after its final adoption.<sup>30</sup> Certain laws may only be put in place by ordinances. These include laws which levy any tax or assessment or which impose any penalty.<sup>31</sup>

In contrast, resolutions may be adopted at the same meeting at which they are introduced and need not be published. There need not be any delay in the effective date of a resolution. Resolutions are passed to express the policy of the Board or to direct certain administrative action. Resolutions memorialize acts of the Board which are not otherwise subject to legislation by ordinance and that are of a contractual, enduring or consequential nature in a more permanent way than would a mere motion.

Roll call votes are required to be taken with respect to all ordinances and resolutions. No ordinance or resolution may pass without receiving the affirmative vote of at least three Directors.<sup>32</sup> Ordinary motions do not require a roll call vote, but any Director may request that one be taken.<sup>33</sup> Motions may be passed by majority vote.

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<sup>26</sup> Enabling Act section 6 (a) (1)

<sup>27</sup> Enabling Act section 6 (e) (1)

<sup>28</sup> Enabling Act section 6 (c) (1)

<sup>29</sup> Enabling Act section 6 (c) (1)

<sup>30</sup> Enabling Act section 6 (e) (3)

<sup>31</sup> Enabling Act section 6 (d)

<sup>32</sup> Enabling Act section 6 (a) (3)

<sup>33</sup> Enabling Act section 6 (a) (2)

## **Board Committees**

Board committees are purely advisory bodies. All decisions are made by the Board of Directors. Committees may be “standing” (i.e., of a permanent or long-term nature) or “ad hoc” (existing only temporarily until the accomplishment of their purpose). The Chair, with the ratification of the Board, determines which committee will be active at any given time. The Chair appoints directors to the membership of the committees as well as selects Directors to serve as liaisons or representatives of the District to certain groups, each subject to the ratification of the Board of Directors. The membership of any ad hoc committee will be composed exclusively of not more than two Board Members. However, the creation of an ad hoc committee shall expire annually on January 1. During the first meeting of the calendar year, the chair, with concurrence of the Board, will establish new ad hoc committees, if any are deemed necessary by the Board. However, the creation of an ad hoc committee shall expire annually on January 1. During the first meeting of the calendar year, the Chair, with concurrence of the Board will establish, if any are necessary, new ad hoc committees.

Agendas are prepared for meetings of standing committees, and the meetings are open and public. However, minutes are not ordinarily taken.

Agendas need not be prepared for ad hoc committee meetings, nor do such meetings need to be open and public. Minutes are not ordinarily taken. Ad hoc committee meetings are typically informal and are set at the convenience of the committee members.

## **Citizen Inquiries**

Board Members often receive inquiries, requests for service and occasional complaints from constituents. Such contacts with Directors may be the result of a condition that requires attention that staff is unaware of, service that has not been properly provided, a request that is above or beyond appropriate service levels, a miscommunication or misunderstanding, or a mischaracterization of an occurrence by the constituent. A Director who is contacted by a constituent should ensure that the General Manager is made aware of the issue. Copies of responses to significant citizen inquiries that are submitted by Directors to the General Manager for follow-up will be provided to all Directors as part of an agenda packet or at a public meeting.

## **Fiscal Administration**

The fiscal administration of the District is based both on statutory requirements and generally recognized policies and practices applicable to public finance and the administration of airports. The airport operates on a business enterprise basis. Costs are recovered from rents, fees, rates and charges assessed to users of the airport. The District needs to generate sufficient funds to cover its costs of operation (including administration, facilities maintenance and capital improvement) and to maintain a reasonable reserve for contingencies.<sup>34</sup>

Annually the District's financial operations are audited by an independent accounting firm selected by the Board of Directors. That firm prepares and submits an audit report to the Board of Directors.

During the course of the fiscal year the Board maintains oversight of the financial condition of the District. This is accomplished through monthly financial reporting to the Board by the District Controller. The Finance Committee of the Board reviews monthly results with the General Manager/Controller and other staff and then reports to the Board any recommendations that may result from their review.

