

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

**AMENDED AGENDA**

**February 10, 2016 10:00 AM**

**Board Room, 2<sup>nd</sup> Floor of the Airport Terminal Building  
200 Fred Kane Drive, Suite 200  
Monterey Regional Airport**

(Unless you are a public safety official, please turn off your cell phone or place it on vibrate mode during the meeting. Thank you for your compliance.)

**A. CALL TO ORDER/ROLL CALL**

**B. PLEDGE OF ALLEGIANCE**

**C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS**

**D. PUBLIC COMMENTS**

Any person may address the Monterey Peninsula Airport District Board at this time. Presentations should not exceed three (3) minutes, should be directed to an item **NOT** on today's agenda, and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Though not required, the Monterey Peninsula Airport District Board appreciates your cooperation in completing a speaker request form available on the staff table. Please give the completed form to the Monterey Peninsula Airport District Secretary. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.)

**E. CONSENT AGENDA – ACTION ITEMS**

(10:15AM – 10:30AM Estimated)

(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 Regular Meeting of January 13, 2016](#)

**F. DEFERRED CONSENT AGENDA - ACTION ITEMS**

**G. ACCEPTANCE OF DEPARTMENT REPORTS**

(10:30AM – 10:45AM Estimated)

*[\(The board receives department reports which do not require any action by the board\)](#)*

**H. REGULAR AGENDA – ACTION ITEMS**

(10:45AM-11:45AM Estimated)

- Presentation 1. Transportation Agency for Monterey County Ballot Initiative
- Adopt 2. [Resolution No. 1655, A Resolution Amending Resolution No. 1640, A Resolution Authorizing and Approving the Fiscal Year 2016 Salary Schedule Listing Salary Ranges and Pay Steps for the Monterey Peninsula Airport District](#)
- Approve 3. [Broker of Record Agreement](#)
- Approve 4. [Landlord’s Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage owned by Maxi, LLC](#)

**I. BOARD COMMITTEE REPORTS**

(11:45AM –12:00PM Estimated)

*(Report on meetings attended by Board Members at Monterey Peninsula Airport District’s expense - AB1234)*

- a. Standing Committees:
  - i. Local Jurisdiction Liaison Directors Leffel & Nelson
  - ii. Budget and Finance Directors Sabo & Leffel
  - iii. Air Service, Marketing, Community Relations Directors Miller & Nelson
- b. Ad-Hoc Committees:
  - i. Community Affairs Directors Sabo & Leffel
  - ii. Airport Property Development & Leases Directors Nelson & Miller
  - iii. Noise Mitigation Directors Sabo & Nelson
- c. Liaison/Representatives:
  - i. Local Agency Formation Commission Director Leffel Alt: Searle
  - ii. Regional Taxi Authority Director Leffel Alt: La Pier
  - iii. Transportation Agency for Monterey County Director Sabo Alt: Nelson
  - iv. Water Management District (Policy Advisory) Director Leffel Alt: Searle
  - v. Special Districts Association Liaison Director Miller

**J. CLOSED SESSION**

(1:00PM –1:30PM Estimated)

- 1. **ANTICIPATED LITIGATION** (Government Code Section 54956.9(d)(2)) the Board will meet with the Executive Director and District Counsel regarding anticipated litigation – one case.
- 2. **REAL PROPERTY NEGOTIATIONS** (Government Code Section 54956.8) the Board will meet with Real Property Negotiators, Executive Director and District Counsel, regarding the property identified as a 1118 Airport Road, Monterey, CA 93940.

**K. RECONVENE TO OPEN SESSION**

## **L. PENDING REQUESTS FOR FUTURE AGENDA ITEMS**

- *Update on the plan to cool the terminal holding room*
- *Eastside Parkway Road*
- *Mid-Year Budget Review & Planning Workshop*
- *Dig Once Policy Resolution*
- *E-Cigarettes*

## **M. DISCUSSION OF FUTURE AGENDAS**

(Any Board member may request the Board of Directors to instruct staff to report back to the Board at a future meeting concerning any matter or place a matter of business on a future agenda. Approval of such requests will be made by motion.)

## **N. ADJOURNMENT**

### **AGENDA DEADLINE**

All items submitted by the public for possible inclusion on the Board Agenda or in the Board packet must be received by 5:00 P.M. on the Friday before the first Wednesday of the month. This agenda is subject to revision and may be amended prior to the scheduled meeting. A final Agenda will be posted outside the District Offices in the Terminal Building at the Monterey Regional Airport 72 hours prior to the meeting.

Upon request and where feasible, the Monterey Peninsula Airport District will provide written agenda materials in appropriate alternate formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. In order to allow the District time within which to make appropriate arrangements, please submit a written request containing a brief description of the materials requested and preferred alternative format or auxiliary aid or service desired as far as possible in advance of the meeting. Requests should be sent to the District Secretary at 200 Fred Kane Drive, Suite 200, Monterey, California 93940.

**MINUTES OF THE REGULAR MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS**  
**January 13, 2016 10:00 AM, BOARD ROOM**

**A. CALL TO ORDER/ROLL CALL**

*Chair Sabo called to order the Regular Meeting of the Board of Directors. Directors Leffel, Miller, Nelson and Searle were present. The following District officers were present: Executive Director La Pier, District Counsel Huber, Acting Board Secretary Porter, and Auditor Merritt.*

**B. PLEDGE OF ALLEGIANCE**

*Director Leffel led the Pledge of Allegiance.*

**C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS**

*Michael La Pier, Executive Director, announced that the Airport secured a visit by Mark McClardy, Federal Aviation Administration, and his staff for the Runway Safety Area Project Ribbon Cutting Celebration on January 21<sup>st</sup>.*

**D. PUBLIC COMMENTS**

*Alec Stefan, Yellow Cab Taxi driver, stated that Uber drivers have been parking on Airport property. He also indicated that he has heard from fellow drivers that the Uber signs at the front of the Airport are paid advertisements. He thought the Board should be aware of this rumor.*

*John Pfeiffer, member of the public who serves as the citizen representative on the Master Plan Advisory Committee, stated that the process of the Master Plan Committee was the best that he has ever experienced. He extended congratulations and gratitude to Jim Harris of Coffman & Associates, Chris Eberhard of CommuniQuest, and Chris Morello, Airport staff. He complimented the organization, simplicity and timeliness of the Committee meetings.*

**E. SEATING OF CHAIR**

*Director Leffel, Chair Pro Tem for CY2015, became Chair for 2016.*

**F. SELECTION OF CHAIR PRO TEM**

*Chair Leffel asked the Board to nominate the Chair Pro Tem for CY2016. Director Miller made a motion to nominate Director Nelson. Director Sabo seconded the motion. The motion passed unanimously.*

*Chair Leffel thanked Director Sabo for all of his hours of hard work and dedication to the Board in 2015.*

**G. APPOINTMENT OF COMMITTEES BY CHAIR**

*Chair Leffel made the following appointments to the committees.*

a. Standing Committees:

- |  |                           |
|--|---------------------------|
| i. Local Jurisdiction Liaison                    | Directors Leffel & Nelson |
| ii. Budget and Finance                           | Directors Sabo & Leffel   |
| iii. Air Service, Marketing, Community Relations | Directors Miller & Nelson |

- b. Ad-Hoc Committees:
  - i. Community Affairs Directors Sabo & Leffel
  - ii. Airport Property Development & Leases Directors Nelson & Miller
  - iii. Noise Mitigation Directors Sabo & Nelson
  
- c. Liaison/Representatives:
  - i. Local Agency Formation Commission Director Leffel Alt: Searle
  - ii. Regional Taxi Authority Director Leffel Alt: La Pier
  - iii. Transportation Agency for Monterey County Director Sabo Alt: Nelson
  - iv. Water Management District (Policy Advisory) Director Leffel Alt: Searle
  - v. Special Districts Association Liaison Director Miller

*Chair Leffel appointed the Standing Committees, leaving the remaining Committees the same. Appointments of Ad-Hoc Committees and Liaison/Representatives will be made at a later date, pending further discussion. Chair Leffel would also like to have a conversation at the next meeting about the possibility of consolidating certain Committees.*

**H. 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 Regular Meeting of December 9, 2015
  
- Approve 2. Minutes of the Special Meeting of December 16, 2015

*Director Miller moved to approve Items H.1 and H.2. Director Nelson seconded the motion. The motion passed unanimously.*

**I. DEFERRED CONSENT AGENDA - ACTION ITEMS**

None.

**J. ACCEPTANCE OF DEPARTMENT REPORTS**

*(The board receives department reports which do not require any action by the board)*

**K. REGULAR AGENDA – ACTION ITEMS**

- Adopt 1. Ordinance No. 917, an Ordinance Prohibiting All Commercial Medical Marijuana Uses on Monterey Peninsula Airport District Property

*Director Sabo moved to adopt Ordinance No. 917. Director Nelson seconded the motion. The motion passed by a roll call vote of 5-0*

ORDINANCE NO. 917

AN ORDINANCE OF THE MONTEREY PENINSULA  
AIRPORT DISTRICT PROHIBITING ALL  
COMMERCIAL MEDICAL MARIJUANA USES ON  
MONTEREY PENINSULA AIRPORT DISTRICT PROPERTY

THE BOARD OF DIRECTORS OF MONTEREY PENINSULA AIRPORT DISTRICT DO ORDAIN AS FOLLOWS:

**Section 1. Findings and Purpose.** The Board of Directors finds and declares as follows:

A. In 1996, the voters of the State of California approved Proposition 215 (codified as California Health and Safety Code § 11362.5 and entitled “The Compassionate Use Act of 1996” or “CUA”).

B. The intent of Proposition 215 was to enable persons who are in need of marijuana for medical purposes to use it without fear of criminal prosecution under limited, specified circumstances. The proposition further provides that “nothing in this section shall be construed to supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes.” The ballot arguments supporting Proposition 215 expressly acknowledged that “Proposition 215 does not allow unlimited quantities of marijuana to be grown anywhere.”

C. In 2004, the Legislature enacted Senate Bill 420 (codified as California Health & Safety Code § 11362.7 et seq. and referred to as the “Medical Marijuana Program” or “MMP”) to clarify the scope of Proposition 215 and to provide qualifying patients and primary caregivers who collectively or cooperatively cultivate marijuana for medical purposes with a limited defense to certain specified State criminal statutes. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the Medical Marijuana Program to expressly recognize the authority of counties and cities to “[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective” and to civilly and criminally enforce such ordinances.

D. In City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc. (2013) 56 Cal.4<sup>th</sup> 729, the California Supreme Court held that “[n]othing in the CUA or the MMP expressly or impliedly limits the inherent authority of a local jurisdiction, by its own ordinances, to regulate the use of its land. . . .” Additionally, in Maral v. City of Live Oak (2013) 221 Cal.App.4<sup>th</sup> 975, the Court of Appeal held that “there is no right – and certainly no constitutional right – to cultivate medical marijuana. . . .” The Court in Maral affirmed the ability of a local governmental entity to prohibit the cultivation of marijuana under its land use authority.

E. The Federal Controlled Substances Act, 21 U.S.C. § 801 et seq., classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United States, and that has not been accepted as safe for use under medical supervision. The Federal Controlled Substances Act makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana. The Federal Controlled Substances Act contains no exemption for medical purposes.

F. On October 9, 2015 Governor Brown signed 3 bills into law (AB 266, AB 243, and SB 643) which collectively are known as the Medical Marijuana Regulation and Safety Act (hereafter

“MMRSA”). The MMRSA set up a State licensing scheme for commercial medical marijuana uses while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to a State license. The MMRSA allows public agencies to completely prohibit commercial medical marijuana activities.

G. The Board of Directors finds that commercial medical marijuana activities, as well as cultivation for personal medical use as allowed by the CUA and MMP can adversely affect the health, safety, and well-being of MPAD tenants. Prohibition is proper and necessary on MPAD property to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells and indoor electrical fire hazards that may result from such activities. Further, as recognized by the Attorney General’s August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, marijuana cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that surrounding homes or businesses may be negatively impacted by nuisance activity such as loitering or crime. In addition, allowing the cultivation, processing, dispensing or delivery of marijuana would violate grant assurances made by MPAD to the Federal Aviation Administration.

H. The limited immunity from specified state marijuana laws provided by the Compassionate Use Act and Medical Marijuana Program does not confer a land use right or the right to create or maintain a public nuisance.

I. The MMRSA contains language that requires a public agency to prohibit cultivation, processing, and dispensary zoning uses by March 1, 2016 either expressly or otherwise under the principles of permissive zoning, or the State will become the sole licensing authority. The MMRSA also contains language that requires delivery services to be expressly prohibited by local ordinance, if the public agency wishes to do so.

J. While the Board of Directors believes that cultivation and all commercial medical marijuana uses are prohibited under MPAD’s zoning regulations, it desires to enact this ordinance to expressly make clear that all such uses are prohibited in all zones regulated by the Monterey Peninsula Airport District.

**Section 2. Authority.** This ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including but not limited to Article XI, Section 7 of the California Constitution, the Compassionate Use Act, the Medical Marijuana Program, and The Medical Marijuana Regulation and Safety Act.

**Section 3. Definitions.** Unless specifically defined otherwise herein, or unless a different meaning is apparent from the context, the following words or phrases have the meanings set forth below. Words or phrases that are not defined in this ordinance, but that are defined in the California Penal Code, have the meanings set forth therein.

“Airport” means the Monterey Peninsula Airport and all lands owned or operated by the Monterey Peninsula Airport District for Airport purposes or activities. “Airport” includes all improvements, facilities and appurtenances.

“Cannabis” shall have the same meaning as set forth in Business & Professions Code § 19300.5(f) as the same may be amended from time to time.

“Caregiver” or “primary caregiver” shall have the same meaning as set forth in Health & Safety Code § 11362.7 as the same may be amended from time to time.

“Commercial cannabis activity” shall have the same meaning as that set forth in Business & Professions Code § 19300.5(k) as the same may be amended from time to time.

“Cooperative” shall mean two or more persons collectively or cooperatively cultivating, using, transporting, possessing, administering, delivering or making available medical marijuana, with or without compensation.

“Cultivation” shall have the same meaning as set forth in Business & Professions Code § 19300.5(l) as the same may be amended from time to time.

“Cultivation site” shall have the same meaning as set forth in Business & Professions Code § 19300.5(x) as the same may be amended from time to time.

“Delivery” shall have the same meaning as set forth in Business & Professions Code § 19300.5(m) as the same may be amended from time to time.

“Dispensary” shall have the same meaning as set forth in Business & Professions Code § 19300.5(n) as the same may be amended from time to time. For purposes of this Chapter, “Dispensary” shall also include a cooperative. “Dispensary” shall not include the following uses: (1) a clinic licensed pursuant to Chapter 1 of Division 2 of the California Health and Safety Code, (2) a health care facility licensed pursuant to Chapter 2 of Division 2 of the California Health and Safety Code, (3) a residential care facility for persons with chronic life-threatening illnesses licensed pursuant to Chapter 3.01 of Division 2 of the California Health and Safety Code, (4) a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the California Health and Safety Code, (5) a residential hospice or home health agency licensed pursuant to Chapter 8 of Division 2 of the California Health and Safety Code.

“Dispensing” shall have the same meaning as set forth in Business & Professions Code § 19300.5(o) as the same may be amended from time to time.

“Distribution” shall have the same meaning as set forth in Business & Professions Code § 19300.5(p) as the same may be amended from time to time.

“Distributor” shall have the same meaning as set forth in Business & Professions Code § 19300.5(q) as the same may be amended from time to time.

“District” means the Monterey Peninsula Airport District.

“Manufacturer” shall have the same meaning as set forth in Business & Professions Code § 19300.5(y) as the same may be amended from time to time.

“Manufacturing site” shall have the same meaning as set forth in Business & Professions Code § 19300.5(af) as the same may be amended from time to time.

“Medical cannabis,” “medical cannabis product,” or “cannabis product” shall have the same meanings as set forth in Business & Professions Code § 19300.5(ag) as the same may be amended from time to time.

“Medical Marijuana Regulation and Safety Act” or “MMRSA” shall mean the following bills signed into law on October 9, 2015 as the same may be amended from time to time: AB 243, AB 246, and SB 643.

“Nursery” shall have the same meaning as set forth in Business & Professions Code § 19300.5(ah) as the same may be amended from time to time.



“Qualifying patient” or “Qualified patient” shall have the same meaning as set forth in Health & Safety Code § 11362.7 as the same may be amended from time to time.

“Testing laboratory” shall have the same meaning as set forth in Business & Professions Code § 19300.5(z) as the same may be amended from time to time.

“Transport” shall have the same meaning as set forth in Business & Professions Code § 19300.5(am) as the same may be amended from time to time.

“Transporter” shall have the same meaning as set forth in Business & Professions Code § 19300.5(aa) as the same may be amended from time to time.

**Section 4. Prohibition.**

- A. Commercial cannabis activities of all types are expressly prohibited in all zones and all specific plan areas of the Airport. No person shall establish, operate, conduct or allow a commercial cannabis activity anywhere within Airport property.
- B. To the extent not already covered by subsection A above, all deliveries of medical cannabis are expressly prohibited within the Airport property. No person shall conduct any deliveries that either originate or terminate within Airport property.
- C. This section is intended to and shall prohibit all activities for which a State license is required. Accordingly, the District shall not issue any permit, license or other entitlement for any activity for which a State license is required under the MMRSA.
- D. Cultivation of cannabis for non-commercial purposes, including cultivation by a qualified patient or a primary caregiver, is expressly prohibited in all zones and all specific plans of the Airport. No person, including a qualified patient or primary caregiver, shall cultivate any amount of cannabis within the Airport property, even for medical purposes.

**Section 5. Public Nuisance.** Any use or condition caused, or permitted to exist, in violation of any provision of this Ordinance shall be, and hereby is declared to be, a public nuisance and may be summarily abated by the District pursuant to Code of Civil Procedure Section 731 or any other remedy available to the District.

