

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

May 31, 2023 - 9:00 AM

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, remote comments will not be allowed, except as outlined in the limited circumstances below.

The Monterey Peninsula Airport District will continue to broadcast the Board Meetings via Zoom video conference for viewing by the public. To view the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: **831 7098 4092**. If you do not have access to the internet, you may listen telephonically by calling (253) 215-8782 and entering the same Meeting ID.

In the event that a Board Member utilizes the procedure outlined in AB 2449 to attend a meeting, only then will remote public comments be allowed. Under those circumstances, when the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9. The Secretary to the Board will call speaker names and unmute speaker microphones. You will have up to 3 minutes to provide your oral comments, pursuant to Board policy.

Members of the public who desire to make a public comment can send an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.

A. CALL TO ORDER/ROLL CALL

Chair Sawhney called to order the special meeting of the Monterey Peninsula Airport District Board of Directors at 9:03 AM. Directors Pick, Leffel, Sabo and Miller were present. The following staff were present: Executive Director La Pier, District Counsel Huber, Acting Board Secretary Adams, and Controller Wilson.

B. PLEDGE OF ALLEGIANCE

Director Miller led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Executive Director La Pier reported on the incident at the airport the past weekend involving a pilot landing a private plane with gear up.

Director Leffel announced she preferred to consider Item D.2 prior to D.1. Staff and Directors concurred.

D. REGULAR AGENDA - ACTION ITEMS

- Approve 2. Amendment to the Professional Services Agreement with PFM Financial Advisors, LLC to Provide Financial Analysis in Support of the Safety Enhancement Program (SEP) Taxiway A Relocation Phase 4

Executive Director La Pier introduced Item D.2 explaining this item was continued from the last regular meeting. He turned the floor over to Controller Wilson who reviewed slides that detailed the type of participant roles involved in a bond issuance and an example of a bond issuance team.

Brian Galluci, PFM Financial Advisors, participated via Zoom videoconference. He reviewed PFM's role in the process, noting the Plan of Finance will be refined as time goes on. Executive Director La Pier stated the Financial Advisor is the key hire in the team so that agreement comes first; the agreements for other members of the bond issuance team will come to the board as they are proposed. However, the Airport is not obligated to a bond and will analyze all financing choices; it is possible to wind up with a combination of financing vehicles.

There was no Public Comment.

Brian Galluci answered questions from Directors. He stated that tax counsel will be part of the finance team and gave an overview of some of the usual tax implications. He reviewed the initial phase, which is to introduce Airport management to the rating agency and provide guidance. He explained what a trust agreement included, how it was used, and how the feasibility study would be updated. He reiterated PFM has a fiduciary responsibility to the Airport.

District Counsel Huber answered a question regarding tax bonds, commenting that the Monterey Peninsula Airport District has the ability to tax, but they do not use that ability and it is not intended to do so. Executive Director La Pier explained the board had already given staff direction not to pursue a general obligation bond through the property tax rolls and the type of bond being discussed is not like a school bond.

Director Leffel motioned to approve the Amendment to the Professional Services Agreement with PFM Financial Advisors, LLC to Provide Financial Analysis in Support of the Safety Enhancement Program (SEP) Taxiway A Relocation Phase 4. Director Pick seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Review 1. FY 24 Budget Workshop Including Six Month and Two-Year SEP Plan

Executive Director La Pier introduced Item D.1 and gave an overview of what would be covered in the presentation. The board concurred that they would hold questions until the end of the presentation.

A break was taken from 10:01 to 10:10 AM.

Controller Wilson gave an overview of the budget process which included Executive Director La Pier, Deputy Executive Director Morello, and himself, as well as input from concessionaires and Landrum & Brown, and the consideration of contract obligations to police, fire, and legal.

Controller Wilson reviewed the budget assumptions with regard to volume of travel.

Executive Director La Pier reviewed a proposed new org chart and the proposed job descriptions for new positions. The board discussed the new positions and were generally in favor of the proposed reorganization.

Chris Chidlaw, Chidlaw Marketing, gave a presentation and answered questions on the FY 2024 media plan and content calendar.

Controller Wilson reviewed the Six Month, and Two-Year Safety Enhancement Project plans and Executive Director La Pier reviewed the Capital Improvement Budget projects.

Controller Wilson reviewed the proposed rates and charges. Executive Director La Pier explained the reasoning behind two new proposed rates and charges.

Executive Director La Pier reviewed the FY 24 box hangar rates and charges and the expected 5-year phase in to reach a rent that would cover debt service. He stated the plan was vetted with the Finance Committee and the tenant group, and the initial rate increase was lowered some after speaking to the tenant group.

Public Comment:

Matt Pasztaianiec, a member of the public and an Airport hangar tenant, commented he believes the hangar square footage comps are misleading because 80% of the GA hangars in the area are T-hangars and these are box hangars. Mr. Pasztaianiec suggested an alternative proposal for a lower beginning percent rate increase and a longer timeline to phase in the necessary increases.

David Dickins, a member of the public, urged the board to consider Mr. Pasztaianiec's proposal.

The board discussed the proposal and gave input to staff. There was board support for keeping the FY 24 rental rate as proposed by staff, but with the intent to keep the rent the same until January 1, 2025.

Staff answered questions about the marketing plan. The board discussed social media inclusion in the emergency media plan and crisis management communications. Amanda Auker, Social Media Specialist, answered questions regarding social media's future role in crisis communications.

A break was taken from 1:23 PM to 1:33 PM.

Controller Wilson answered questions about the methodology used in determining some of the proposed budget numbers and gave explanations for year over year variances.

Directors gave input on the job descriptions for the new positions.

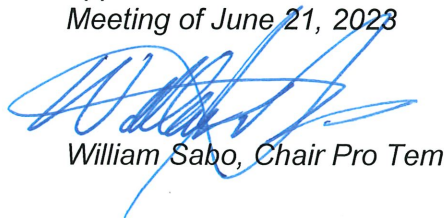
Director Leffel excused herself from the meeting at 3:19 PM.

Director Sabo voiced objection to the amount of the increase in commercial airlines rates and charges. Executive Director La Pier explained the reasoning behind the numbers. Directors discussed average Cost Per Enplanement (CPE), what factors affected it, and how the actual CPE would differ by airlines.

E. ADJOURNMENT

The meeting adjourned at 4:03 PM.

Approved at the
Meeting of June 21, 2023



William Sabo, Chair Pro Tem

ATTEST



Michael La Pier, AAE
District Secretary