

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

February 12, 2024 – 10:30 AM

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

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

A. CALL TO ORDER

The Budget & Finance Committee Meeting of the Monterey Peninsula Airport District Board of Directors was called to order at 10:34 AM. Director Leffel, Director Gaglioti, Executive Director La Pier, Deputy Executive Director Morello, Controller Wilson, and Acting Board Secretary Adams were present. Director Gaglioti attended by videoconference from the alternate location noticed on the agenda.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. REGULAR AGENDA – ACTION ITEMS

Discuss 1. UAL Presentation by Jaime Trejo, PFM

Executive Director La Pier introduced Item C.1 and summarized the role PFM has had in the Monterey Peninsula Airport District Plan of Finance as it relates to the Safety Enhancement Program (SEP) and the new terminal building. He noted that PFM did an analysis of unfunded accrued liability (UAL) payments to CalPERS in 2022 that resulted in the board approving a buydown of the UAL from cash on hand.

Executive Director La Pier introduced Jaime Trejo with PFM who joined the meeting by videoconference.

Mr. Trejo reviewed reasons for the increase in the Monterey Peninsula Airport District's annual UAL payments (classic plans) to CalPERS in Fiscal Year 2024/25 over Fiscal Year 2023/24. He pointed out the District savings since the 2022 buydown has been almost \$1,000,000.00. However, the required payments to the three classic CalPERS plans are expected to increase significantly in FY 2024/25 due to the negative rate of return in FY 2021/22 in the CalPERS Public Employees' Retirement Fund (PERF).

Mr. Trejo and Executive Director La Pier answered questions from Directors. There was a discussion about whether or not it would make sense to do another buydown of the UAL. Executive Director La Pier stated Controller Wilson, Jaime Trejo, and Brian Galluci of PFM will do further analysis of our cash needs vs. bond debt needs.

Discuss 2. Insurance Update

Controller Wilson reported we are approved to be a member of PRISM beginning on March 31, 2024 and a quote for coverage will come shortly after that.

Review 3. Resolution No. 1865, A Resolution Authorizing and Approving the Work Order between the Monterey Peninsula Airport District and AAA Fence Company Inc.

Deputy Executive Director Morello explained there are five areas on the Airport that are receiving soil being excavated from the construction site for the relocated commercial terminal ramp. She noted that, as part of this process, the current airside RV lot is being relocated to what used to be the outside storage area. This area will need to be fenced and fencing has been saved from another area. This resolution is to approve the work order to install the fence. Deputy Executive Director Morello reviewed the source of funds and the proposed installation schedule.

Director Leffel and Director Gaglioti agreed that the Budget & Finance Committee supports Resolution No. 1865.

Review 4. Resolution No. 1866, A Resolution Approving Participation in the FY24 Clean Vehicle Program of the Monterey Bay Air Resources District

Deputy Executive Director Morello reminded Directors that the approved FY24 Capital Budget included a purchase of another vehicle to support the increased maintenance staff. The District has been awarded a \$10,000.00 grant from Monterey Bay Air Resources District (MBARD) under the FY24 Electric Vehicle (EV) Replacement Program and Resolution No. 1866 is asking the board to approve accepting the grant.

Deputy Executive Director Morello answered questions regarding the budget and current estimated cost for an EV truck. She noted the airport will retire a gas truck as part of the grant requirements.

Director Leffel and Director Gaglioti agreed that the Budget & Finance Committee supports Resolution No. 1866.

Review 5. FYTD Financial Statements

Controller Wilson reviewed the FYTD Financial Statements as of December 31, 2023 stating the higher-than-expected revenues and lower than budgeted operating expenses are primarily due to the timing of a \$150k SCASDP Grant match, partially offset by higher than budgeted Property Insurance, and favorably affected by higher interest income from T-Bills.

There was a discussion about seasonal air service.

Controller Wilson reported on the status of the three open RFQs for professional financial services.

Directors discussed the effects of the recent storms on general aviation activities, specifically in context of the AT&T Pro Am.

Review 6. Variance Analysis - MTD and YTD

There were no questions.


Review 7. Accounts Receivable Aged Invoice Report

Controller Wilson reported on his discussions with two tenants that are behind in their Accounts Receivable.

D. ADJOURNMENT

The meeting adjourned at 11:27 AM.

Approved at the
Meeting of February 21, 2024



Mary Ann Leffel, Chair

ATTEST



Michael La Pier
District Secretary