**Section 6. Civil Penalties.** In addition to any other enforcement permitted by this Ordinance, District Counsel may bring a civil action for injunctive relief and civil penalties, as permitted by law, against any person or entity that violates this Ordinance. In any civil action brought pursuant to this Ordinance, a court of competent jurisdiction may award reasonable attorneys fees and costs to the prevailing party.

**Section 7. CEQA.** This ordinance is exempt from CEQA pursuant to CEQA Guidelines section 15305, minor alterations in land use limitations in areas with an average slope of less than 20% that do not result in any changes in land use or density and Section 15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. The District’s zoning provisions already prohibit all uses that are being expressly prohibited by this ordinance. Therefore, this ordinance has no impact on the physical environment as it will not result in any changes.

**Section 8. Severability.** If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this

Ordinance. The Board of Directors hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

**SECTION 9. Effective Date.** This ordinance shall take effect 30 days from and after the date of its adoption.

**ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 13th day of January, 2016, by the following roll call vote:

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

Approve 2. Employment Agreement for Police Chief

*Michael La Pier, Executive Director, presented Item K.2.*

*Director Sabo moved to approve the Employment Agreement for Police Chief. Director Nelson seconded the motion. The motion passed by a roll call vote of 5-0.*

Adopt 3. Resolution No. 1654, a Resolution Amending the Governance Manual and Board Operating Rules and Procedures

*Scott Huber, District Counsel, presented Item K.3.*

*Director Sabo moved to adopt Resolution No. 1654. Director Searle seconded the motion. The motion passed by a roll call vote of 4-1.*

#### **RESOLUTION NO. 1654**

#### **A RESOLUTION AMENDING THE "GOVERNANCE MANUAL AND BOARD OPERATING RULES AND PROCEDURES"**

**WHEREAS**, the Monterey Peninsula Airport District ("District") on November 9, 2011 did by Resolution No. 1562 adopt the "Governance Manual and Board Operating Rules and Procedures" ("Governance Manual"); and

**WHEREAS**, the District Board of Directors ("Board") amended the Governance Manual on March 13, 2013 by Resolution No. 1596; and

**WHEREAS**, the Board seeks to make additional amendments to the Governance Manual;

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** that the previously adopted and amended Governance Manual is hereby amended in the following manner:

1. The second paragraph under the heading "Director Compensation" shall be amended to read, "With the adoption of this Governance Manual, a Director's attendance at any meetings of District standing committees of which such Director

is a member, ad hoc committees of which such Director is a member, or attendance at any meetings as a designated District liaison or representative 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).”

**ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 13th day of January 2016 by the following roll call vote:

<b>AYES:</b>	<b>DIRECTORS:</b> Miller, Sabo, Searle, Chair Leffel
<b>NOES:</b>	<b>DIRECTORS:</b> Nelson
<b>ABSTAIN:</b>	<b>DIRECTORS:</b> None
<b>ABSENT:</b>	<b>DIRECTORS:</b> None

Discussion/ Action 4. Consideration of Support for Legislative Bill to Treat Airport Districts in Similar Fashion to Other Special Districts (requested by Chair Sabo)

*Scott Huber, District Counsel, presented Item K.4. He indicated to the Board that the Legislative Bill will not appear until next year and the discussion of this item is simply informational.*

**L. BOARD COMMITTEE REPORTS**

*(Report on meetings attended by Board Members at Monterey Peninsula Airport District’s expense - AB1234)*

- a. Standing Committees:
  - i. Local Jurisdiction Liaison Directors Miller & Searle
  - ii. Budget and Finance Directors Miller & Sabo
  - iii. Air Service, Marketing, Community Relations Directors Leffel & Nelson
- b. Ad-Hoc Committees:
  - i. Community Affairs Directors Sabo & Leffel
  - ii. Airport Property Development & Leases Directors Nelson & Miller
  - iii. Noise Mitigation Directors Sabo & Nelson
- c. Liaison/Representatives:
  - i. Local Agency Formation Commission Director Leffel Alt: Searle
  - ii. Regional Taxi Authority Director Leffel Alt: La Pier
  - iii. Transportation Agency for Monterey County Director Sabo Alt: Nelson
  - iv. Water Management District (Policy Advisory) Director Leffel Alt: Searle
  - v. Special Districts Association Liaison Director Miller

**M. CLOSED SESSION**

- 1. **ANTICIPATED LITIGATION** (Government Code section 54956.9(d)(2)) the Board will meet with the Executive Director and District Counsel regarding anticipated litigation – one case.

**N. RECONVENE TO OPEN SESSION**

*Chair Leffel reported that no action was taken in closed session.*

**O. PENDING REQUESTS FOR FUTURE AGENDA ITEMS**

- *Update on the plan to cool the terminal holding room*
- *Eastside Parkway Road*
- *Mid-Year Budget Review & Planning Workshop*
- *Dig Once Policy Resolution*
- *E-Cigarettes*

**P. DISCUSSION OF FUTURE AGENDAS**

(Any Board member may request the Board of Directors to instruct staff to report back to the Board at a future meeting concerning any matter or place a matter of business on a future agenda. Approval of such requests will be made by motion.)

*No new items were added.*

**Q. ADJOURNMENT**

*The meeting adjourned at 12:57pm.*

**AGENDA ITEM: G**  
**DATE: February 10, 2016**

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

**DEPARTMENT REPORTS**

**Jennifer Hickerson, Marketing & Public Relations Coordinator**  
[Air Service Development Report](#)

**Ken Griggs, Operations Manager**  
[Operations Report](#)

**Jeff Hoyne, Police Chief**  
[Police Activity Report](#)

**Monterey Fire Department**  
[Monthly Report](#)

**Jerry Merritt, District Auditor/Controller**  
[Financial Summary](#)

**Mark Bautista, Deputy General Manager, Planning & Development**  
[P & D Monthly Project Report](#)

**TO:** Mike La Pier, Executive Director  
**FROM:** Jennifer Hickerson, Marketing & Public Relations Coordinator  
**DATE:** January 29, 2016  
**SUBJ:** Air Service Development Report

### **Marketing, Advertising & Promotions**

#### **Advertising:**

- Billboard: On Hwy 101, 2 miles north of Prunedale.

#### **Air Carrier Update:**

- AS – SAN and LAX service continues once a day. Alaska plans to change the schedule in April. The LAX flight will leave MRY in the evening and return in the morning which is opposite of what it is now. They noticed we have more traffic coming from LAX than to LAX so the schedule change will benefit those coming from LAX.
- G4 (Allegiant) – LAS service continues Thursdays and Sundays.
- AA – PHX service continues three times a day, with CRJ900 equipment continuing to operate the mid-day turn. Beginning February 12, all three daily operations will be served by CRJ900 aircraft.
- UA SFO – SFO service continues twice a day. We will see increased CRJ700 service on this route, with the evening turn and some RONS operating with the larger aircraft towards the end of the month. The LAX flight continues three times a day with the exception of Saturdays, when the mid-afternoon turn will not operate.

#### **Air Service Development**

- The new Air Service Task Force met on January 14<sup>th</sup>. Joseph Pickering was in town and did a presentation about the airline industry and how communities are working together for air service. The meeting went very well and we have continued dialog after the meeting and have our partners working to provide us valuable information that we will need for our airline meetings this year.

#### **Public Relations:**

- Social Media/Facebook: “Total Likes” continue to grow – **13,506** as of January 29th.
- Santa Cruz Warriors: The “win a trip with the team” contest began on December 22<sup>nd</sup>. The commercial is up and running and we are receiving entries.

- Santa Cruz Chamber: We joined the Santa Cruz Chamber. We will have a booth at their Business Expo on March 16<sup>th</sup> in Santa Cruz.

**Customer Service:**

- Customer Comment Cards: see December responses attached.

Date	Time	Pax Was	Airline	Flt #	Tone	Comments	Name	Address City & State
12/23					P	Great work on the airport. Holiday décor is nice but missing a nativity scene. That would complete it.		
1/4					C	Would like to see the cement wall outside painted in a nice mural.		
1/4	1200	A	AE	5381	P	Cute Airport! Friendly staff. Love it.	L.V	St. Louis, MO
1/4	1200				P	Great job in general but you might want to take a look at the hill outside the terminal it needs class.	L.T.	Marina, CA
1/20	600				C	Would like to see other coffee, food places		
1/20	530	G			N	Café outside security not open for coffee or food. Would like to have food w/friend before leaving.		
1/30	0	D	UE		N	TSA took my honey because it was 6 oz it was a gift for my sister and was clearly marked honey.		



**TO:** Michael La Pier, Executive Director  
**FROM:** Operations Manager Griggs  
**DATE:** January 29, 2016  
**SUBJ:** Operations Report

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The following is a summary of significant activity in the Operations Department for January 2016.

1. Completed mandatory recurrent annual FAA Part 139 wildlife mitigation training with Maintenance and Operations staff.
2. With Super Bowl 50 being held in Santa Clara this year, the NFL and FAA released a reservation slot system for users requesting access to all Bay Area airports and some outlying area airports such as Santa Rosa, Watsonville, Salinas and MRY. The anticipated increased strain of the national airspace system and air traffic controller workload has called for aircraft and helicopter pilots to plan in advance to guarantee their slots between Thursday, February 4 and Monday, February 7. As to date of this report, reservations were low, however expected to increase.

As the Board Meeting will take place after this event, Ops can provide more information and analysis if requested.

3. United has informed the Airport that United Ground Express (UGE), a fully owned subsidiary, will take over ground handling responsibilities from Envoy for all United Express flights effective March 30<sup>th</sup>. Ops has met with United and UGE staff to begin the transitioning phase.
4. The [Noise Comment Report](#) for January is attached.
5. The [Operating and Expense Report for the Taxi Open-Entry System](#) is attached.
6. Attached is the [Uber December Activity Report](#).
7. The [Commercial Flight Cancellations & Delays Report](#) is attached.
8. Attached is the [Commercial Flight Schedule for February 2016](#).
9. Below is the summary of scheduled airline activity for February 2016:

Alaska Air flown by Horizon

- Continues to operate one daily departure to San Diego and Los Angeles
- Scheduled to operate a total of 116 flights (Arrivals and Departures)

Allegiant Air

- Continues service twice a week on Thursdays and Sundays
- Scheduled to operate a total of 16 flights (Arrivals and Departures)

United flown by SkyWest

- Three daily LAX departures (two on Saturdays)
- Two daily SFO departures
- We will see increased CRJ700 service on this route, with the evening turn and some RONS operating with the larger aircraft in the latter half of the month
- Scheduled to operate a total of 282 flights (Arrivals and Departures)

American Eagle flown by SkyWest/Mesa

- Service to PHX reverts to three daily departures
- The CRJ900, flown by Mesa, will continue to operate the midday flight
- Beginning February 12, all three daily operations will be served by CRJ900 aircraft
- Scheduled to operate a total of 174 flights (Arrivals and Departures)

Cumulatively speaking, the airlines have scheduled 107 fewer flights (588 vs. 706) as compared to last December. This is primarily due to the American Eagle discontinuation of LAX service, and the contraction of United Express SFO flights to maximize seating capacity using Canadair Regional Jets (50 and in some cases 76 seats) in lieu of Embraer 120 (27 seats) turbo-props.

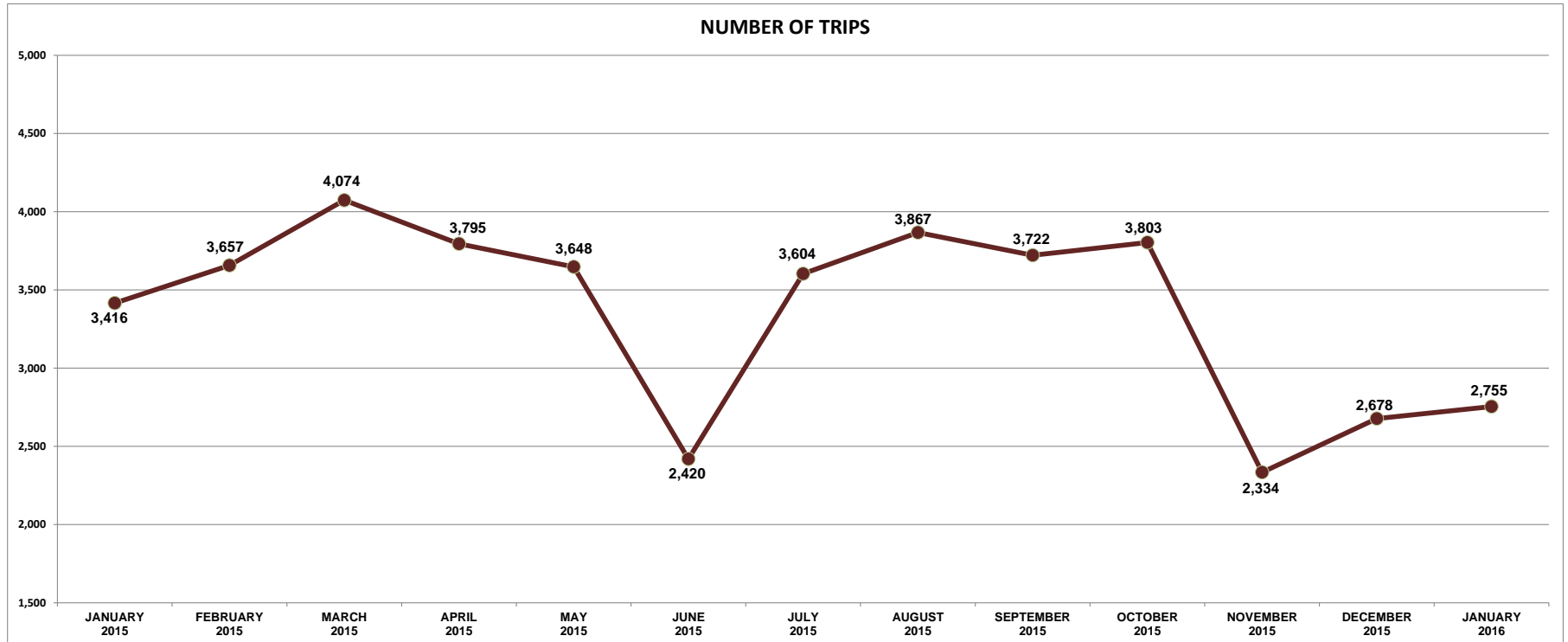
**MRY AIRPORT NOISE COMMENT LOG  
JANUARY 2016**

Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Comments	By	Action Taken	Notes	
<b>AIR OPERATIONS CENTERED AT MONTEREY AIRPORT</b>										
1	Jeffrey Latts	Pasadera	1/3, 1/10, 1/17	5:47pm	unknown	unknown	Very loud plane passed over our neighborhood	NG	Documented.	Ops has corresponded at length with complainant regarding ongoing noise concerns.
2	Cris Staedler	Pasadera	1/3/2015	11:09pm	Q400	landing RWY 28L	Low flying plane over home. Please enforce curfew and change approaches.	NG	Advised complainant of voluntary nature of curfew and continued efforts to restore previous approaches.	
3	Barbara Lovero	Pasadera	1/2, 1/3, 1/5, 1/6, 1/7, 1/8, 1/9, 1/10, 1/12, 1/13, 1/20, 1/22, 1/23, 1/24, 1/25, 1/26, 1/27	multiple	multiple	landing RWY 28L	Ongoing concerns regarding changes to RWY 28L RNAV approaches.	NG	Documented.	Ops has corresponded at length with complainant regarding this issue.
4	Robert Egnew	Pasadera	1/13/2016	1:42am	CRJ	landing RWY 10R	Plane woke me up. Why can't the airport restrict hours of operation	KG	Delayed United Express flight arrived from LAX	Ops has corresponded at length with complainant regarding a variety of noise issues.
5	Unknown Caller	Pasadera	1/13/2016	11:40am, 11:53am, 12:54pm & 5:55pm	CRJ 900 & PC 12	landing RWY 28L	Aircraft flying low over my house at approximately 1000 feet. They are "hot dogging it".	KG	Aircraft were using the RNAV Y GPS approach.	Caller called on four different occasions and did not provide name or correct call back number.
6	Robert Pavao	CONA	Last four months	multiple	White SE Cessna	Pattern Work	small white plane constantly circling over my house at all hours until 9pm every day for the last four months. It buzzes my house.	KG	Left message	Aircraft is operated by Aerodynamic Aviation and used regularly for flight training. Most observations indicate the flight instructors and students follow the prescribed noise abatement procedures.
7	Roelof Wijbrandus	Seaside	1/15/2016	1:50pm	U-2	low pass RWY 10R	Twin engine jet. Extremely loud.	NG	Informed complainant of the military operation.	
8	Jennifer Sites	Corral De Tierra	ongoing	n/a	multiple	landing RWY 28L	Ongoing concerns regarding changes to RWY 28L RNAV approaches and associated noise.	NG	Advised complainant that FAA analysis for 28L localizer approach restoration continues.	
9	Kenneth Nowak	Pasadera	1/24/2016	afternoon	G4	landing RWY 28L	Private plane directly over house just over 500 ft. One of about 6 others through afternoon but this was the worst. Clear skies. No wind. No reason to take alternate vector. Approach altitudes and vectors seem completely random.	NG	Discussed various available approaches from the east. Explained variation in observations and advised that FAA analysis for 28L localizer approach restoration continues.	
<b>AIR OPERATIONS ORIGINATING FROM ANOTHER AIRPORT</b>										
0										
<b>AIR OPERATIONS OF UNKNOWN ORIGIN</b>										
1	Linda Cheatham	Carmel Valley/Los Tulares	ongoing	multiple	multiple	unknown	We have a two lane highway of jets in the Valley which has eliminated the rural quality of peace and quiet and connecting to nature entirely.	NG	Documented. Ops has corresponded at length with complainant regarding this issue.	Previously provided contact info for FAA and Bay Area airports.