## **Budget Operation**

The District operates on a fiscal year running from the first day of July through the end of June each year.<sup>35</sup> A budget is developed each year in advance of the start of the fiscal year. The budget contains the estimate of all revenue and

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<sup>34</sup> Resolution 981 section 1

<sup>35</sup> Enabling Act section 18

expenses, including operating and maintenance expenses, payroll, acquisitions and improvements, and a reasonable contingency to cover unanticipated expenses or revenue shortfall. Often accompanying the budget is an update to the District's capital improvement plan.

A draft of the budget is initially prepared by the airport staff, usually beginning in the early part of the calendar year. Typically the draft budget will be reviewed with the District's standing Finance Committee. That review may result in refinement of the draft before its presentation to the Board as a whole. Ordinarily a draft budget will be presented to the Board of Directors in April or May in order to allow time for review, discussion, further revision and adoption by the end of June. Upon adoption by the Board, the approved budget becomes applicable to the soon-to-commence fiscal year.

The General Manager has the authority to make transfers of up to \$30,000 between line items of the budget to adjust it as necessary as the fiscal year progresses.<sup>36</sup> Larger adjustments, if needed, may be approved by the Board of Directors at a mid-fiscal-year review or at such other time as may be necessary. With respect to the capital improvement plan, the General Manager has been given the authority to execute on behalf of the District any grant agreements or other related documents.<sup>37</sup>

## **Investment Policy**

District investments are controlled by state law. Within the types of investments allowed by law, the District seeks to meet three distinct objectives – to safeguard the assets of the District, to insure that the District's liquidity needs are met, and to achieve the highest rate of return on investment commensurate with appropriate risk evaluation.<sup>38</sup> The District's investment policy is periodically reviewed by the Finance Committee and approved by the Board of Directors, generally on an annual basis.

## **Awarding Construction Contracts**

The District has opted into coverage under Uniform Public Construction Cost Accounting Act.<sup>39</sup> This provides the District with greater flexibility in the

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<sup>36</sup> Resolution 1424 section 8

<sup>37</sup> Resolution 1420

<sup>38</sup> Resolution 1482 adopted December 10, 2008

<sup>39</sup> Resolution 1131

awarding of construction contracts than would be the case if the District relied on other bidding provisions contained in the Enabling Act.<sup>40</sup>

Under the Uniform Act, public projects, depending on the cost or contract amounts, may be performed by employees of the District, be constructed by negotiated contract or result from a purchase order, contracted through informal bidding procedures or awarded only after formal bidding procedures. The District has adopted an informal bidding ordinance,<sup>41</sup> pursuant to which smaller-scale projects are ordinarily handled. For projects funded in whole or in part with federal grants, additional bidding requirements and restrictions may apply.

Planning and development staff maintain familiarity with these requirements and structure contract procedures accordingly. The General Manager may authorize payment under a certain amount without separate Board approval. The General Manager may also award informally-bid contracts. Any capital projects over the threshold for General Manager approval requires approval from the Board of Directors, even if the project is contained in an approved budget.<sup>42</sup> Approval will ordinarily be made by simple motion.<sup>43</sup> A contract, regardless of size, must be awarded as required by law. Any construction contracts being proposed for adoption will be available to the directors in the office of planning and development.

## **Lease Agreements**

The General Manager has the authority to approve all rentals and leases on a month-to-month basis or for a term of five years or less. Longer term leases require separate approval from the Board of Directors, which will ordinarily be by simple motion.<sup>44</sup> All leaseholders must be vetted in accordance with approved MPAD guidelines. Any proposed or adopted lease agreements are available for Board review in the administrative office.