**MONTHLY TOTALS and COMPARISONS**

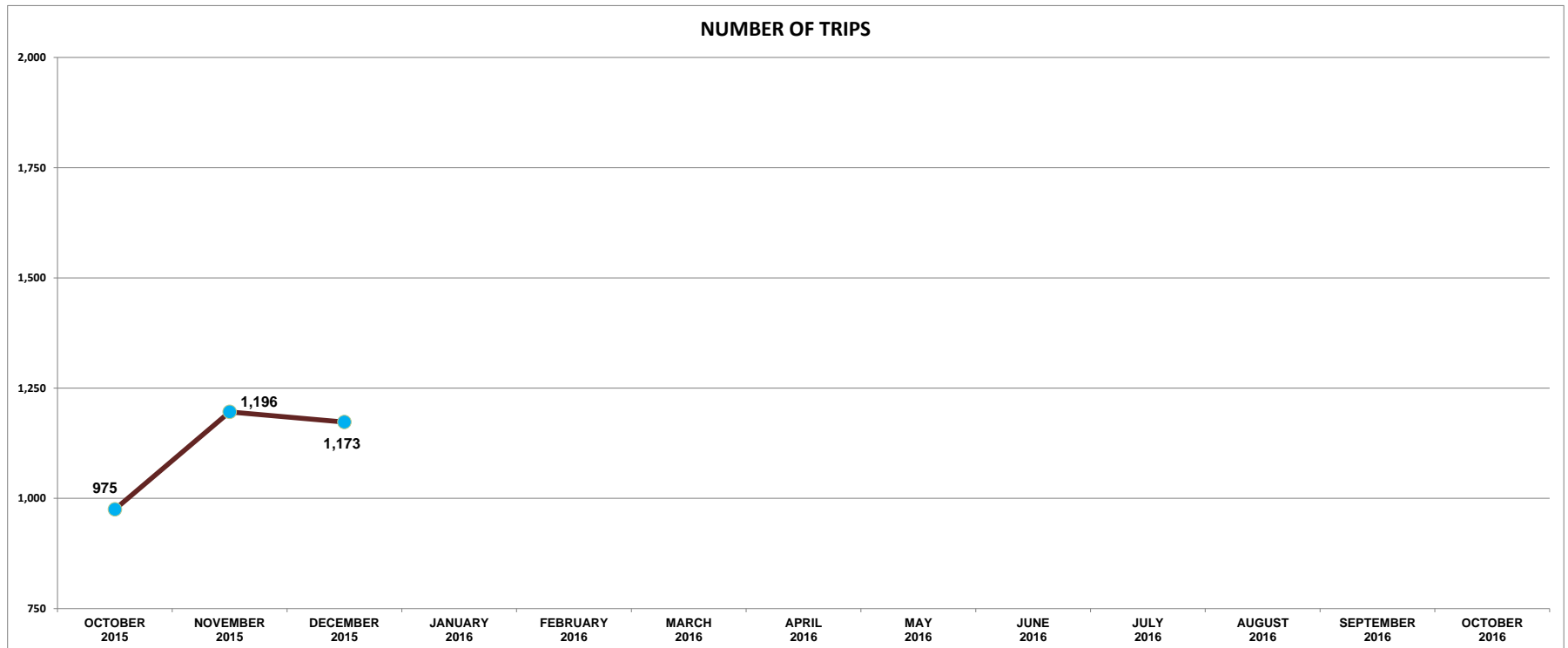
	Jan-16	Jan-15	% Change	Other Airport	UNKNOWN ORIGINS
Number of Complaints:	10	7	43%	0	0
Number of Operations:	4,183	4,922	-15%		
			% Change		
Annual Total	10	7	43%	0	0

13-MONTH ROLLING COMPARISON



	2015 JANUARY	2015 FEBRUARY	2015 MARCH	2015 APRIL	2015 MAY	2015 JUNE	2015 JULY	2015 AUGUST	2015 SEPTEMBER	2015 OCTOBER	2015 NOVEMBER	2015 DECEMBER	2016 JANUARY
<b>NUMBER OF TRIPS</b>	3,416	3,657	4,074	3,795	3,648	2,420	3,604	3,867	3,722	3,803	2,334	2,678	2,755
<b>NUMBER OF CABS</b>	123	124	127	128	128	129	101	105	111	115	115	115	115
<b>TAXI TRIP FEES</b>	\$ 10,248	\$ 10,971	\$ 12,222	\$ 11,385	\$ 10,944	\$ 7,260	\$ 10,812	\$ 11,601	\$ 11,166	\$ 11,409	\$ 7,002	\$ 8,034	\$ 8,265
<b>TAXI MEDALLION FEES<sup>1</sup></b>	\$ 2,333	\$ 2,458	\$ 2,743	\$ 2,271	\$ 2,208	\$ 2,271	\$ 2,104	\$ 3,104	\$ 3,604	\$ 2,917	\$ 2,104	\$ 2,104	\$ 2,104
<b>TAXI - TOTAL REVENUE</b>	\$ 12,581	\$ 13,429	\$ 14,965	\$ 13,656	\$ 13,152	\$ 9,531	\$ 12,916	\$ 14,705	\$ 14,770	\$ 14,326	\$ 9,106	\$ 10,138	\$ 10,369
<b>CURB MGMT CONTRACT</b>	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897
<b>EQUIPMENT DEPRECIATION</b>	\$ 1,600	\$ 1,600	\$ 1,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>SOFTWARE LICENSE / HOSTING</b>	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175
<b>EXPENDABLE SUPPLIES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TAXI - TOTAL EXPENSE</b>	\$ 14,672	\$ 14,672	\$ 14,672	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072	\$ 13,072
<b>OPERATING INCOME / (LOSS)</b>	\$ (2,091)	\$ (1,243)	\$ 293	\$ 584	\$ 80	\$ (3,541)	\$ (156)	\$ 1,633	\$ 1,698	\$ 1,254	\$ (3,966)	\$ (2,934)	\$ (2,703)
<b>FYTD 2016 (July 2015 - January 2016) OPERATING INCOME / (LOSS)</b>													\$ (5,173)
<b>CUMULATIVE (13-MONTH) OPERATING INCOME / (LOSS)</b>													\$ (11,090)

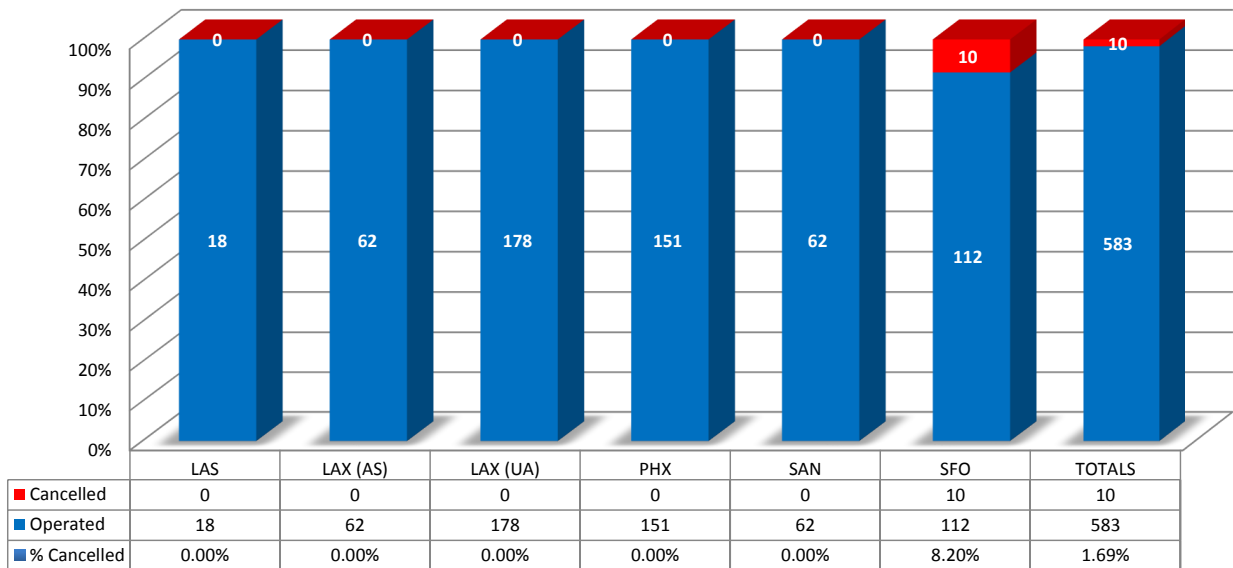
13-MONTH ROLLING COMPARISON



	2015 OCTOBER	2015 NOVEMBER	2015 DECEMBER	2016 JANUARY	2016 FEBRUARY	2016 MARCH	2016 APRIL	2016 MAY	2016 JUNE	2016 JULY	2016 AUGUST	2016 SEPTEMBER	2016 OCTOBER
NUMBER OF TRIPS	975	1,196	1,173										
NUMBER OF TNCs	1	1	1										
TNC TRIP FEES	\$ 2,925	\$ 3,588	\$ 3,519										
TNC PERMITS	\$ 1,000	\$ -	\$ -										
TNC - TOTAL REVENUE	\$ 3,925	\$ 3,588	\$ 3,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

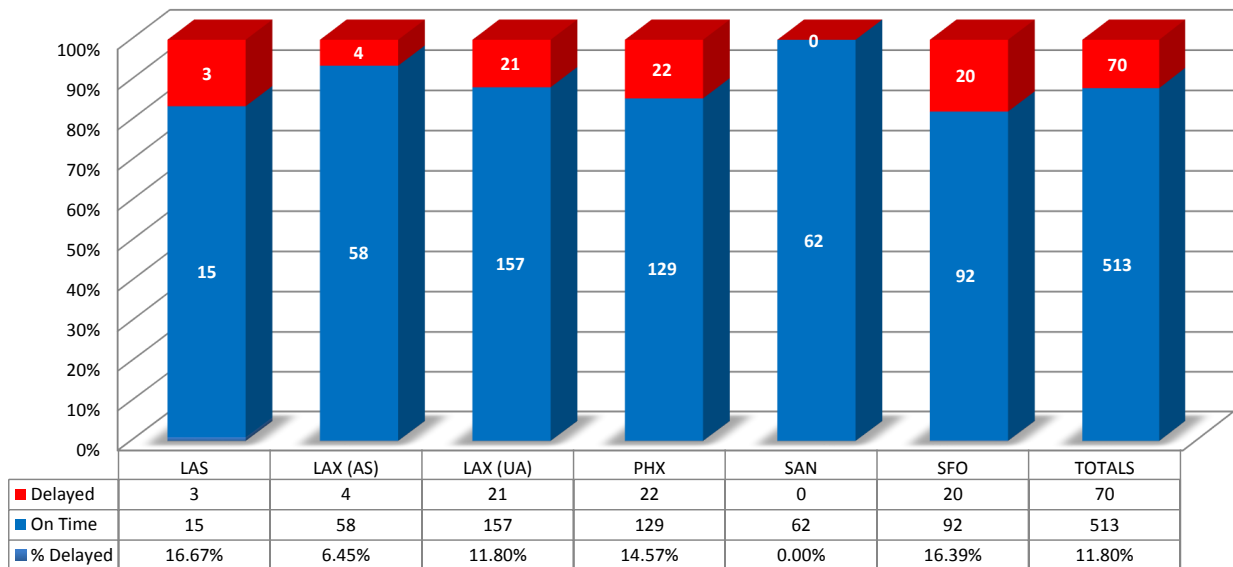
# January 2016

## January Commercial Flights Operated vs. Canceled

























**TOTAL CANCELED FLIGHTS: 10**

## January Commercial Flights On Time vs. Delayed



**TOTAL DELAYED FLIGHTS: 70**

## Monterey Regional Airport February 2016 Flight Schedule

ARRIVALS					DEPARTURES						
FROM	AIRLINE	FLIGHT	TIME	SCHD	TO	AIRLINE	FLIGHT	TIME	SCHD		
CRJ200 (50)	LAX	 UNITED	5018	10:42 AM	DAILY	SFO	 UNITED	6346/5316	5:50 AM	DAILY	CRJ200 (50)/ CRJ700 (66)
CRJ900 (76)	PHX	 American Airlines	5581	11:55 AM	DAILY	LAX	 Alaska	2603	6:00 AM	DAILY	Q400 (76)
Q400 (76)	SAN	 Alaska	2436	2:00 PM	DAILY	LAX	 UNITED	5316/5052	6:10 AM**	DAILY	CRJ200 (50)
CRJ200 (50)	LAX	 UNITED	5333/5037	2:50 PM 4:20 PM	FEB 1-10 FEB 11-29 EXC SA	PHX	 American Airlines	2980/5624	6:15 AM	DAILY	CRJ200 (50)/ CRJ900 (76)
CRJ200 (50)/ CRJ700 (66)	SFO	 UNITED	5538	4:45 PM	DAILY	LAX	 UNITED	5362/5053	11:12 AM	DAILY	CRJ200 (50)
CRJ200 (50)/ CRJ900 (76)	PHX	 American Airlines	2955/5696	3:35 PM	DAILY EXC SA	PHX	 American Airlines	5390	12:25 PM	DAILY	CRJ900 (76)
MD80 (166)	LAS	 allegiant air	540	4:00 PM 2:40 PM	FEB 4,7,11,14 FEB 18,21,25,28	SAN	 Alaska	2437	2:35 PM	DAILY	Q400 (76)
Q400 (76)	LAX	 Alaska	2604	9:05 PM	DAILY	LAX	 UNITED	5343	3:20 PM 4:55 PM	FEB 1-10 FEB 11-29 EXC SA	CRJ200 (50)
CRJ200 (50)/ CRJ900 (76)	PHX	 American Airlines	2974/5691	10:00 PM	DAILY	PHX	 American Airlines	2955	4:10 PM	DAILY EXC SA	CRJ200 (50)/ CRJ900 (76)
CRJ200 (50)	LAX	 UNITED	5356/5021	9:52 PM 10:35 PM	FEB 1-9 FEB 10-29	LAS	 allegiant air	541	4:50 PM 3:30 PM	FEB 4,7,11,14 FEB 18,21,25,28	MD80 (166)
CRJ200 (50)/ CRJ700 (66)	SFO	 UNITED	6376/5457	11:30 PM	DAILY	SFO	 UNITED	5696/5218	5:10 PM 5:30 PM	FEB 1-10 FEB 11-29	CRJ200 (50)/ CRJ700 (66)

\*Flight Schedule is general information and subject to change. Schedules are updated monthly and can change daily. Please contact your airline for further information.

\*\*On certain days this flight will operate up to 15 minutes earlier or later than the time indicated

**AGENDA ITEM: G**  
**DATE: February 10, 2016**

**TO:** Mike LaPier, Executive Director  
**FROM:** Police Chief Jeff Hoyne  
**DATE:** January 29, 2016  
**SUBJECT:** Police Activity Report for January 2016

---

The following is a summary of significant activity in the Police Department during the month of January 2016:

### **Highlights**

- MRY PD responded to **252 door and gate alarms** through January 29th.
- Officers worked a total of **13 hours of overtime in January.**
- MRY PD officers responded to two outside agency assists in January which consisted of the following:
  - 1/11 @ 1338 Assisted Texas authorities on a report of a human smuggling operation in which they had a suspect in custody at DFW. MRY PD located the suspect's luggage which had made it on to a connecting flight to Monterey. MRY PD secured and sealed the luggage and had it transported back to DFW via the airline. Report #16-006
  - 1/22 @ 1050 Assisted Del Rey Oaks PD on a report of a felony warrant suspect in the area of Ryan Ranch. MRY PD responded to the area to assist. MRY PD located the suspect's vehicle parked at a business on Ryan Ranch, but the suspect was GOA.

### **Training**

#### **All MRY PD Officers completed:**

- Bi-annual all-staff meeting and training, including training on Ordinance 912 and Taxi, Uber, Limo rules, regulations, and enforcement.
- POST Human Trafficking DVD
- Case law review concerning Taser application and police interaction with emotionally disturbed persons.
- Sergeant Porter completed a POST approved 32 hour Evidence and Property Function Management course.

### **Calls for Service**

1. 1/1 @ 0950 hrs. MRY PD responded to a report of a burglary at 1185 Airport Rd. #C. Leased unit was broken into through a window. Some minor items (file boxes) were gone through, but no report of anything missing. Scene was processed for evidence. Maintenance was notified to secure the unit, and a report was completed. Report #16-001.
2. 1/2 @ 1435 hrs. MRY PD responded to the checkpoint on a report of ammunition in a carry-on. Ammunition confiscated. Report completed. Report #16-002.



3. 1/7 1300 hrs. MRY PD took a report of a stolen/lost airport badge. Report completed. Report # 16-004.
4. 1/9 @ 101 hrs. MRY PD responded to Airport Self-Storage on a possible identity theft incident. Report completed. Report # 16-005.
5. 1/14 @ 1450 hrs. MRY PD was notified of a possible wanted subject in the gate area waiting to fly out of MRY. An off-duty parole officer advised that she observed a parolee assigned to her go through the checkpoint and that he had an active warrant for his arrest. Name, photo, and other information was obtained for the subject and MRY PD officers located the subject in the gate area. The subject's warrant was confirmed and he was taken into custody and transported to jail. Report completed. Report #16-007.
6. 1/15 @ 2200 hrs. MRY PD officers recognized known local criminals loitering in front of the terminal. The subjects were contacted and a parole search was conducted on one subject with the assistance of Del Rey Oaks PD. FI's completed on both subjects.
7. 1/19 @ 1043 hrs. MRY PD responded to a report of a vehicle break-in in the long-term parking lot. A vehicle was found broken into, and an iPad was found to be missing from the car. Report completed. Report #16-008.
8. 1/22 @ 1945 hrs. While on routine patrol MRY PD officers located a business that was unsecured. The business was checked. Owner unable to be located. Business was then secured by MRY PD.
9. 1/26 @ 1400 hrs. Two Uber drivers were contacted in front of the terminal for minor traffic violations. Both drivers were identified and vehicle information obtained. FI's completed.
10. 1/27 @ 1520 hrs. MRY PD responded to the front of the terminal on a report of an intoxicated male acting suspiciously. The subject arrived via Uber and attempted to rent a vehicle while intoxicated. The subject was refused service at the rental counter and then exited the terminal and was acting strangely and kicking trash cans in front of the terminal. MRY PD contacted the subject, obtained his identification, ran him for warrants, and directed him off of airport property. FI completed.



# MONTEREY FIRE DEPARTMENT

## Report to Airport Board of Directors

January 2016

### 1. Incident Responses

Engine assigned to Fire Station 6 (Airport) responded to a total of 22 incidents during the month as follows (see attached for breakdown of types of incidents):

- MPAD property – 2
- City of Monterey – 18
- Auto / Mutual Aid – 2

### 2. Training

Personnel completed a total of 61.0 hours of Airport related training during the month.

Currently the following numbers of personnel are qualified in the ARFF training program:

- Awareness (familiar with operations at the Airport): 71
- Operational (qualified to work at Airport, but no live fire training): 31
- Technician (fully qualified to be the designated ARFF fire engineer): 13

### 3. Other

- Effective January 1, 2016, Monterey Fire promoted 5 firefighters to the rank of Fire Engineer. Congratulations are due to Brian Harrington, Matt Harris, Darren Jones (former Airport employee), Vince Lombardi, and Raul Pantoja.
- Fire and Operations are coordinating the upgrade and updating of the EMS mass casualty trailers. Many supplies carried on the trailers are out of date and will be replaced.

**Monterey Fire Department**

**Incident Type Report (Summary)**

**Alarm Date Between {01/01/2016} And  
{01/31/2016} and Station = "6"**

<b>Incident Type</b>	<b>Count</b>	<b>Pct of Incidents</b>	<b>Total Est Loss</b>	<b>Pct of Losses</b>
<b>3 Rescue &amp; Emergency Medical Service Incident</b>				
321 EMS call, excluding vehicle accident with injury	6	27.27%	\$0	0.00%
322 Motor vehicle accident with injuries	1	4.55%	\$0	0.00%
324 Motor Vehicle Accident with no injuries	3	13.64%	\$0	0.00%
	<b>10</b>	<b>45.45%</b>	<b>\$0</b>	<b>0.00%</b>
<b>4 Hazardous Condition (No Fire)</b>				
444 Power line down	1	4.55%	\$0	0.00%
462 Aircraft standby	1	4.55%	\$0	0.00%
	<b>2</b>	<b>9.09%</b>	<b>\$0</b>	<b>0.00%</b>
<b>5 Service Call</b>				
551 Assist police or other governmental agency	1	4.55%	\$0	0.00%
	<b>1</b>	<b>4.55%</b>	<b>\$0</b>	<b>0.00%</b>
<b>6 Good Intent Call</b>				
611 Dispatched & cancelled en route	2	9.09%	\$0	0.00%
622 No Incident found on arrival at dispatch address	2	9.09%	\$0	0.00%
	<b>4</b>	<b>18.18%</b>	<b>\$0</b>	<b>0.00%</b>
<b>7 False Alarm &amp; False Call</b>				
743 Smoke detector activation, no fire - unintentional	1	4.55%	\$0	0.00%
745 Alarm system activation, no fire - unintentional	4	18.18%	\$0	0.00%
	<b>5</b>	<b>22.73%</b>	<b>\$0</b>	<b>0.00%</b>
<b>Total Incident Count:</b>	<b>22</b>		<b>Total Est Loss:</b>	<b>\$0</b>

**TO:** Michael La Pier, Executive Director, Monterey Peninsula Airport District  
**FROM:** Jerry Merritt, District Auditor/Controller  
**SUBJ:** Financial Summary for December & Fiscal Year 2016

**BACKGROUND.** The Financial Summary for December 2015 (the sixth period of Fiscal Year 2016) is summarized by the following documents:

- **Graphic Comparison – Actual Operating Revenue & Actual Operating Expense**
- **Airport District Operating Statistics & Financial Performance**
- **Sources / Uses of Cash**
- **Capital Expenditures**

**SUMMARY.** In December, operating revenue was above plan by \$8,912 (1%). Terminal concessions, rental car concessions, Taxi permits & trip fees, TNC permits & trip fees, GA landing fees, light GA, non-aviation and interest on investments were above plan.

In December, GA operations were 10% lower than in November 2015, but 61.1% higher than December 2014; GA Operations were 49.7% higher FYTD. GA landing fees remain above plan.

Commercial aeronautical fees, TCP operator permits, parking concession, fuel flowage fees and other operating revenue were below plan.

There were thirty-two (32) cancelled commercial flights in December, causing commercial aeronautical fee and parking concession revenue to be below plan. The loss of commercial airline passengers had a negative effect on parking concessions. Despite fewer commercial flights, rental car, restaurant and gift shop concession revenue exceeded expectations.

Fiscal year-to-date operating revenue was \$36,042 (or 1%) above plan at December 31, 2015 and is due to above plan GA landing fees and one-time SB 90 reimbursements.

OPERATING REVENUE							
DECEMBER 2015 ACTUAL	DECEMBER 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 744,232	\$ 735,320	\$ 8,912	1%	\$ 4,336,180	\$ 4,300,138	\$ 36,042	1%

In December, operating expense was below plan by \$21,108 (-3%); phasing is the primary cause (planned expenses have been purposely postponed). FYTD operating expense was

below plan by -8% or \$323,029; some of this positive variance will erode as the fiscal year progresses.

OPERATING EXPENSE							
DECEMBER 2015 ACTUAL	DECEMBER 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 611,272	\$ 632,380	\$ 21,108	-3%	\$ 3,795,849	\$ 4,118,878	\$ 323,029	-8%

Net income for December was 29% or \$30,019 above plan; FYTD net income was \$359,071 (198%) above plan; both due to operating expense being below plan, above plan FYTD operating revenue also contributed.

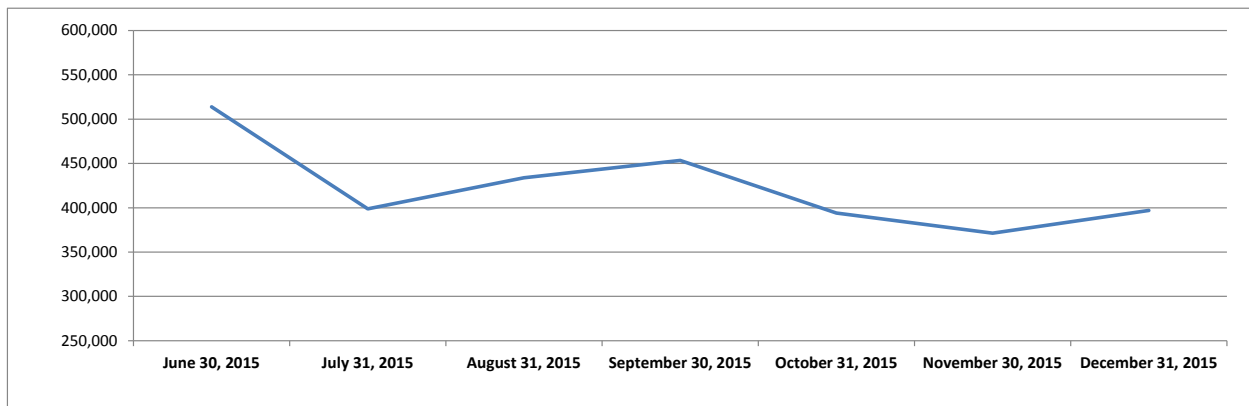
OPERATING INCOME / (LOSS)							
DECEMBER 2015 ACTUAL	DECEMBER 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 132,959	\$ 102,940	\$ 30,019	29%	\$ 540,331	\$ 181,260	\$ 359,071	198%

The net change in operating cash position for December was a positive \$83,571; FYTD net change was a positive \$1,248,415; this is attributable to operating expense being below plan and operating revenue being above plan. Nearly \$1million of this was an FAA reimbursement and has been moved into the District's investments.

**ACCOUNTS RECEIVABLE.** The accounts receivable balance on December 31, 2015, was \$397,039. This balance is 6.9% higher than the balance on November 30, 2015 and 22.7% lower than the balance on June 30, 2015.

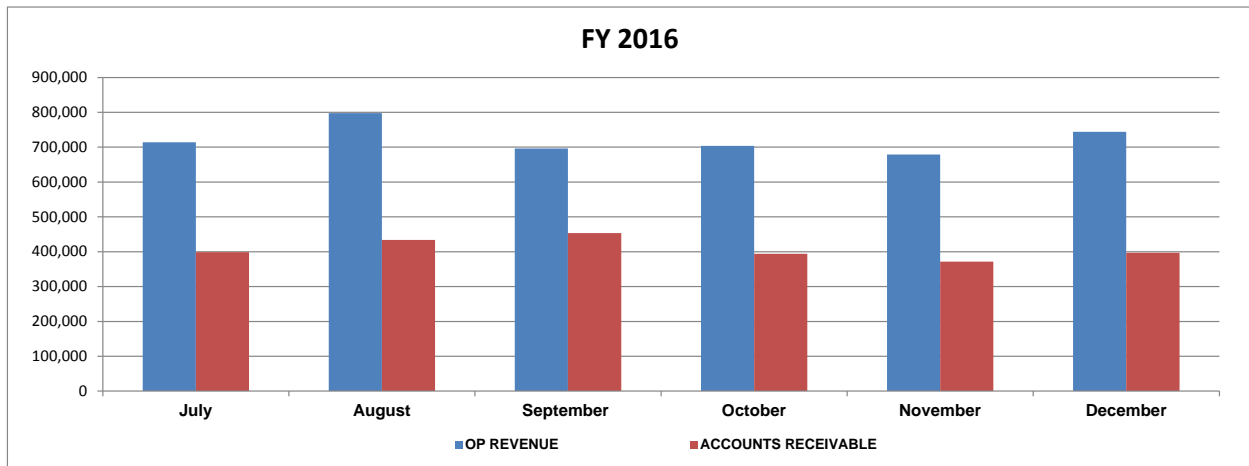
Of the accounts receivable balance, \$14,962 or 3.8% was over 60 days old. Chart 1 depicts the accounts receivable balances by month.

**Chart 1**



Under normal circumstances, the balance of accounts receivable at month-end will align with the dynamic (variable) operating revenue in that month, such as landing fees, fuel flowage fees, concession-based revenues, passenger facility charges (PFC). Typically, accounts receivable balances will span a range from \$350,000 to \$550,000, depending on the District's business cycle. We have a cyclic high in August; a cyclic low in January. Compared to November, December operating revenue increased 9.6%; compared to October, December operating revenue increased 5.8%. Chart 2 graphically presents the monthly comparison of operating revenues to accounts receivable.

**Chart 2**



**INVESTMENTS.** The investments balance on November 30, 2015 was \$3,255,911; the investments balance on December 31, 2015 was \$3,258,678.

Chart 3 graphically presents the monthly balances of investments.

**Chart 3**

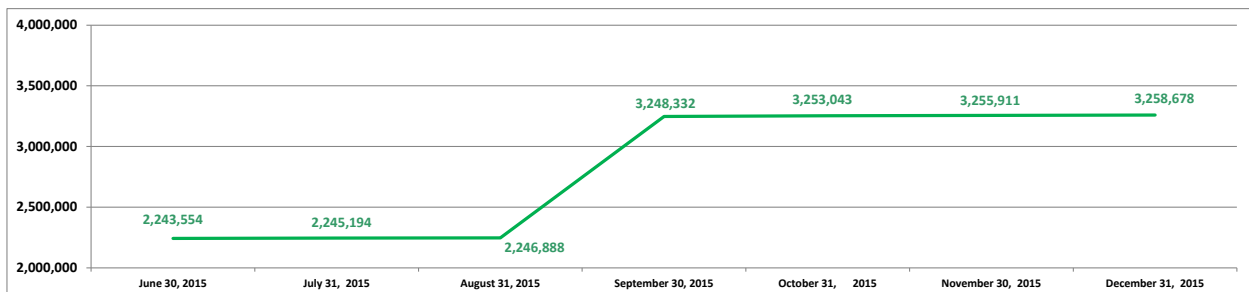
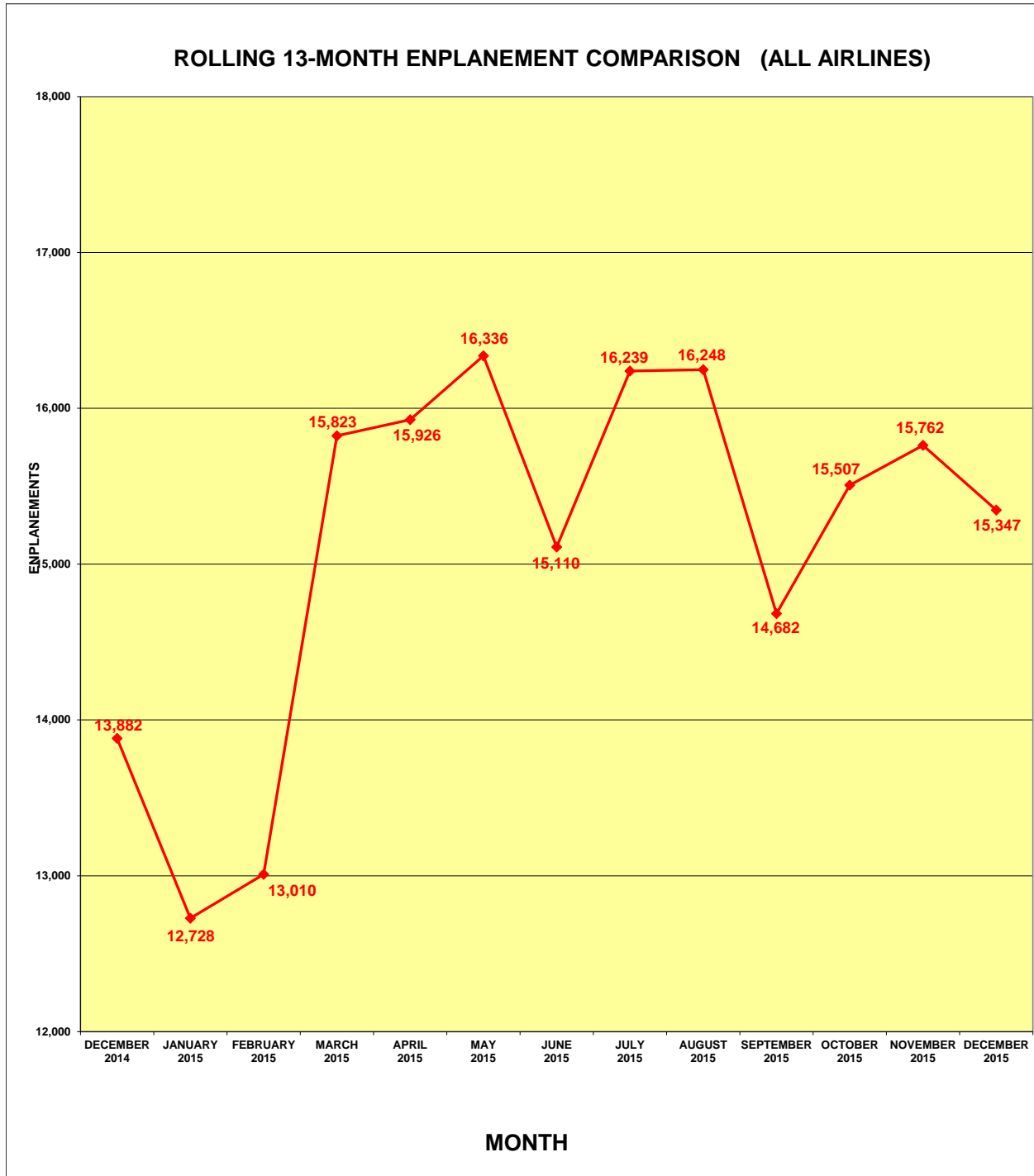
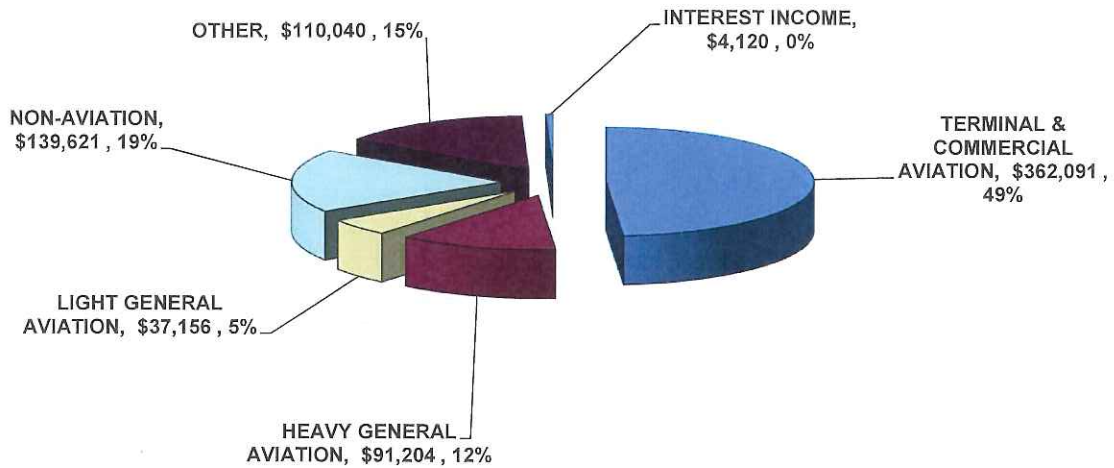


Chart 4 presents a rolling 13-month display of total enplanements which mimics the business cycle of the District. When compared to November 2015, December 2015 enplanements decreased 2.6%. When compared to December 2014, December 2015 enplanements increased 10.6%.