## **Other District Contracting**

Individual Board Members should not attempt to influence the District's purchasing of goods or services from any particular vendor or vendors.<sup>45</sup>

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<sup>40</sup> Enabling Act section 16

<sup>41</sup> Ordinance 719

<sup>42</sup> Resolution 1424 section 6

<sup>43</sup> Resolution 1424 section 7

<sup>44</sup> Resolution 1424 section 9

<sup>45</sup> Ordinance 905 section 11

## Other Fiscal Controls

MPAD fiscal control policies and procedures require periodic reporting of all District expenditures.<sup>46</sup> Checks exceeding \$30,000 must be signed by at least one Board Member.<sup>47</sup> The District may not acquire or dispose of any real property without approval from the Board of Directors (which approval will ordinarily be by resolution).<sup>48</sup> The District utilizes a purchase order system calling for prior approval of all District expenditures.<sup>49</sup> The purchase order requirements apply to both employees and Directors. There is also in place a set of “Finance & Accounting Policies & Procedures.”<sup>50</sup>

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<sup>46</sup> Resolution 1424 section 1

<sup>47</sup> Resolution 1424 section 3

<sup>48</sup> Resolution 1424 section 10

<sup>49</sup> Described in an interim policy memorandum implemented December 1, 2005

<sup>50</sup> Implemented July 1, 2006

# ETHICAL REQUIREMENTS

## Personal Financial Gain

### A. Laws Prohibiting Bribery (Pen. Code § 68)

Any employee, elected official or appointee is prohibited from accepting a bribe. Doing so may constitute a felony and is punishable by prison time and fines.

### B. Conflicts of Interest Under the Political Reform Act (Gov. Code § § 87100, 87103)

Gov. Code § 87100: No government employee, official or appointee shall make, or in any way attempt to use, his/her official position to influence a governmental decision in which he/she knows or has reason to know that he/she has any financial interest.

Gov. Code § 87103: No employee, official or appointee shall make a decision with a financial interest if it is reasonably foreseeable that the decision will have a material financial effect on the official, a member of his/her immediate family.

### C. Contractual Conflicts of Interest (Gov. Code § 1090)

No government employee, official or appointee may be financially interested in any contract created by them in their official capacity. Neither will they be purchasers or vendors at any sale made in their official capacity.

### D. Conflicts of Interest and Campaign Contributions (Gov. Code § 84308)

Employees of a government agency shall not receive contributions in excess of \$250 during the time that any permit or license is pending approval by said agency.

### E. Conflicts of Interest When Leaving Office (Gov. Code §§ 87406.3, 87407)

Gov. Code § 87406.3: For a period of one year after leaving office or employment, no elected official who formerly worked for a government agency shall make an appearance for another person in front of that agency.

Gov. Code § 87407: No public official shall make, participate in making or use their official position to influence any governmental decision that

directly relating to any person with whom he/she is negotiating, or has any arrangements concerning prospective employment.

## **Limitations on Accepting Contributions**

- A. Gov. Code § 86203: Lobbyists are prohibited from making any gift worth upward of \$10 in any given month.
- B. Gov. Code §89503: No elected official shall accept gifts totaling over \$250 from a single source in one calendar year.
- C. Gov. Code § 89506: Payment from agencies for travel and lodging and food expenses are not considered a gift under Gov. Code §§ 86203 and 89503.
- D. Honoraria Ban (Gov. Code § 89502)

No government official shall accept any honorarium.

- E. Misuse of Public Funds (Pen. Code § 424; Gov. Code § 8314; *Fair Political Practices Commission v. Suitt* (1979) 90 Cal.App.3d 125; *Stanson v. Mott* (1976) 17 Cal.3d 206)

Use of public funds for personal benefit or for the benefit of friends or families is punishable by imprisonment. The official will be disqualified from holding public office in the state.

- F. Prohibitions Against Gifts of Public Funds (Cal. Const., art. XVI, § 6)

The legislature body will not have the authority or power to give or lend public funds to any person except for a public purpose

- G. Mass Mailing Restrictions (Gov. Code § 89001)

No newsletter or mass mailing shall be sent at public expense.

- H. Prohibition against acceptance of free transportation by transportation companies (Cal. Const., art. XII, § 7)

A transportation company may not offer free transportation to any person holding office in California. The acceptance of free transportation will be deemed a forfeiture of office.

## **Government Transparency Laws**

- A. Economic interest disclosure under the Political Reform Act (Gov. Code § 87200)

Candidates for government office must file a statement disclosing financial and real property interests. Also a statement of income for the prior 12 months is required.