**Chart 4**

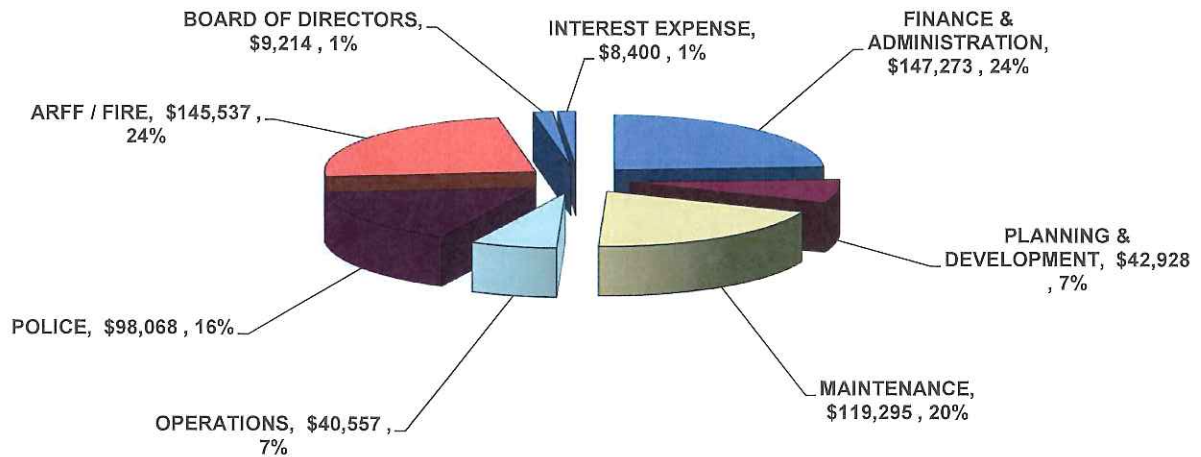


## DECEMBER 2015 OPERATING REVENUE



TOTAL OPERATING REVENUE: \$744,232

## DECEMBER 2015 OPERATING EXPENSE

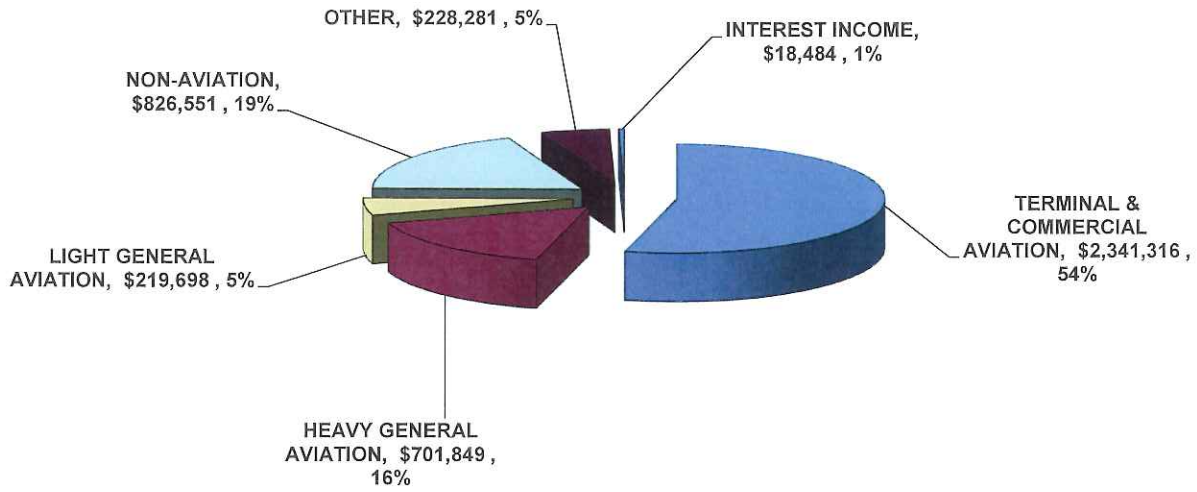


TOTAL OPERATING EXPENSE: \$611,272



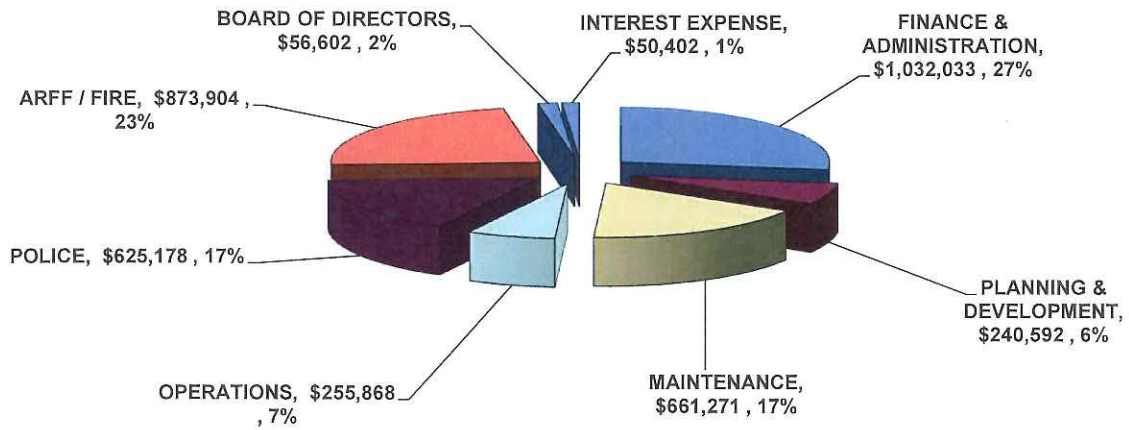
Monterey Peninsula Airport District

FY 2016 (July 15 - Dec 15) YTD OPERATING REVENUE



TOTAL OPERATING REVENUE: \$4,336,180

FY 2016 (July 15 - Dec 15) YTD OPERATING EXPENSE



TOTAL OPERATING EXPENSE: \$3,795,849

# AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY

December 31, 2015

OPERATING STATISTICS	DECEMBER 15		DECEMBER 14	YTD FY 16		YTD FY 15		
<b>AIRPORT ACTIVITY</b>								
Air Carrier Landings <sup>1</sup>	313	352	-11%	352	1,956	2,178	-10%	2,398
Passengers (emp/dep)	29,389			26,872	185,671			186,643
Total Cargo (in pounds)	111,123			107,182	553,370			556,854
<b>AIRCRAFT OPERATIONS</b>								
Commercial	1,060			1,009	7,538			7,265
General Aviation	3,355			2,082	25,945			17,332
Military	220			202	2,276			1,032
<b>TOTAL AIRCRAFT OPERATIONS</b>	<b>4,635</b>			<b>3,293</b>	<b>35,759</b>			<b>25,629</b>
<b>VEHICLE EXIT COUNT</b>								
Upper Short Term (1) Lot	2,090			2,133	12,725			12,716
Long Term (2) Lot	2,009			2,020	12,465			12,849
Lower Short Term (3) Lot	6,751			6,080	39,228			39,219
<b>TOTAL VEHICLE EXIT COUNT</b>	<b>10,850</b>			<b>10,233</b>	<b>64,418</b>			<b>64,784</b>

<sup>1</sup>Cancelled Flights: December = 32 (3 - Alaska / 0 - Allegiant / 7 - American / 22 - United Express); FYTD = 175 (12 - Alaska / 0 - Allegiant / 47 - American / 116 - United Express)

FINANCIAL INFORMATION	DECEMBER 15	DECEMBER 15		DECEMBER 14	YTD FY 16	YTD FY 16		YTD FY 15
	ACTUAL	BUDGET	%	ACTUAL	ACTUAL	BUDGET	%	ACTUAL
<b>OPERATING REVENUE</b>								
<b>TERMINAL</b>								
CA Landing, Apron & RON Fees	56,525	59,095	-4%	54,827	346,368	371,395	-7%	349,924
Rents	141,638	141,437	0%	143,044	848,124	845,213	0%	852,391
TCP Operator Permits	633	750	-16%	650	4,560	4,580	0%	4,900
Taxi Operator Permits & Trip Fees	10,263	8,566	20%	8,964	76,087	76,215	0%	80,092
TNC Permits & Trip Fees	3,519	-	100%	-	11,032	-	100%	-
Concessions	20,744	17,282	20%	17,282	86,741	78,056	11%	78,179
Rental Car	64,746	64,122	1%	64,178	582,271	571,459	2%	571,687
Parking	64,024	65,877	-3%	65,223	386,133	408,475	-5%	406,194
<b>HEAVY GENERAL AVIATION</b>								
GA Landing Fees	19,226	16,583	16%	16,583	192,283	169,988	13%	169,904
FBO Rent	56,252	56,251	0%	54,925	337,512	337,506	0%	329,550
Fuel Fees	15,726	18,918	-17%	16,381	172,055	194,267	-11%	169,351
<b>LIGHT GENERAL AVIATION</b>								
	37,156	36,713	1%	36,185	219,698	220,278	0%	216,007
<b>NON AVIATION</b>								
	139,621	133,412	5%	135,262	826,551	805,162	3%	826,417
<b>OTHER OPERATING REVENUE</b>								
	110,040	113,059	-3%	108,879	228,281	199,109	15%	196,382
<b>INTEREST INCOME</b>								
	4,120	3,255	27%	3,318	18,484	18,435	0%	19,594
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 744,232</b>	<b>\$ 735,320</b>	<b>1%</b>	<b>\$ 725,701</b>	<b>\$ 4,336,180</b>	<b>\$ 4,300,138</b>	<b>1%</b>	<b>\$ 4,270,572</b>
<b>OPERATING EXPENSE</b>								
Finance & Administration	147,273	157,288	-6%	166,170	1,032,033	1,096,844	-6%	1,073,938
Planning & Development	42,928	40,078	7%	33,194	240,592	260,107	-8%	173,625
Maintenance & Custodial Services	119,295	113,236	5%	123,555	661,271	777,551	-15%	682,436
Airport Operations	40,557	42,286	-4%	41,890	255,868	292,054	-12%	249,325
Police Department	98,068	114,858	-15%	107,752	625,178	695,453	-10%	631,936
ARFF /Fire Services	145,537	146,053	0%	144,386	873,904	888,758	-2%	868,492
Board of Directors	9,214	10,181	-9%	8,981	56,602	57,709	-2%	133,141
Interest Expense	8,400	8,400	0%	9,405	50,402	50,402	0%	56,430
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 611,272</b>	<b>\$ 632,380</b>	<b>-3%</b>	<b>\$ 635,334</b>	<b>\$ 3,795,849</b>	<b>\$ 4,118,878</b>	<b>-8%</b>	<b>\$ 3,869,323</b>
<b>OPERATING INCOME / (LOSS)</b>	<b>\$ 132,959</b>	<b>\$ 102,940</b>	<b>29%</b>	<b>\$ 90,368</b>	<b>\$ 540,331</b>	<b>\$ 181,260</b>	<b>198%</b>	<b>\$ 401,250</b>
<b>DISTRICT CAPITAL EXPENDITURES</b>	<b>\$ 25,737</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>\$ (849,987)</b>	<b>\$ 263,380</b>	<b>-422.7%</b>	<b>\$ 43,744</b>
<b>DEBT SERVICE - PRINCIPAL ONLY</b>	<b>\$ 23,833</b>			<b>\$ 22,667</b>	<b>\$ 143,000</b>			<b>\$ 136,000</b>

**MONTEREY PENINSULA AIRPORT DISTRICT**

	FY 2016 DECEMBER 2015 ACTUAL	FY 2016 YEAR-TO-DATE ACTUAL
<b>SOURCES AND USES OF CASH -- OPERATIONS</b>		
<b>SOURCES OF CASH</b>		
CASH RECEIVED - OPERATING REVENUE	\$ 740,112	\$ 4,317,696
CASH RECEIVED - INTEREST INCOME	4,120	18,484
<b>CASH RECEIVED</b>	<b>\$ 744,232</b>	<b>\$ 4,336,180</b>
<b>USES OF CASH -- OPERATIONS</b>		
CASH DISBURSED - OPERATING EXPENSE <sup>1</sup>	\$ 602,689	\$ 3,744,349
CASH DISBURSED - DEBT SERVICE (BOND INTEREST EXPENSE) <sup>2</sup>	8,400	50,402
CASH DISBURSED - DEBT SERVICE (PRINCIPAL REDUCTION) <sup>2</sup>	23,833	143,000
<b>CASH DISBURSED</b>	<b>\$ 634,923</b>	<b>\$ 3,937,751</b>
<b>CHANGE IN CASH POSITION FROM OPERATIONS &amp; DEBT SERVICE</b>	<b>\$ 109,309</b>	<b>\$ 398,429</b>
 <sup>1</sup> Net of non-cash operating expense (OPEB)		
<sup>2</sup> Moved to Restricted Account/Disbursement will occur in December 2015 & June 2016		
<b>USES OF CASH -- CAPITAL PROGRAM</b>		
CASH DISBURSED - DISTRICT CAPITAL PROJECTS <sup>3</sup>	\$ 25,737	\$ (849,987)
<b>CASH DISBURSED</b>	<b>\$ 25,737</b>	<b>\$ (849,987)</b>
<b>CHANGE IN CASH POSITION FROM CAPITAL PROGRAM</b>	<b>\$ (25,737)</b>	<b>\$ 849,987</b>
 <sup>3</sup> District-funded capital plan for FY16		
<b>CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL &amp; DEBT SERVICE</b>	<b>\$ 83,571</b>	<b>\$ 1,248,415</b>

**Monterey Peninsula Airport District**  
**Airport Capital Improvements / Capital Expenditures**  
**December 31, 2015**

<b>Airport Improvement Programs</b>	Actual FY 2016 Current Period		Prior Fiscal Year Current Period		Actual FY 2016 Year-To-Date		Prior Fiscal Year Year-To-Date	
MPAD Expenditures	25,737.34	5.5%	0.00	0.0%	(916,580.38)	-6.5%	6,698.16	0.1%
AIP -- FAA Funded Expenditures	415,909.00	89.4%	1,406,334.25	94.8%	14,155,385.01	101.0%	12,453,040.76	94.9%
AIP -- PFC Funded Expenditures	23,596.00	5.1%	76,772.80	5.2%	783,165.76	5.6%	668,233.71	5.1%
<b>Total Capital Improvement Expenditures</b>	<b>465,242.34</b>	<b>100%</b>	<b>1,483,107.05</b>	<b>100%</b>	<b>14,021,970.39</b>	<b>100%</b>	<b>13,127,972.63</b>	<b>100%</b>

**Capital Acquisitions / Expenditures By Department**

Finance & Administration	0.00				0.00			
Planning & Development	0.00				0.00			
Maintenance & Custodial Services	0.00				66,593.83	100.0%		
Airport Operations	0.00				0.00			
Police	0.00				0.00		37,046.21	100%
ARFF / Fire	0.00				0.00			
<b>Total Capital Acquisition Expenditures</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>	<b>0%</b>	<b>66,593.83</b>	<b>100%</b>	<b>37,046.21</b>	<b>100%</b>

**Consolidated**

District Expenditures	25,737.34	5.5%	0.00	0.0%	(849,986.55)	-6.0%	43,744.37	0.3%
AIP -- FAA Funded Expenditures	415,909.00	89.4%	1,406,334.25	94.8%	14,155,385.01	100.5%	12,453,040.76	94.6%
AIP -- PFC Funded Expenditures	23,596.00	5.1%	76,772.80	5.2%	783,165.76	5.6%	668,233.71	5.1%
<b>Total Capital Expenditures</b>	<b>465,242.34</b>	<b>100%</b>	<b>1,483,107.05</b>	<b>100%</b>	<b>14,088,564.22</b>	<b>100%</b>	<b>13,165,018.84</b>	<b>100%</b>

**FY 2016 District Capital Expenses:**

2012-01 RSA - Construction - Phase 1	0.00	(964,992.44)	
2013-02 Airport Master Plan	25,737.34	51,998.34	
2015-03 Infield Safety Area Rehab - A	0.00	(3,586.28)	
2016-03 Pick-Up Truck - Maintenance	0.00	38,195.82	capitalized 11/30/15
2016-04 Pick-Up Truck - Maintenance	0.00	28,398.01	capitalized 7/31/15
	<u>25,737.34</u>	<u>(849,986.55)</u>	

**AGENDA ITEM: G**  
**DATE:** February 10, 2016

**TO:** Michael La Pier, Executive Director  
**FROM:** Mark Bautista, Deputy General Manager, Planning & Development  
**DATE:** January 29, 2016  
**SUBJ:** Planning & Development Monthly Project Report

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Attached is the current monthly Project Report for the Planning and Development Department. Highlights for January 2016 include:

- Work directed toward implementation of the Runway Safety Area (RSA) Project accomplished during the reporting period, including:
  - Compiling reports for construction completion for filing with the FAA.
  - Planning and conducting project ribbon cutting ceremony.
  - On-going RSA environmental mitigation (implementation of the Habitat Conservation & Enhancement Plan--HCEP).
  - Maintenance of the project web site on the Internet.
- Work directed toward the Airport Master Plan (AMP), including:
  - Preparation of the airport economic benefits study brochure.
  - Preparation activities for EIR scoping meeting to be held in February 2016.
  - Maintenance of the project web site on the Internet.
- Work directed toward the Wells Assessment Project, including:
  - Completion of draft Options Analysis. Draft now under review by Airport Staff.
- Work directed toward the Infields Rehabilitation Project, including:
  - Preparation of draft Environmental Assessment.
- Work directed toward assessment of Bldgs 505 & 506, including:
  - Completion of draft O & M Manual. Draft now under review by Airport Staff.
  - Package being prepared for quotes/bids for repairs.
- Work directed toward updating the Airport DBE Plan, including:
  - Updating of Airport DBE Policy (please see attached).

## POLICY STATEMENT

### Objectives/Policy Statement (Section 26.1, 26.23)

The Monterey Peninsula Airport District, (herein after identified as MPAD or the District), has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26, "Participation by Disadvantaged Business Enterprise in DOT Programs" (hereinafter referred to as Part 26). The District has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the District has signed an assurance that it will comply with 49 CFR Part 26.


All reference sections indicated within the body of this document directly correlated to the subsections found in Part 26.

It is the policy of the District to ensure that DBEs as defined in 49 CFR Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also the policy of the District:

1. To ensure nondiscrimination in the award and administration of DOT – assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in DOT assisted contracts; and
6. To assist the development of firms that can compete successfully in the market place outside the DBE Program.

Ms. Chris Morello, Grants Administrator for the District, has been delegated as the DBE Liaison Officer. In that capacity, Ms. Morello is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by the District in its financial assistance agreements with the Department of Transportation.

The District will disseminate this policy statement to the Airport Board of Directors and all organization departments. The District will distribute this statement to DBE and non-DBE business communities and organizations of disadvantaged, minority, and women businesses known to the District that perform work on DOT-assisted contracts. The policy statement shall be made available to the DBEs listed in the District's DBE directory online.

  
\_\_\_\_\_  
Michael La Pier, A.A.E.  
Executive Director

1/26/2010  
Date

FUNDING			BUDGETING				EXPENDITURES				STATUS			
PROJECT#	AIP #	PFC	Prior FY Budget	FY 2016 Budget	Post FY Budget	Total Project Budget	Spent in Prior Fiscal Years	FY 2016 Expenditures to Date	Cumulative 1/31/16	% Physical Complete	Project Name	Current Status	4 Week Look Ahead	
<b>ACTIVE FEDERALLY-FUNDED PROJECTS:</b>														
1	2012-01 and 2014-01	58, 61	10-15-C-00-MRY 11-17-C-00-MRY 13-18-C-00-MRY 14-19-C-00-MRY	\$31,973,875	\$19,104,934	\$0	\$51,078,808	\$31,973,875	\$18,338,731	\$50,312,605	99%	<b>RSA Runway 10R/28L - Construction; Phase 1 and 2</b>	Project construction is complete.	Several reports required for FAA funding are underway for the close out of actual construction and the first RSA grant. On-going environmental mitigation will continue during the reporting period and thereafter.
2	2013-02	59	13-18-C-00-MRY	\$842,341	\$252,639	\$0	\$1,094,980	\$842,341	\$285,968	\$1,128,309	98%	<b>Airport Master Plan</b>	The Initial Study for CEQA compliance has been completed. Airport has filed a pre-application with the FAA for funding of a NEPA Environmental Assessment in FY 16.	Scoping meeting for the CEQA EIR has been scheduled for February 3, 2016 at 2:00 pm. This will close out AMP efforts until an FAA grant is received for the NEPA EA.
3	2015-03	62	Unk.	\$0	\$825,000	\$269,980	\$1,094,980	\$0	\$39,901	\$39,901	5%	<b>Airport Infield Safety Area Rehabilitation-Part A</b>	The NEPA Environmental Assessment (EA) is underway.	Data gathering for the EA will continue through the reporting period.
<b>OTHER GRANT FUNDED PROJECTS:</b>														
4	N/A	N/A	N/A	\$0	\$30,000	\$0	\$30,000	\$0	\$14,500	\$14,500	95%	<b>Wells Assessment Project-Options Analysis</b>	Options Analysis is underway.	Draft Options Analysis is under review by Airport Staff.
<b>ACTIVE DISTRICT-FUNDED PROJECTS:</b>														
5	N/A	N/A	N/A	\$96,175	\$2,825	\$0	\$99,000	\$96,175	\$0	\$96,175	n/a	<b>FWSS Mitigation Land Restoration</b>	Preparation and planting is complete at the off-airport site.	Monitoring will continue through FY 2017.

**TO:** Monterey Peninsula Airport District Board of Directors  
**FROM:** Michael La Pier, Executive Director  
**SUBJ:** Resolution No. 1655, A Resolution Amending Resolution No. 1640 A Resolution Authorizing and Approving the Fiscal Year 2016 Salary Schedule Listing Salary Ranges and Pay Steps for the Monterey Peninsula Airport District

**BACKGROUND.** Pursuant to public law, the Board is required to annually approve the schedule listing salary ranges and pay steps for District positions. This resolution amends the adopted FY 2016 Salary Schedule authorized and created by Resolution No. 1640, adopted on June 17, 2015.

To reflect the contract between Police Chief Jeff Hoyne and the Monterey Peninsula Airport District, ratified by the Board of Directors of the Monterey Peninsula Airport District at the Regular Meeting on January 13, 2016, the FY16 salary schedule must be modified to reflect the contractually set annual pay rate for Chief Hoyne. The contractual pay rate was effective on January 16, 2016.

**SCOPE.** The changes to the FY 2016 Salary Schedule are shown below.

The currently adopted FY 2016 Salary Schedule:

EFFECTIVE: JULY 1, 2015									
PER CONTRACT									
EXECUTIVE DIRECTOR	ANNUAL								185,000
PAY STEPS: ANNUAL, MONTHLY & HOURLY -- FULL-TIME & PART-TIME									
	STEP	1	2	3	4	5	6	7	
GENERAL MANAGER	ANNUAL	145,728	151,560	157,620	163,944	170,508	177,324	184,404	
	PER MONTH	12,144	12,630	13,135	13,662	14,209	14,777	15,367	
	PER HOUR	70.06	72.87	75.78	78.82	81.98	85.25	88.66	
CUSTODIAN	ANNUAL	34,716	36,204	37,656	39,120	40,572	42,036	43,488	
	PER MONTH	2,893	3,017	3,138	3,260	3,381	3,503	3,624	
	PER HOUR	16.69	17.41	18.10	18.81	19.51	20.21	20.91	
POLICE CHIEF	ANNUAL	96,948	99,864	102,852	105,936	109,116	112,392	115,776	
	PER MONTH	8,079	8,322	8,571	8,828	9,093	9,366	9,648	
	PER HOUR	46.61	48.01	49.45	50.93	52.46	54.03	55.66	
POLICE LIEUTENANT	ANNUAL	93,672	95,604	96,372	97,728	99,096	100,440	101,796	
	PER MONTH	7,806	7,967	8,031	8,144	8,258	8,370	8,483	
	PER HOUR	45.03	45.96	46.33	46.98	47.64	48.29	48.94	



The amended FY 2016 Salary Schedule:

EFFECTIVE: JANUARY 16, 2016									
<b>PER CONTRACT</b>									
EXECUTIVE DIRECTOR	ANNUAL								185,000
POLICE CHIEF	ANNUAL								135,000
<b>PAY STEPS: ANNUAL, MONTHLY &amp; HOURLY -- FULL-TIME &amp; PART-TIME</b>									
	STEP	1	2	3	4	5	6	7	

CUSTODIAN	ANNUAL	34,716	36,204	37,656	39,120	40,572	42,036	43,488
	PER MONTH	2,893	3,017	3,138	3,260	3,381	3,503	3,624
	PER HOUR	16.69	17.41	18.10	18.81	19.51	20.21	20.91
POLICE LIEUTENANT	ANNUAL	93,672	95,604	96,372	97,728	99,096	100,440	101,796
	PER MONTH	7,806	7,967	8,031	8,144	8,258	8,370	8,483
	PER HOUR	45.03	45.96	46.33	46.98	47.64	48.29	48.94

**IMPACT ON OPERATING REVENUE.** None.

**IMPACT ON OPERATING EXPENSE.** Total additional operating expense that will be recognized in FY16 is less than \$10,650.

**IMPACT ON OPERATIONS.** None.

**STRATEGIC PLAN.** Not Applicable.

**RECOMMENDATION.** Adopt Resolution No. 1655, A Resolution Amending Resolution No. 1640 A Resolution Authorizing and Approving the Fiscal Year 2016 Salary Schedule Listing Salary Ranges and Pay Steps for the Monterey Peninsula Airport District

**RESOLUTION NO. 1655**

**A RESOLUTION AMENDING RESOLUTION NO. 1640 A RESOLUTION AUTHORIZING AND APPROVING THE FISCAL YEAR 2016 SALARY SCHEDULE LISTING SALARY RANGES AND PAY STEPS AS ATTACHED**

**WHEREAS**, the Monterey Peninsula Airport District and Police Chief Jeff Hoyne have executed an employment agreement that was effective January 16, 2016, and

**WHEREAS**, the Agreement provides for an annual salary amount set by that agreement, an annual salary amount different than the adopted salary schedule for FY 2016,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** The compensation of all employees of the Monterey Peninsula Airport District as set forth and prescribed in the 2016 Amended Salary Schedule, Listing Salary Ranges and Pay Steps as amended is hereby approved and adopted. A copy of said schedule is attached hereto and made a part thereof by reference as though the same were set forth in full herein.

**AND BE IT FURTHER RESOLVED:** That there be filed in the office of said District, said Salary and Pay Step Schedule in accordance with public law and designated "Monterey Peninsula Airport District Fiscal Year 2016 Amended Salary Schedule", listing salary ranges and pay steps.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 10<sup>th</sup> day of February, 2016, by the following roll call vote:

<b>AYES:</b>	<b>DIRECTORS:</b>
<b>NOES:</b>	<b>DIRECTORS:</b>
<b>ABSTAIN:</b>	<b>DIRECTORS:</b>
<b>ABSENT:</b>	<b>DIRECTORS:</b>

Signed this 10<sup>th</sup> day of February, 2016

Mary Ann Leffel, Chair

ATTEST

Michael La Pier, A.A.E.  
Executive Director

**AGENDA ITEM:** H-3  
**DATE:** February 10, 2016

**TO:** Board of Directors  
**FROM:** Michael La Pier, Executive Director  
**SUBJECT:** Broker of Record – Group Health Insurance

**BACKGROUND.** The District was notified by CalPERS that the premium for the health insurance benefit provided to all employees has increased by 23% for calendar year 2016. This increase raises the actual calendar year 2016 premium by over \$60,000.00 from \$403,372 in CY 2015 to \$463,558 for CY 2016. In addition, CY 2017 premiums are forecast to increase by over \$55,000 from the CY 2016 actual. At present, premiums are shared between the District and the employees on an 80/20 basis.

Recognizing the importance of providing health insurance coverage for all employees while working to reduce the impact of these significant increases for the District and the employees, we have begun the process of exploring alternative coverage providers. With that in mind, I met with Mr. Howell Southmayd of Keenan Associates regarding opportunities for the District through a Joint Powers Authority, MCSIG/PACE, administered by Keenan. The JPA was first established in 1982 and was created to operate and maintain health benefit programs primarily for municipalities, colleges and schools. In 2012 the JPA elected to expand its offerings to include special districts as well.

After meeting with and listening to Mr. Southmayd, I requested he provide me with a full quote for comparison. In order to provide that quote with a high level of accuracy, we mutually agreed that it would be most efficient if Mr. Southmayd acted as our Broker of Record with the current insurance provider in order to have access to all pertinent information needed to fully assess the needs of the District and its employees.

A Broker of Record agreement was prepared by Mr. Southmayd and provided to the Executive Director for review. This agreement has also been provided to District Legal Counsel for review and comment. The agreement is cancellable at any time should the quote received from the JPA/MCSIG/PACE through Keenan be found of no benefit to the District or a decision to not accept the quote be determined.

A copy of a presentation prepared by Keenan and provided to me by Mr. Southmayd is attached to this document.

**STAFF ANALYSIS.** While the current insurance increase is unavoidable given its timing, we have the opportunity to thoroughly explore our options between now and June 2016. Notification to CalPERS of our intent to withdraw from our current arrangement is required by June 2016 to be effective January 1, 2017.

**SOURCE OF FUNDS.** None.

**IMPACT ON REVENUES.** None.

**IMPACT ON OPERATIONS.** None.

**CONTINGENCY.** None.

**RECOMMENDATION.** The District Board of Directors should authorize the execution of the Broker of Record Agreement with Keenan Associates for the sole purpose of allowing Keenan to access accurate records in order to provide the District with the most accurate quote possible for its group health insurance as well as associated vision and dental insurance for CY 2017.



# Monterey Regional Airport Scope of Services

January 20, 2016

# Slide Overview

- What is the Municipalities, Colleges and Schools Insurance Group (MCSIG) JPA
- MCSIG At-A-Glance
- PACE MCSIG Program
- MCSIG 6 ½ -Year Rate Renewal History
- Benefits to Consider
- Benefits to Employees
- Embracing Wellness
- Value Added Services

# PACE/MCSIG

- MCSIG is a Joint Powers Authority (JPA) first established in 1982. This JPA was created to operate and maintain health benefit programs that will mutually benefit the members using the principals of collectively pooled underwriting, risk sharing shared expenses, health management and cost containment purposes.
- MCSIG now offers employee benefits to more than 40 employers and 5,000 subscribers.
- Keenan has been MCSIG's consultant since program inception.
- Keenan's Municipality pool, the Public Agency Coalition Enterprise (PACE), was established January 2012 and has become 1 of 4 purchasing pools within the MCSIG JPA effective July 1, 2015.

# PACE/MCSIG At-A-Glance

- Serving California Public Entities since 1982
- Providing services to 40+ employer groups
- Currently provides a variety of Anthem and Kaiser medical plan options
- Flexible rate structures
- Additional ancillary programs available for members
- Entity will have representation on the PACE JPA Board
- Eligibility, billing and on-line open enrollment through BenefitBridge



# PACE/MCSIG Program

- PACE JPA for special districts and municipalities
- PACE will aggregate the claims experience for all special districts and municipalities

# MCSIG 6 ½ -Year Rate Renewal History

Year	PPO	EPO
2010-11	-4.36%	
2011-12	1.00%	
2012-13	8.27%	
2013-14	9.08%	New plan added
2014-15 (18 month)	2.00%	2.00%
2016	5.00%	5.00%
6.5-Rate Average	3.23%	
	Anthem Blue Cross trend is 8%	

# PACE/MCSIG JPA – Benefits to Consider

- Plans Available
  - 10+ plan options available
- Premium Costs of the Plans
  - Competitive rates including health insurance, premier services, extensive wellness and life insurance
- Benefits to Employees (next slide)
- Benefits to Retirees
  - Early Retirees enjoy the same rates as the actives
  - Medicare Retires have access to 20+ benefit options
- Benefits to Monterey Regional Airport
  - Participation in a stable group with great benefits, while continuing local representation and local control

# Benefits to Employees

- Online enrollment available
- Voluntary plans available to employees and retirees
- Robust Wellness program



***BenefitBridge*** has become a major Online Benefits Administration Platform with 250 Public Agencies covering 500,000 members using ***BenefitBridge*** today

### Benefits to the Employer

- Consolidated Billing and Eligibility
- Premium/Enrollment Auditing
- On-Demand Reporting Capabilities (i.e. Overage Dependent Reports)
- Integration with Carrier Membership Systems
- Electronic Enrollment/Re-Enrollment

### Benefits to the Member

- Electronic Enrollment/Re-Enrollment
- Online Plan Comparison Tools to Understand All Benefits
- Life Event Planning Support
- Online Wellness Options
- Retirement Planning Tools

rgowen | Logout | Help | Contact | Site Map

CITY OF OAKLAND

Home | Benefits | Enrollment | Health Care Reform | Health & Wellness | Resources | Retirement

Welcome BABE RUTH

**Enrollment Center**

- Review Carrier Offerings
- Review Current Benefits
- Compare Plan Designs

**Enroll in All Benefits**

Begin Life  
Event Enrollment

**My Info**

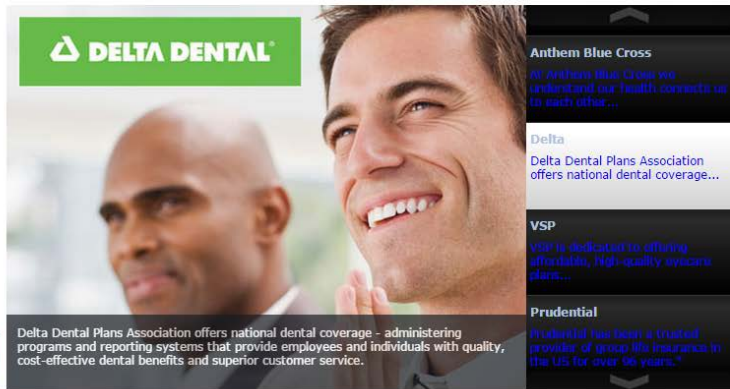
BABE RUTH  
test6666@keen.com

**Announcements**

NEED HELP GETTING STARTED?

**Employee Shortcuts**

- Change Password/Email
- Resource Library
- Contacts



**DELTA DENTAL**

**Anthem Blue Cross**  
At Anthem Blue Cross we understand our health connects us to each other...

**Delta**  
Delta Dental Plans Association offers national dental coverage...

**VSP**  
VSP is dedicated to offering affordable, high-quality eyecare plans...

**Prudential**  
Prudential has been a trusted provider of group life insurance in the US for over 96 years.

**Open Enrollment Ends:**

**in 14 Days**

(Jul 29, 2015 11:59 PM)

**Hospitals**

- Compare Hospitals
- Compare Hospitals (Spanish)

**KNOW**

**What to Do About the Flu**

[www.flu.gov](http://www.flu.gov)

Do you have a Dependent turning **26**?

Dependents **26 years old and over** may not be covered by your health plan.