- B. Brown Act (Gov. Code § 54950 et seq.)

Public agencies exist to serve the people and should conduct their meetings openly.

- C. Public Records Act (Gov. Code § 6250)

Information relating to the conduct of people's business as produced by any government agency is the people's right to know.

## **Fair Process Laws**

- A. Common Law bias provisions

A decision maker who stands to gain or lose from a decision is disqualified from acting as a decision maker.

*Breakzone Billiards v. City of Torrance*, 81 Cal.App.4th 1205(2000)

- B. Due Process Requirement

A hearing officer whose potential future income derives from work that an agency might give based on his or her performance in a hearing at hand is not giving due process.

*Haas v. County of San Bernardino* 27 Cal.4th 1017 (2002)

- C. Doctrine of Incompatible Offices (Gov. Code § 1099)

A government officer may not hold two offices in government that are incompatible.

D. Competitive Bidding Requirements for Public Contracts.

In projects in excess of \$5,000 the district may award the project to the lowest bidder. District may reject any and all bids and re-advertise in an effort to get new bids. The District may by a four-fifths (4/5) vote turn the project over to a governmental agency.

[AB1234 requires that a Director receive ethics training every two years.]

# CONDUCT OF MEETINGS

## RULES OF THE MONTEREY PENINSULA AIRPORT DISTRICT

### 1. Purpose

These rules shall apply to all proceedings and meetings of the Board of Directors of the Monterey Peninsula Airport District (District).

### 2. Meetings

- A. Brown Act. All meetings of the Board shall be conducted in accordance and in compliance with the Ralph M. Brown Act.
- B. Regular Meetings. The regular meetings of the Board of Directors (Board) shall be held in accordance with the duly adopted meeting schedules. Meetings shall commence at 9:00 a.m. unless otherwise directed by the Chair of the Board. In the Chair's discretion and prior to posting of the Agenda, regularly scheduled meetings may be cancelled. Cancellation of agendaized meetings or noticed hearing require majority approval.
- C. Special Meetings. A special meeting may be called at any time by the Chair of the Board of Directors or by the General Manager (GM). Notice of a special meeting shall be written and shall specify the time and place of the meeting and the business to be transacted. Such notice shall be delivered to or mailed to each Director at least 24 hours before the time of the special meeting and be supplied to the local newspaper of general circulation and radio or television if such entities have previously requested notice in writing. The notice shall be posted by the Secretary to the District at least 24 hours prior to the special meeting in a location that is freely accessible to the public.
- D. Adjourned Meetings. Any regular or special meeting of the District may be adjourned to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members of the Board are absent, the Secretary to the District may adjourn the meeting to a stated time and place and shall cause a written notice of the adjournment to be given in the same manner as is required for special meetings.

- E. Administrative Sessions and Information Hearings. The District may, from time to time, schedule administrative sessions and informational hearings with staff or the public for the purpose of receiving information on and discussing subjects of interest to the District. No action shall be taken on any item at any such meeting. Such meetings may be called by the Directors during any regular, adjourned, or special meeting. Otherwise, such meetings shall be called in the same manner as special meetings.

### **3. Officers**

- A. Chair. At the first regular meeting of each calendar year, the Director who served as Chair Pro Tem during the preceding calendar year shall be seated as Chair. If for any reason the Chair Pro Tem is unable to be Chair, then the Director who was next in order to be Chair Pro Tem during the preceding year shall be Chair, provided that no Director shall be Chair who has not completed one (1) year of service on the District.

The Chair shall hold office for one (1) year and until the qualification of his or her successor. The Chair shall be the presiding officer of the Board and shall have all lawful authority to preserve order at all meetings. The Chair shall announce all matters as they come before the Board, shall restate all motions before they are submitted to vote, and shall announce the Board's vote on all subjects. Whenever the Secretary calls the roll, the Chair's name shall be called last. The Chair shall sign all ordinances, resolutions, minutes, contracts, and other documents, with the exception of those documents authorized for signature by the GM, when authorized to sign by the Board.