For Individual Health Insurance Options for an adult dependent, CLICK HERE

**Core Benefits**

Benefit	Carrier	Plan	Covered
Medical	ANTHEM BLUE CROSS	Anthem-PPO Active	BABE RUTH SPOUSE RUTH
Dental	DELTA DENTAL OF CALIFORNIA	Delta Dental-DHMO High Active	BABE RUTH SPOUSE RUTH
Vision	VISION SERVICE PLAN	VSP-High Active	BABE RUTH SPOUSE RUTH

- Benefits Administration system
- Provide employee communications and online enrollment
- Supports new hire, life event and open enrollment changes


rgowen | Logout | Help | Contact | Site Map

CITY OF OAKLAND

Home | Benefits | **Enrollment** | Health Care Reform | Health & Wellness | Resources | Retirement

Enroll | Details & Comparison | Instructions

Welcome BABE RUTH

**Personal Information**  **Personal Information**

Dependents

Benefits

Optional

Review

10%

Next Step >>

Make Changes

✔ Select "Make Changes" to update your Phone number or Email address. For all other updates, please contact your Human Resources Department.

<b>First Name:</b> BABE	<b>Middle Name:</b>	<b>Last Name:</b> RUTH	<b>Suffix:</b>
<b>Address:</b> 123 MAIN ST			
<b>City:</b> CASTROVILLE	<b>State:</b> CA	<b>Zip Code:</b> 95012	
<b>Home Phone:</b> (555) 555-5555	<b>Email Address:</b> test6666@keenan.com		
<b>Birth Date:</b> 1/1/1990	<b>Age:</b> 25	<b>Gender:</b> MALE	

- Sample enrollment screen
- Employees validate information and make changes as necessary

# Embracing Wellness

- Healthy Lifestyle Program
  - Cash Rewards up to \$500 annually
- WellSuite – Wellness educational tool
  - Classes, Monthly Health Challenges, Health Articles
- Chronic Condition Care-graduation bonus \$200
- Gym Membership Discounts
- Weight Loss Subsidies
- WellSteps



# Value Added Services – PACE/MCSIG

- Bridge Health Surgery Management Program
  - optional program that reimburses deductibles and copayments for certain conditions
- Anthem Programs
  - 360 ConditionCare – chronic illness management
  - Nurseline available 24/7
  - Live Health Online available 24/7
- TelaDoc Telemedicine – available 24/7
- CastLight Health – mobile phone/tablet access 24/7
- COBRA Services – local customer service representatives

# Keenan Approach, Ideas and Deliverables

# Our Approach

- Specialized knowledge of our niche market segments
- Listening to the needs of our customers – building a long-term relationship
- Identifying how to cost effectively meet those needs
- Finding the right answer to the right questions
  - Health Care Reform compliance
  - Employee benefits questions

# Keenan

## Companies

## Principal Market Segment and Services

*Keenan*  
*Associates*

950+ Public Agency Clients

*Keenan*  
*HealthCare*

117 Healthcare Clients

*Keenan*  
*Financial Services*

385 Financial Services Clients

# An Overview of Our Company

- Keenan has been serving California public agencies for 42 years
- More than 950 California Public Agency clients
- 650 employees, 9 offices statewide staffed to offer daily individual and personal service to an agency and its employees
- Privately held; employee owned
- Enables Keenan to take a long term approach
- Built to exclusively serve the insurance and consulting needs of California public agencies
- **A commitment to innovation**

# Innovation is the Key to Reducing the Cost of Employee Benefits

- Options for Monterey Regional Airport to consider
  - PACE Anthem Medical JPA
    - Anthem full service network
    - Average rate increase 3.2% over a 6 year period
    - Wellness incentives paid to city employees by the JPA
    - Online enrollment and eligibility
  - Personal Choices - Customized employee benefits website
  - Exclusive, private label Ancillary plans
    - Life, AD&D Disability preferred rates and benefits
    - Keenan – Municipal Services Authority Delta Dental JPA plan

# Innovation is the Key to Reducing the Cost of Employee Benefits

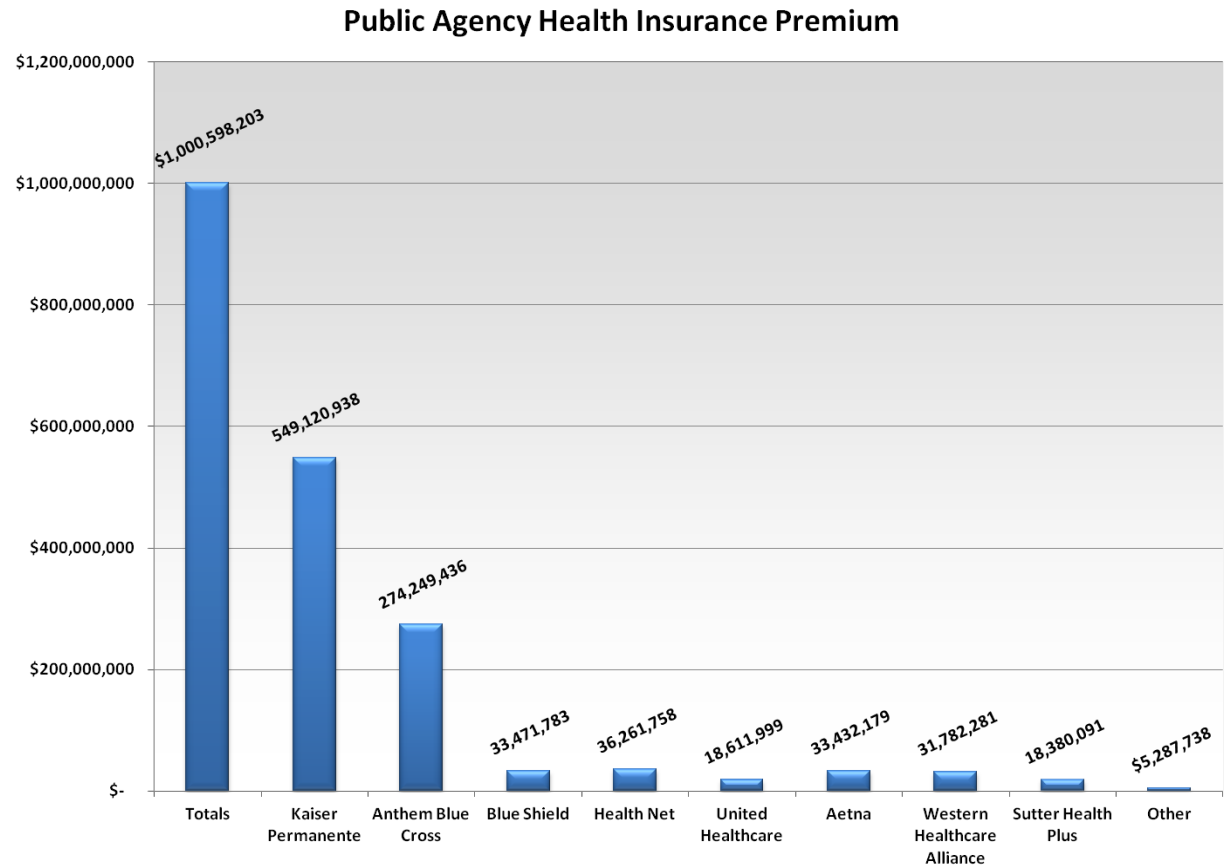
- Options for Monterey Regional Airport to consider
  - American Fidelity Voluntary Benefits plans
    - Section 125 “Cafeteria Plan” Flexible Spending Account and ongoing administration offered at no charge
    - Plan Document complies with federal and state regulations and will be submitted in response to an audit
  - Wellness programs to reduce medical claims and realize lower medical premiums over time

# Marketshare Matters

## When Negotiating Health Insurance with Carriers

*Keenan Represents the Largest Book of California Public Agency Health Insurance Premiums*

- \$1 Billion of California Public Agency Health Insurance Premium.

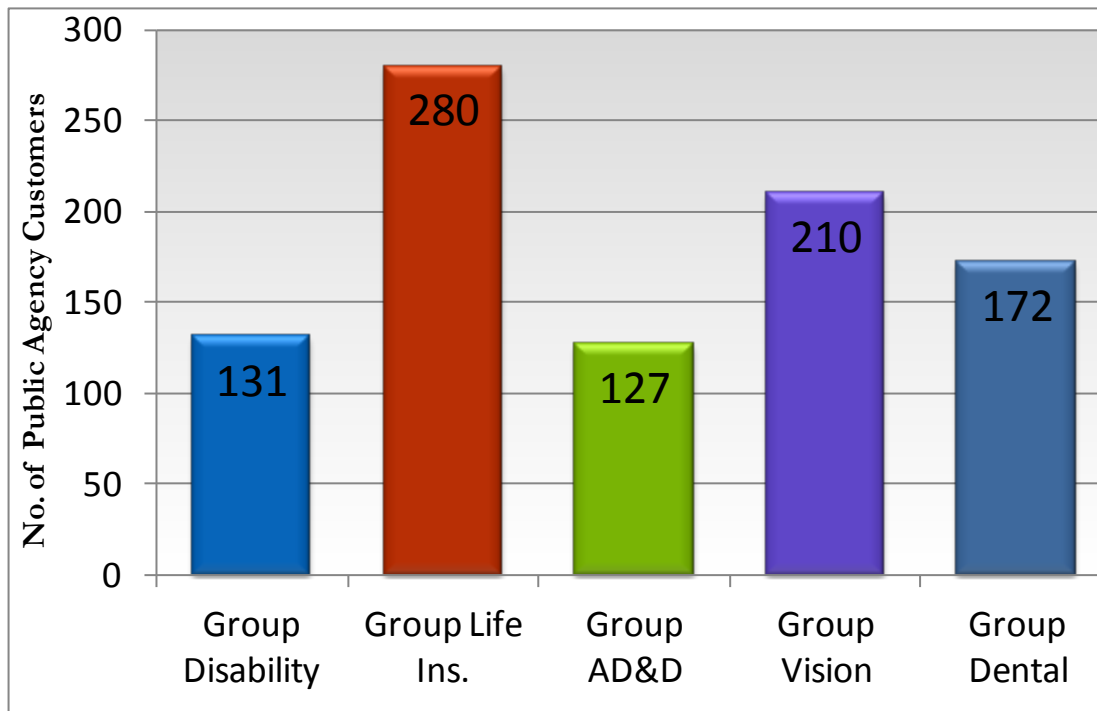




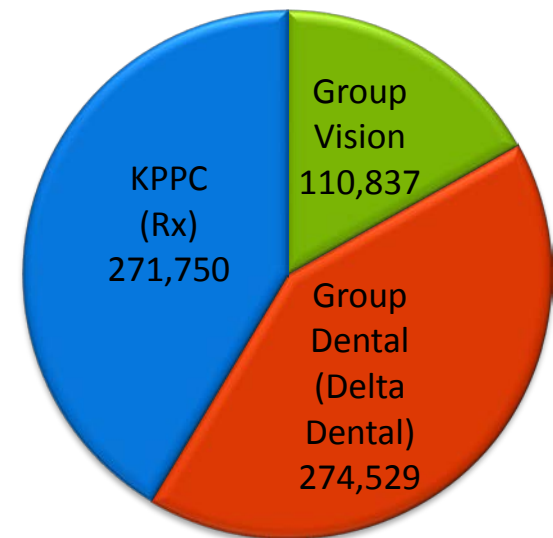
# Public Agency Market Leadership

## Keenan's Public Agency Ancillary Insurance Book of Business

In Force Public Agency Clients



In Force Covered Members:  
Keenan's Pharmacy, Vision, & Dental  
Program Membership Distribution



# Keenan Ongoing Service & Support

# Ongoing Service and Support

- In depth marketing of benefit plans including Medical, Dental, Vision, EAP, Life and Disability plans as requested resulting in
  - Cost reductions while offering the same or enhanced benefits
  - More competitive renewals from enforce carriers
- Participation in benefit committee meetings
- Communication and enrollment assistance
- Review of all carrier contracts, certificates, summary plan descriptions (SPDs) and evidence of coverage (EOCs)
- Provide assistance with benefit issues and questions

# Education and Training

- Tracking of federal and state legislation and regulation
- Health Care Reform – education, implementation timeline and tools
- Regular briefings from Keenan’s legal resources to inform clients of new laws that may impact them

# Added Value

- Proprietary Keenan Health Care Reform website
- HR Reference Room
- Regularly updated COBRA administration manual
- HIPAA compliance resource center
- Annual federal compliance update letter
- Preferred pricing on all Keenan Financial Services products, including Irrevocable Trusts and HRA administration

# Keenan's Proven Results

Agency	Cost Savings
County	Saved Over \$2,000,000 in life and AD&D premium without changing a benefit
City	Saved City 17% on Ancillary benefits.
City	Saved City 14% on Ancillary benefits.
Book of Business	Saved in excess 5% when renegotiated medical renewals
City	Saved City \$1.4 million dollars without changing benefits
City	Saved over 10% by moving to a Medical JPA
County	Saved 50% of the retiree costs by implementing a Medicare Exchange



# Your Keenan Service Team



**Howell Southmayd**  
Vice President  
Employee Benefits/Municipalities  
*(28 years industry experience)*



**Briana Overgaard**  
Account Manager  
Employee Benefits/Municipalities  
*(7 years industry experience)*



**Steve Gedestad**  
Municipality Practice Leader  
*(35 years industry experience)*



**Karen Fuller**  
Senior Service Representative  
Employee Benefits/Municipalities  
*(25 years industry experience)*



**Tom Edwards**  
Senior Vice President  
Benefits Underwriting and  
Actuarial Analysis  
*(30 years industry experience)*

# Thank You

Howell Southmayd, Vice President  
Keenan & Associates  
1111 Broadway, Suite 2000  
Oakland, CA 94607  
(925) 683-5048 mobile  
hsouthmayd@keenand.com



## BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (the Agreement) is entered into **February 1, 2016** (“Effective Date”) by and between **Monterey Regional Airport**, the sponsor (“Sponsor”) of one or more health plans (collectively referred hereafter to as the “Plan”) and Keenan & Associates (Business Associate).

**WHEREAS**, the Sponsor has independently contracted with Business Associates to provide services to, for or on behalf of the Plan; and

**WHEREAS**, Plan wishes to allow the Business Associate to have access to PHI including but not limited to, EPHI that is either provided to the Business Associate by the Plan or received and created by the Business Associate on behalf of the Plan in the course of providing its services to, for or on behalf of the Plan;

**WHEREAS**, the Plan is required to comply with HIPAA (including, but not limited to, its Privacy Rule and Security Rule), and other governmental regulations relating to the privacy and security of individuals’ personally identifiable information.

**NOW, THEREFORE**, for good and valuable consideration, the receipt of which is hereby acknowledged, Plan and Business Associate agree as follows:

### **DEFINITIONS**

#### **Catch-all definition:**

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in 45 CFR §§ 160.103 and 164.501.

#### **Specific definitions:**

(a) **Business Associate** “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to this Agreement, shall mean Keenan & Associates.

(b) **Breach** shall have the same meaning as the term “breach” in 45 CFR § 164.402

(c) **Covered Entity** shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to this Agreement shall mean the health and welfare benefits plans sponsored by the entity that is signatory to this Agreement.

(d) **Individual** shall have the same meaning as the term “individual” in 45 CFR § 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

(e) **Privacy Rule** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

(f) **Protected Health Information (“PHI”)** shall have generally the same meaning as the term “protected health information” in 45 CFR § 164.501, and for this Agreement shall be limited to the information created or received by Business Associate from or on behalf of the Covered Entity.

(g) **Secretary** shall mean the Secretary of the Department of Health and Human Services or his designee.

(h) **Security Rule** shall mean the Security Standards for the Protection of Electronic Health Information at 45 CFR Part 160 and Part 164, Subpart A and C.

(i) **Electronic PHI (E-PHI)** shall have the meaning found in the Security Rule 45 CFR, Section 160.103.

(j) **Security Incident** shall have the same meaning as the term “security incident” in 45 CFR Parts 160 and 164, subparts A and C

(k) **HIPAA Rules** shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

(l) **Designated Record Set** shall have the same meaning as the term “designated record set” in 45 CFR 164.501.

(m) **Subcontractor** shall have the same meaning as the term “subcontractor” in 45 CFR §160.103

(n) **Unsecured PHI** shall have the meaning given the term “unsecured protected health information in 45 CFR § 164.402.

## **OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE**

### **Business Associate agrees to:**

(a) Business Associate agrees to not request, use, or further disclose PHI other than as permitted or required by the Agreement or as permitted or required by law.

(b) Business Associate agrees that it shall utilize appropriate physical, administrative and technical safeguards to ensure that the PHI is not used or disclosed in any manner inconsistent with this Agreement. Such safeguards shall include, but not be limited to: (1) establishing policies and procedures to prohibit any employee of Business Associate, who does not have a reasonable need for the PHI in order to accomplish an authorized use or disclosure, from accessing such information and to inform all employees of Business Associate whose services may be used to fulfill obligations under this Agreement of the terms of this Agreement; and (2) disclosing to any agent, Subcontractor or other third party, and requesting from Covered Entity, only the minimum PHI necessary to accomplish the intended purpose of the use, disclosure or request. (“Minimum necessary” shall be interpreted in accordance with the HIPAA Rules.) Business Associate shall provide Covered Entity with such information concerning the safeguards as Covered Entity may reasonably request from time to time.

(c) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent use or disclosure of PHI other than as provided for by the agreement.

(d) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Agreement.

(e) Business Associate agrees to report to Covered Entity, in writing, any use or disclosure by Business Associate of PHI not permitted by this Agreement promptly after Business Associate's first awareness thereof, including but not limited to, any discovery of any inconsistent use or disclosure by Subcontractor of Business Associate.

(f) Report to Covered Entity any use or disclosure of PHI not provided for by the Agreement of which it becomes aware, including breaches of Unsecured PHI information as required at 45 CFR 164.410 (without unreasonable delay, and, in no case later than 10 calendar days after discovery of a Breach), and any security incident of which it becomes aware.

(g) Business Associate agrees to require that any Subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity, execute a Business Associate Agreement acknowledging its compliance with the HIPAA Rules.

(h) Business Associate agrees to provide access to PHI, at the request of Covered Entity, and in the time and manner reasonably designated by Covered Entity, to Covered Entity, or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR 164.524 (within 30 days after receipt of the request unless there is a 30 day extension.)