- C. Chair Pro Tem. The Chair Pro Tem shall be selected by rotation. If for any reason a Director is unable to serve when it is his or her turn, that Director shall be skipped and the office shall fall on the Director next in order. The Chair Pro Tem shall be seated at the first regular meeting of each calendar year and shall hold office for one (1) year and until qualification of his or her successor, provided that no Director shall serve as Chair Pro Tem who has not completed one (1) year of service on the Board. The Chair Pro Tem shall, in the absence of the Chair, have and perform all powers and duties of the Chair. Initially, the rotation of Chair Pro Tem shall be determined by lottery.

- D. Administrative Officer. The Administrative Officer shall be the General Manager and shall perform the duties prescribed by law and the District. The GM may review and make recommendations on questions that come before the District.
- E. Secretary to the District. The Secretary to the District shall perform the duties prescribed by law and the District.
- F. Legal Counsel. The General Counsel shall be legal counsel to the Directors and shall perform all duties prescribed by law and the District. The General Counsel shall act as parliamentarian.

#### **4. Quorum**

A quorum shall consist of three (3) Directors.

#### **5. Meeting Protocol**

- A. The Chair shall convene all meetings and shall call the Directors to order. In the absence of the Chair and the Chair Pro Tem, the Secretary shall convene the meeting and call the Directors to order, whereupon a temporary chair shall be selected by the Directors present. The temporary chair shall relinquish the chair upon arrival of the Chair or Chair Pro Tem and after the conclusion of the question then being considered by the Directors.
- B. The Secretary shall enter in the minutes the names of those Directors that are present, absent or those who arrive late.
- C. To facilitate the conduct of meetings, a consent agenda may be used. The consent agenda normally contains items that are considered to be routine. Action for all items on the consent agenda is taken by one motion. Items on the consent calendar shall be considered first and shall be acted upon in one motion. Any Director may request that any item be removed from the consent calendar and placed on the agenda for discussion.
- D. Items on the agenda shall be considered in order, except that the Chair may take items out of order when necessary to accommodate persons appearing before the District. Items scheduled for a particular time shall be taken up as close to the designated time as is possible. In no case shall a timed item be taken up before the designated time.

- E. The order of procedure at all public hearings and quasi-judicial hearings shall be as follows: The District officer responsible for the matter shall present his or her report and recommendation; all persons wishing to speak in favor of the question shall be heard; persons wishing to speak in opposition to the question shall be heard; rebuttal will follow. No new matter may be introduced during rebuttal except with the consent of the Chair, in which case the opposition shall be given an opportunity to rebut the new matter. The question shall then be submitted to the Directors for discussion and decision.
- F. Every agenda for regular meetings shall provide a time for members of the public to directly address the District on matters within the District's jurisdiction that are not on the agenda. Each speaker shall be limited to three (3) minutes unless the Chair authorizes additional time. Speakers may not transfer or assign their time to another person.
- G. Executive/closed sessions may be used by the Board of Directors for deliberations involving personnel, certain negotiation matters and litigation. The Board of Directors will return to open session before making any motions or voting on any matters considered in closed session.
- H. The Chair may reasonably limit the time allotted to any speaker or party including a Director. Whenever any group of persons wishes to address the Board, the Chair may require that the group designate a spokesman to represent the group before the Board. Time limits proposed on a speaker must be announced prior to consideration of the agenda item.
- I. No person, including Directors, shall address the Board without permission of the Chair. Directors shall limit their individual comments to a presentation of their respective position on a matter. Directors shall not address the issue again except for new matter and as allowed by the Chair.

## **6. Voting**

The Board shall take no action except upon the affirmative vote of at least three (3) Directors unless otherwise provided by law, ordinance or these rules. Unless disqualified or absent, all Directors shall vote on all questions coming

before the Board. The Chair shall call for a roll call vote. Whenever a roll call vote is requested, the Secretary shall call the name of a Director and record the vote of that Director. Except in cases of a tie vote or the failure to obtain a positive quorum vote, the Chair need not vote.

## **7. Rights and Duties of Directors**

- A. When a Director desires to speak, he or she shall address the Chair and be acknowledged. When two (2) or more Directors address the Chair at the same time, the Chair shall designate the Director who will speak first. All Directors shall confine their remarks to the question then under consideration.
- B. Every motion shall require a second. Discussion on a motion shall not be permitted until the motion receives a second. Motions and seconds may be made by any member of the Board, including the Chair.
- C. If any Director is unable to attend a meeting, he or she shall notify the Secretary as soon as possible and advise the Secretary of the reasons therefore.
- D. If in a Director's absence, the Board would lack a quorum, no Director shall leave his or her seat on the dais without first obtaining permission from the Chair.

## **8. Agenda**

- A. The agenda for all Board meetings shall be prepared by the Secretary with input from District departments and Board members. Matters to be placed on the agenda for a regular meeting must be received by the Secretary no later than noon on the Wednesday prior to Regular Meeting. Any item sought to be placed on the agenda, which item has not been previously approved by the Board must be approved by the Chair. Individual Directors, other than the Chair, must seek approval of the Chair or the Board to place an item on the agenda.
- B. The Board shall not take action on any item that is not on the agenda at a regular meeting, except under any of the following conditions:
  - (1) The Board, by majority vote, determines that an "emergency situation" exists. An emergency situation means (a) work stoppage or other activity which severely impairs public health,

safety or both, as determined by a majority of the Board, or  
(b) crippling disaster which severely impairs public health,  
safety or both, as determined by a majority of the Directors; or

- (2) The Board, by four-fifths (4/5) vote, determines that there is a need to take immediate action on the item and that the need for action came to the Board's attention after the agenda was posted; or
- (3) The item was on the posted agenda for a prior meeting which was held no more than five (5) calendar days earlier, and at that earlier meeting the item was continued to the later meeting.

## **9. Findings**

Written findings shall be adopted by the Board as part of its decision whenever required by law. After receiving evidence, the Board may continue such an item to a future meeting for the adoption of written findings. The Board's decision shall not be final until the findings have been adopted.

## **10. Advisory Committees, Appointments and Officers**

The Board may appoint such committees as it deems necessary to advise the Board. The qualifications of persons appointed to such committees shall be as prescribed by the Board. All such persons shall serve at the pleasure of the Board and may be removed at any time by a majority vote, unless state law prescribes a different method for creation or removal, in which case such procedure shall take precedence over these rules. Any member of the Board may be appointed or assigned by the Chair to a committee, except that no Director may serve on more than two (2) committees. The Chair's assignments shall be ratified by a majority vote of the Board and Directors may be removed from committee assignments by a majority vote of the Board.

## **11. Rosenberg's Rule of Order**

Except as otherwise provided in these Rules, the most current edition of Rosenberg's Rules of Order (Exhibit "A" incorporated by reference) shall constitute the rules of order of the Board. The following rules apply to the special actions described and take precedence over Rosenberg's Rules of Order to the extent they differ in text or application.

A. Motion to Reconsider

A motion to reconsider an item upon which the Board has acted may only be made at the meeting in which the action was taken. Such motion may only be made by a Director who voted on the prevailing side of the question. Adjournment of the meeting effectively extinguishes a Director's opportunity to move for reconsideration of any item on that specific agenda.

B. Motion to Rescind

A motion to rescind any action of the Board may be made by any Director at any time. The grounds for such motion are limited to an error in the adoption of the item either through rule violation or procedural mistakes. The motion may be made to rescind an item on further grounds that the facts underlying the Director's decision were misrepresented or determined later to be incorrect.

**12. Amendment**

These rules may be amended from time to time by the Board.

**13. Failure to Follow Rules**

Failure to follow these rules shall not invalidate or otherwise affect any action or decision of the Board.

## DIRECTOR COMPENSATION

The Enabling Act allows Directors to be paid for each regular or special meeting of the Board of Directors that they attend and for each day's service that is rendered at the request of the Board.<sup>51</sup> At present, the maximum rate of compensation allowed by state law is \$100 per meeting or day, up to a maximum of four compensated meetings or days per month (i.e., there is a \$400 per month cap).<sup>52</sup> The Board of Directors has the discretion to set the rate of compensation at any amount up to the statutory maximum and also is empowered to determine which activities constitute the "rendering of service as a Director at the request of the Board." The Board has set the rate of compensation for attendance at regular and special meetings of the Board of Directors at the statutory maximum (\$100 per meeting).