(i) Business Associate agrees to make any amendment(s) to PHI that the Covered Entity directs or agrees to pursuant to 45 CFR 164.526, and in the time and manner reasonably designated by Covered Entity, in a Designated Record Set, or take other measures as necessary to satisfy Covered Entity's obligations under 45 CFR 164.526 no later than 60 days after the receipt of the request.

(j) Business Associate agrees to make its internal practices, books and records relating to the use and disclosure of the PHI available to the Secretary or the Secretary's designee for the purposes of determining Covered Entity's compliance with the HIPAA Rules. Business Associate shall immediately notify Covered Entity of its receipt of any such request for access, but in no case later than 60 days after the receipt of the request.

(k) Business Associate agrees to document such disclosures of PHI to the extent necessary for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528 no later than 60 days after the receipt of the request.

(l) Maintain and make available the information required to provide an accounting of disclosures to either the Covered Entity, or the Individual, as necessary to satisfy Covered Entity's obligations under 45 CFR 164-528 within 60 days after receipt of the request.

(m) Business Associate agrees to provide Covered Entity, in the time and manner reasonably designated by Covered Entity, information collected in accordance with Section 2(i) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528 no later than 60 days after the receipt of the request.

(n) Business Associate agrees to provide information and documentation concerning Business Associate's compliance with this Agreement to the extent reasonably requested by Covered Entity as necessary to permit to respond to third parties' inquiries of and/or claims against Covered Entity relating to use and/or disclosure of PHI and/or for Covered Entity to comply with law(s) relating to its monitoring of compliance with this Agreement. Business Associate shall, upon Covered Entity's request, certify to Covered Entity that it complies with the terms of this Agreement (no later than 60 days after the receipt of the request).

## **PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE**

(a) Except as otherwise limited in this Agreement, Business Associate may obtain and/or use PHI as necessary to perform its obligation to provide services to, for, or on behalf of the Plans, so long as such access and/or use is either permitted or required by law and, provided further, that Business Associate has met all legal requirements for such access and/or use. This specifically includes, but is not limited to, Business Associate's access and/or use of PHI as necessary to perform the services set forth in the Service Agreement.

(b) Business Associate may not use or disclose PHI in a manner that would violate the HIPAA Rules. If the Agreement permits the Business Associate to use or disclose PHI for its own management and administration and legal responsibilities, or for data aggregation services, then disclosure is permitted for the specific uses and disclosures set forth below.

- i) Business Associate may use PHI for proper management and administration of the Business Associate, or to carry out the legal responsibilities of the Business Associate.
- ii) Business associate may disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of the Business Associate, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used, or further disclosed, only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- iii) Business Associate may provide data aggregation services relating to the health care operations of the Covered Entity.

## **OBLIGATIONS OF COVERED ENTITY**

(a) Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR § 164.520, as well as any changes to such notice.

(b) Neither Sponsor nor Covered Entity shall request Business Associate to use or disclose PHI in any manner that would not be permitted or required by law if done by Covered Entity.

(c) Covered Entity shall notify Business Associate in writing of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522.

## **INDEMNIFICATION**

(a) Business Associate agrees to indemnify, defend, and hold harmless the Covered Entity, its trustees, officers, directors, employees, agents, or representatives, from any claim or penalty arising out of any improper use and/or disclosure of PHI in violation of the Privacy Regulation, to the extent that such improper use and/or disclosure resulted from Business Associate's negligence or failure to comply with the terms of this Agreement or the Privacy Regulation.

(b) The Sponsor and Covered Entity agree to indemnify, defend and hold harmless Business Associate and/or all of Business Associate's officers, directors, employees, agents, or representatives, from any claim or penalty from any improper use and/or disclosure of PHI, to the extent that such improper use and/or disclosure resulted from the Sponsor's or Covered Entity's negligence, failure to comply with the terms of this Agreement or the Privacy Regulation, or was based upon the Sponsor's or Covered Entity's written direction to use and/or disclose PHI in the manner challenged.

## **SECURITY**

Business Associate agrees to:

i) Implement safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity;

ii) Ensure that any Subcontractor, to whom it provides this information agrees to implement reasonable and appropriate safeguards;

iii) Report on a quarterly basis to the Covered Entity, in writing, any Security Incident involving Covered Entity's data. If, however, a Security Incident results in the unauthorized disclosure of Unsecured PHI, Business Associate shall notify Covered Entity in accordance with the Breach notification provisions below.

iv) Notify Covered Entity no later than ten (10) days after discovery of a Breach of Unsecured PHI.<sup>1</sup>

v) Perform the four factor risk assessment of any Breach that is discovered in accordance with the HIPAA Rules to determine if notification is required, and advise Covered Entity of its findings.

vi) Make its policies and procedures, and documentation required by this subpart relating to such safeguards, available to the Secretary for purposes of determining the Covered Entity's compliance with 45 CFR Parts, 162 and 164 and;

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<sup>1</sup>Covered Entity has 60 days from the discovery date of a reportable Breach to report said Breach to the Individual and HHS (if Breach involves 500 or more Individuals.)

vii) Authorize termination of the contract by the Covered Entity if the Covered Entity determines that the Business Associate has violated a material term of the contract.

### **Term and Termination**

(a) The Term of this Agreement shall be effective as of the effective date herein and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section or on the date Covered Entity terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.

(b) Upon Covered Entity's knowledge of a material Breach by Business Associate, Covered Entity shall provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement. If the Business Associate does not cure the breach or end the violation within the time specified by Covered Entity; Covered Entity shall have the right to immediately terminate this Agreement. Such termination shall not abrogate any rights which Covered Entity has against Business Associate for violation of this Agreement.

(c) Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:

i) Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;

ii) Return to Covered Entity (or, if agreed to by Covered Entity, destroy) the remaining PHI that the Business Associate still maintains in any form;

iii) Continue to use appropriate safeguards and comply with the HIPAA Rules regarding the use and disclosure of the PHI, for as long as Business Associate retains the PHI;

iv) Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions which applied prior to termination; and

v) Return to Covered Entity (or, if agreed to by Covered Entity, destroy) the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

### **Miscellaneous**

(a) A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.

(b) No modification, amendment, or waiver of any provision of this Agreement will be effective unless in writing and signed by the party to be charged. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Business Associate and Covered Entity to comply with the requirements of the HIPAA Rules.

(c) Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits both parties to comply with the HIPAA Rules and/or other applicable law.

(d) Notices:

(i) All reports or notices to Covered Entity pursuant to this Agreement shall be sent to the names and addresses listed on the signature page, or to such other individuals and/or addresses as a party may later designate in writing. Unless expressly prohibited under the HIPAA Rules, such notices and reports may also be sent via email.

(ii) All such reports or notices shall be sent by First Class Mail or express courier service, and shall be deemed effective when delivered, or if refused, when delivery is attempted.

(e) Nothing expressed or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Sponsor, Covered Entity, Business Associate, and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

(f) This Agreement constitutes the complete agreement of the parties relating to the access, use, disclosure and security of PHI and, except as otherwise provided herein, supersedes all prior representations or agreements, whether oral or written, with respect to the confidentiality and security of PHI.

(g) The parties hereby agree and affirm that the subject matter of this Agreement is unique, and that it may be impossible to measure the damages which would result to Covered Entity from violations by Business Associate of the agreements set forth herein. Accordingly, in addition to any other remedies which Covered Entity may have at law or in equity, the parties hereby agree that either party shall have the right to have all obligations and other provisions of this Agreement specifically performed by the other party, as applicable, and that either party shall have the right to seek preliminary and permanent injunctive relief to secure specific performance, and to prevent a breach or contemplated breach, of this Agreement, without, in any case, proof of actual damages.

(h) Disputes arising out of or relating to this Agreement which cannot be resolved by negotiation between the parties shall be submitted to non-binding mediation. If the dispute is not resolved through mediation, it shall be resolved by final and binding arbitration administered by JAMS dispute resolution service pursuant to its Streamlined Arbitration Rules and Procedures, or such other arbitration procedures as agreed to in writing by the Parties. Negotiation, mediation, and arbitration shall be the exclusive means of dispute resolution between Client and Keenan and their respective agents, employees and officers. The site of the arbitration shall be in Monterey, California. A judgment of any court having jurisdiction may be entered upon the award.

*Signature Page Follows This Page*

IN WITNESS WHEREOF, the parties hereto hereby set their hands as of the date first above written.

<b>Monterey Regional Airport, as Sponsor and Representative of the Plan(s)</b>		<b>Keenan &amp; Associates</b>	
<b>Signature:</b>		<b>Signature:</b>	
<b>By:</b>	<b>Michael La Pier</b>	<b>By:</b>	<b>Stephen Gedestad</b>
<b>Title:</b>	<b>Executive Director</b>	<b>Title:</b>	<b>Municipality Practice Leader</b>
<b>Address:</b>	<b>200 Fred Kane Dr., #200</b>	<b>Address:</b>	<b>2355 Crenshaw Blvd., Ste. 200</b>
	<b>Monterey, CA 93940</b>		<b>Torrance, CA 90501</b>
<b>Telephone:</b>	<b>831-648-7000 x. 207</b>	<b>Telephone:</b>	<b>310 212-0363</b>
<b>Attention:</b>	<b>Amanda Porter</b>	<b>Attention:</b>	<b>Privacy Officer</b>





## Broker of Record Designation

As of **February 1, 2016**, the organization listed below (“Client”) appoints Keenan & Associates (“Keenan”) as the Broker of Record in connection with the following coverages: **Dental, Vision, Life, Disability, EAP, Section 125 Employee Paid Voluntary Benefits** and such additional coverages or insurance as Client may from time-to-time request from Keenan (the “Coverages”). This appointment rescinds any and all previous appointments Client may have made with respect to the Coverages, and shall remain in full force and effect until cancelled in writing with sixty (60) days advance notice. The parties hereby agree to the following additional terms:

With respect to the Coverages, Keenan shall have the exclusive authority and right to negotiate with insurance carriers and other coverage providers on Client’s behalf. Keenan shall provide those services as listed on Exhibit A attached to and made a part of this document. Client shall provide Keenan with timely and accurate information necessary to obtain the Coverages and authorizes Keenan to provide such information to prospective insurers and other coverage providers. Except for Keenan’s responsibilities with respect to funds obtained from or on behalf of Client, Keenan shall not be a fiduciary of Client. As compensation for its services, Keenan shall receive commissions from insurance carriers and/or other vendors for the placement of insurance coverage. Client shall have no responsibility for the payment of any such commission to Keenan. Additional information concerning Keenan’s compensation Disclosure Policy is available online at [www.Keenan.com](http://www.Keenan.com) or from your Keenan account representative.

Disputes arising out of or relating to this designation, other agreements between the parties, or any other relationship involving Client and Keenan (whether occurring prior to, as part of, or after the signing of this Agreement) shall first be resolved by good faith negotiations between representatives of the parties with decision-making authority. If either party determines that the dispute cannot be resolved through informal negotiation then the dispute shall be submitted to non-binding mediation. The site of the mediation and the selection of a mediator shall be determined by mutual agreement of the parties. If the dispute is not resolved through mediation within sixty (60) days following the first notification of a request to mediate, then either party shall have the right to require the matter to be resolved by final and binding arbitration by JAMS dispute resolution service pursuant to its Streamlined Arbitration Rules and Procedures, or such other arbitration procedures as may be agreed to in writing by the parties. Negotiation, mediation, and arbitration shall be the exclusive means of dispute resolution between Client and Keenan and their respective members, agents, employees and officers. The arbitration shall be conducted in the County of Monterey, California.

<b>Monterey Regional Airport</b>		<b>Keenan &amp; Associates</b>	
<b><u>Signature:</u></b>		<b><u>Signature:</u></b>	
<b><u>By:</u></b>	<b>Michael La Pier</b>	<b><u>By:</u></b>	<b>Stephen Gedestad</b>
<b><u>Title:</u></b>	<b>Executive Director</b>	<b><u>Title:</u></b>	<b>Municipality Practice Leader</b>
<b><u>Address:</u></b>	<b>200 Fred Kane Dr., #200</b>	<b><u>Address:</u></b>	<b>2355 Crenshaw Blvd., Ste. 200</b>
	<b>Monterey, CA 93940</b>		<b>Torrance, CA 90501</b>
<b><u>Telephone:</u></b>	<b>831-648-7000 x. 207</b>	<b><u>Telephone:</u></b>	<b>310 212-0363</b>
<b><u>Fax:</u></b>	<b>831-373-2625</b>	<b><u>Fax:</u></b>	<b>510-986-0440</b>
<b><u>Attention:</u></b>	<b>Amanda Porter</b>	<b><u>Attention:</u></b>	<b>Howell Southmayd</b>



**EXHIBIT A**  
**KEENAN SERVICES**

**Keenan shall provide the following Services:**

1. Plan Review – Keenan shall review applicable benefit plan(s) and provide information and recommendations regarding insured and/or self-insured options, as requested by Client.
2. Insurance Needs Assessment – Keenan shall work with Client to determine Client’s insurance needs.
3. Insurance Marketing Plan – Review, evaluate and negotiate insurance renewals on Client’s behalf. Keenan shall prepare and present to Client its plan for marketing Client to various carriers and/or Coverage providers. In furtherance of its plan, Keenan shall contact those markets that it has determined most likely to meet Client’s needs, as made known to Keenan, but shall not necessarily contact every available market for the particular Coverage being sought. In so far as practical, Keenan shall honor Client’s timely and reasonable requests to contact specific markets, but Keenan shall not be obligated to present Client to any carrier or Coverage provider which Keenan has determined would not be willing to quote Client’s business or would not give a competitive quote.
4. Insurance Marketing Results – Keenan shall present to the client, in summary format, information concerning all markets and carriers approached. The summary shall include, as applicable: name of carrier and Coverage providers approached, limits, premium, and deductible. The summary shall also include the names of any carriers or Coverage providers who declined to provide a quote.
5. Review of Insurance Options – Keenan shall present, along with the Marketing Results, a comparison summary highlighting the significant terms and/or differences among the various Coverages quoted. This summary is provided for Client’s convenience only. It is Client’s responsibility to ask questions and to request any additional information that it deems necessary for it to make an informed decision regarding its insurance or self-insurance program.
6. Obtain Coverage – Once the Client has made its decision, Keenan shall take all steps necessary to communicate Client’s decision to the carrier selected and to have the carrier or other Coverage provider bind Coverage on behalf of the Client.
7. Implementation – Keenan shall assist Client in the preparation and distribution of materials relating to the implementation of its coverage, for which client shall give final approval.
8. Ongoing Service -- Keenan will provide the following Client support services:
  - Continued analysis of benefit plan design and performance noting available alternatives as appropriate;
  - Direction and support with claims resolution and other related issues;
  - Review of claims experience and trends;
  - Support with billing/eligibility concerns;
  - Acting as a liaison between Client and carriers and vendors and serving as a proactive Client advocate;
  - Responding to day-to-day benefit questions from Client;
  - Assisting Client with governmental reporting and filings (e.g., 5500’s and Summary Annual Reports), as applicable;

- Providing information concerning current developments and trends in employee benefits and new legislation that may affect Client's plans;
- Assisting in drafting, review and/or amendment of benefit plan and related documents. Any document drafted or reviewed by Keenan and approved by Client under this Agreement shall apply solely to the plan year for which the Service was provided. They are not intended for use beyond the plan year for which they were created, reviewed or revised. Keenan shall not be held liable for any direct, punitive, special, consequential or incidental damages, loss of profit or revenue, loss of business, loss or inaccuracy of data or scope of insurance resulting from the continued use of such plan documents or SPD beyond the dates for which they were intended;
- Assisting in the coordination and preparation of open enrollment, orientation, health fairs, and/or question and answer meetings for Client's employees. and
- Attendance at **4** meetings of the Client's Insurance Committee.

**AGENDA ITEM: H-4**  
**DATE: February 10, 2016**

**TO:** Board of Directors  
**FROM:** Michael La Pier, Executive Director  
Scott Huber, District Counsel  
**SUBJ:** Approval of Landlord's Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage owned by Maxi, LLC

**BACKGROUND.** The Board may consider the approval and execution of a Landlord's Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage, located at 1118 Airport Road, owned by Maxi, LLC.

**DISCUSSION.** In 2014, Maxi, LLC purchased Airport Road Storage from the previous owner. At the time of purchase, Maxi, LLC obtained a loan from Kinecta Federal Credit Union. As part of the purchase, the Monterey Peninsula Airport District ("MPAD") approved a Ground Lease Estoppel. The Ground Lease Estoppel gives certain rights, as outlined in the document, to the lender, with some benefits to MPAD, as discussed below. For example, in the event that the owner does not perform pursuant to the lease, MPAD would need to provide notice to the lender prior to cancelling the lease. This gives the lender an opportunity to cure any defaults directly with MPAD.

At this time, Maxi LLC would like to refinance the loan obtained at the time of purchase. The proposed lender, German American Capital Corporation ("GACC"), utilized the prior Ground Lease Estoppel and modified it to apply to the current refinance request. The original loan at the time of purchase was \$3,400,000. The new loan that is requested will have a balance of \$6,400,000.

It should be noted that in the event of default by Maxi LLC, the Airport has some minimal additional responsibilities regarding notice of the default. In exchange, MPAD has the ability to collect rent and other fees due pursuant to the Lease from GACC. Alternatively, MPAD can declare the lease void through an unlawful detainer action. It should also be noted that MPAD will have absolutely no liability to GACC in the event that Maxi, LLC fails to repay the loan or otherwise fails to comply with its terms.

The Board will consider approval of the attached Ground Lease Estoppel and Third Amendment to Lease.

**BUDGET EFFECT.** None.

**RECOMMENDATION.** Approve the Ground Lease Estoppel and Third Amendment to Lease for Airport Road Storage owned by Maxi, LLC

**ATTACHMENT.**  
Ground Lease Estoppel and Third Amendment to Lease