With the adoption of this Governance Manual, a Director's attendance at any meetings of District standing committees<sup>53</sup> of which such Director is a member, ad hoc committees<sup>54</sup> of which such Director is a member, or attendance at any meetings as a designated District liaison or representative<sup>55</sup> will be established as the "rendering of service at the request of the Board" and the rate of compensation for such service will be set at the statutory maximum (\$100 per day).

A Director's attendance at an airport trade association or professional association meeting, an educational or training event or other activity on behalf of the District will not be compensated as a day of "service rendered at the request of the Board" unless the Chairman has approved the Director's attendance. Compensation will be paid at the rate established by the Board for attendance at regular meetings.

The Board of Directors has adopted a "Director Remuneration & Business Expense Reimbursement Policy" that contains more detail concerning payment of compensation to Directors.<sup>56</sup> With the adoption of this Governance Manual, that

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<sup>51</sup> Enabling Act section 7.5 (a)

<sup>52</sup> Enabling Act section 7.5 (b), Public Utilities Code section 22407

<sup>53</sup> Standing committees are of an enduring nature. At present, the standing committees of the District are a Local Jurisdiction & Community Relations Committee, an Air Carrier services Committee, and a Finance Committee.

<sup>54</sup> Ad hoc committees are of a temporary nature and do not continue to exist past the accomplishment of their purpose. At present the ad hoc committees of the District are an Employee Relations Committee, a Governance Committee, and a Property Development Committee.

<sup>55</sup> At present, the established liaison or representative positions are to the Airport Land Use Commission, the Local Agency Formation Commission, the Regional Airports Planning Group, the Transportation Agency for Monterey County, and the Monterey Peninsula Water Management District Policy Advisory Committee.

<sup>56</sup> Adopted April 12, 2006 for implementation May 1, 2006

policy will be superseded in part and should be scheduled for updating as staff workload allows. There is also in place an “Employee Travel & Business Expense Reimbursement Policy.”<sup>57</sup>

The Enabling Act also allows Directors, with the approval of the Board, to be reimbursed for travel and other expenses necessarily incurred in the actual performance of the Director’s duties.<sup>58</sup> With the adoption of this Governance Manual, the Board of Directors has established that travel expenses will not be paid for attendance at regular or special meetings of the Board of Directors or attendance at meetings of District standing committees, no matter where such meetings may be held. Expenses of travel by automobile to attend District ad hoc committee meetings by members of such committees or attendance at any meetings as a designated District liaison or representative are eligible for reimbursement at the standard mileage rates established by the Internal Revenue Service and in effect on the date of such travel.

Travel expenses associated with attendance at an airport trade association or professional association meetings, educational or training events or other activities attended on behalf of the District will not be reimbursed unless the Chair has approved the Director’s attendance. The Board of Directors has adopted a “Director Remuneration & Business Expense Reimbursement Policy” that describes limitations on reimbursements (such as lodging expenses ordinarily not to exceed government or group rates).<sup>59</sup> Directors should refer to that policy for more detailed information concerning reimbursements.

Note: Directors who attend any meetings at the expense of the District are required to provide a brief report concerning the meeting attended to the Board of Directors at the next occurring regular District meeting.<sup>60</sup>

Directors must prepare an attendance report on a form supplied by the District in order to receive compensation for meeting attendance. Expense reimbursement is made on the basis of expense reports filled out by Directors on forms supplied by the District. The detailed procedures for obtaining such payment are spelled out and forms are contained in the District’s “Director Remuneration & Business Expense Reimbursement Policy.”<sup>61</sup>

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<sup>57</sup> Implemented April 15, 2006

<sup>58</sup> Enabling Act section 7.5 (c)

<sup>59</sup> Adopted April 12, 2006 for implementation May 1, 2006

<sup>60</sup> Government Code section 53232.3 (d)

<sup>61</sup> Adopted April 12, 2006 for implementation May 1, 2006

NOTE: With respect to travel planning, the District's policy encourages early notice and estimation. This is to allow expenditures to be processed using a purchase order system.

## VACANCIES IN OFFICE

If any Board member dies, becomes physically or mentally incapacitated, resigns or is removed from office, ceases to reside in the District,<sup>62</sup> ceases to perform duties for three consecutive months except when prevented by sickness or with permission of the Board of Directors, is convicted of a felony, is committed for drug abuse, etc., then his or her office becomes vacant.<sup>63</sup> The District Secretary notifies the county elections official of the vacancy within fifteen (15) days after (a) the District learns of the vacancy or (b) the effective date of the vacancy, whichever is later.<sup>64</sup>

Although the Board of Directors may choose to allow the Monterey County Board of Supervisors the opportunity to fill the vacancy by appointment<sup>65</sup> or may choose to hold a special election to fill the vacancy,<sup>66</sup> vacancies are ordinarily filled by appointment made by a majority vote of the remaining members of the Board of Directors.<sup>67</sup> Appointments made by the remaining Directors need to be accomplished within 60 days after either the date on which the District is notified of the vacancy or the effective date of the vacancy, whichever is later.<sup>68</sup> The District Secretary notifies the county elections official of any such appointments within fifteen (15) days after they are made.<sup>69</sup>

If the vacancy occurs in the first half of a Director's four-year term of office and at least 130 days before the next general District election, then the person appointed to fill the vacancy will serve until the next general district election that is more than 130 days after the vacancy occurs. A person will then be elected at that election to fill the remaining two year balance of the term<sup>70</sup> (i.e., the seat filled by the appointee will be on the ballot for a short term). If the vacancy occurs in the first half of a Director's four-year term of office but less than 130 days before the next general district election or if the vacancy occurs in the second half of the term of office, then the person appointed to fill the vacancy will serve the remaining balance of the term of office.<sup>71</sup>

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<sup>62</sup> Enabling Act section 7

<sup>63</sup> Government Code section 1770

<sup>64</sup> Government Code section 1780 (b)

<sup>65</sup> Government Code section 1780 (f)

<sup>66</sup> Government Code section 1780 (e)

<sup>67</sup> Enabling Act section 11, Government Code section 1780

<sup>68</sup> Government Code section 1780 (d) (1)

<sup>69</sup> Government Code section 1780 (d) (1)

<sup>70</sup> Government Code section 1780 (d) (2)

<sup>71</sup> Government Code section 1780 (d) (3)

The process of filling vacancies involves many steps and is subject to an array of inter-related deadlines described in state law.<sup>72</sup> Although the Board of Directors is empowered to establish its own selection process for filling vacancies, the recent practice of the Board has been to solicit expressions of interest from qualified persons through the running of advertisements (in addition to making the statutorily-required postings of notices of vacancy<sup>73</sup>) calling for responses to a set of questions. These responses are to be sent to the District Secretary. Typically a cut-off date has been established, following the passage of which any written material received from applicants is distributed by the District Secretary to the Directors for their review. In the event that there are more than a handful of candidates, the Directors engage in a preliminary ranking process in order to select which candidates to invite to a Board meeting to make oral presentations.

After the conclusion of the oral presentations, the Directors again rank the candidates in order to assist in the selection process. However, the top-ranked candidate is not automatically appointed. The vacancy is filled after a motion to appoint a named individual is made, seconded and passed by the Board of Directors. That individual ordinarily is from the pool of candidates invited to make oral presentations, but that need not be the case.

NOTE: Directors may not communicate directly with each other or through intermediaries concerning any preliminary or final ranking, except in an open and public meeting. Moreover, no portion of the selection process can be conducted through the use of any secret ballot.<sup>74</sup> All records concerning any ranking that is done are public information.

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<sup>72</sup> Government Code section 1770 - 1782

<sup>73</sup> Government Code section 1780 (d) (1)

<sup>74</sup> Government Code section 54953 (c)

