

# MINUTES OF THE REGULAR MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

December 15, 2021 - 9:00 AM

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

Due to the expiration of certain directives contained in the Governor's Declaration of Emergency for the State of California (Executive Order N-29-20), the Board of Directors of the Monterey Peninsula Airport District will return to hold meetings at the Airport Board Room, with in-person attendance. Public comments may be made either in person or via email. 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 the alternative, written comments can be emailed to [info@montereyairport.com](mailto:info@montereyairport.com), and should include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)."

The Board meetings will continue to be broadcast via Zoom video conference, however, remote public comment via Zoom will not be accepted. To view the Board meeting via Zoom video conference, please visit [www.zoom.us/join](https://www.zoom.us/join) and enter the following Meeting ID: 831 5980 6844. If you do not have access to the internet, you may also participate telephonically by calling (253) 215-8782 and entering the same Meeting ID.

### A. CALL TO ORDER/ROLL CALL

*Chair Cursio called to order the Regular Meeting of the Board of Directors at 9:02 AM. Directors Leffel, Miller, Sabo and Sawhney were present. The following District Officers were present: Executive Director La Pier, District Counsel Huber, Acting District Secretary Auker, Deputy Executive Director Bergholz and Deputy Director Morello.*

### B. PLEDGE OF ALLEGIANCE

*Director Sawhney led the Pledge of Allegiance.*

### C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

*Director Sabo was concerned the media recently misrepresented one of the Monterey Peninsula Airport District Directors as representing the District when she was commenting in another capacity. He asked that the Board be sensitive to what the media reports and to correct them if necessary.*

### D. PUBLIC COMMENTS ON NON-AGENDA ITEMS

*None.*

### E. 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 Committee Meeting of the Air Carrier Service, Marketing and Community Relations Committee of November 10, 2021 |
| Approve | 2. Minutes of the Committee Meeting of the Airport Property Development and Leases Committee of November 10, 2021                |
| Approve | 3. Minutes of the Regular Meeting of November 17, 2021   |

- Approve 4. Minutes of the Committee Meeting of the Air Carrier Service, Marketing and Community Relations Committee of December 7, 2021
- Approve 5. Minutes of the Committee Meeting of the Airport Property Development and Leases Committee of December 7, 2021

*Director Leffel moved to approve items E.1 through E.5. Director Miller seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

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

*None.*

**G. REGULAR AGENDA - ACTION ITEMS**

- Presentation 1. Pension Funding Analysis by PFM Financial Advisors LLC

*Executive Director La Pier introduced Item G.1 and also introduced the presenter, Sarah Hollenbeck, from PFM Financial Advisors LLC. He stated that the UAL analysis is for information only, and not for a decision today.*

*Hollenbeck referred to a presentation given to the Finance Committee on October 12, 2021, that reviewed various pension obligation bond structuring alternatives. She stated the Finance Committee requested additional analysis that did not include the use of pension obligation bonds, such as using cash on hand to make additional payments.*

*Hollenbeck presented additional structuring alternatives that included Additional Discretionary Payments (ADP) to the classic plans. Scenarios presented included a one-time ADP from CARES Act funds with on-going annual ADPs, a one-time ADP from CARES Act funds with pension obligation bonds funding the remaining UAL balance, on-going level annual ADP, and Pension Obligation Bonds for the full UAL.*

*No public comment.*

- Adopt 2. Resolution No. 1809, A Resolution Authorizing and Approving the Service Agreement between the Monterey Peninsula Airport District and Media Systems Group

*Executive Director La Pier introduced item G.2.*

*Deputy Director Morello presented the need for a new media system in the Board of Directors conference room, stating the current system is over ten years old and not compatible with today's video conferencing systems that are necessary to facilitate remote meetings. She invited questions. Director Sabo asked if we solicited bids. District Counsel Huber stated solicitation of bids is not necessary for a technical installation such as this; it is a professional service, not a purchase.*

*No public comment.*

*Chair Cursio asked if the Finance Committee was in favor of Resolution No. 1809. Director Sawhney answered yes.*

*Director Leffel moved to adopt Resolution No. 1809. Director Sawhney seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

**RESOLUTION NO. 1809**

**A RESOLUTION AUTHORIZING AND APPROVING THE SERVICE AGREEMENT BETWEEN THE MONTEREY PENINSULA AIRPORT DISTRICT AND MEDIA SYSTEMS GROUP**

**WHEREAS**, the Monterey Peninsula Airport District (MPAD) owns and operates the Monterey Regional Airport; and

**WHEREAS**, the Board room video system is over ten years old; and

**WHEREAS**, technology advances and new audiovisual platforms are available for conducting remote meetings; and

**WHEREAS**, the approved Fiscal Year 2022 Capital Improvement Program Budget included MPAD Project 2022-04 IT Upgrades; and

**WHEREAS**, Media Systems Group is a commercial audiovisual contractor.

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** That MPAD contract with the firm Media Systems Group for a total amount not-to-exceed \$39,500.00 and directs the Executive Director of the District, or his designee, to execute the purchase order.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 15th day of December 2021 by the following roll call vote:

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

Adopt 3. Resolution No. 1810, A Resolution Authorizing and Approving the Service Agreement between the Monterey Peninsula Airport District and William A. Thayer Construction Inc.

*Executive Director La Pier introduced item G.3. He stated Building "A" at 2801 Monterey Salinas Highway has a large deck that has evidence of dry wood termites in the framing of the deck and needs replacement. He added the deck is not safe, and not in use at this time.*

*Deputy Director Morello reported the fumigation has been done and an airport engineer has addressed areas of concern along with code compliance. She noted staff provides notice of solicitation for contractors to register for inclusion on a list of Qualified Contractors per section 22034 of the Public Contract Code annually. Using that list, staff invited interested parties to submit an RFP. She stated that William A. Thayer Construction had a favorable past performance in addition to a reasonable bid.*

*The Board discussed Item G.3.*

*No public comment.*

*Director Leffel moved to adopt Resolution No. 1810. Director Miller seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

**RESOLUTION NO. 1810**

**A RESOLUTION AUTHORIZING AND APPROVING THE SERVICE AGREEMENT BETWEEN THE MONTEREY PENINSULA AIRPORT DISTRICT AND WILLIAM A. THAYER CONSTRUCTION, INC.**

**WHEREAS**, the Monterey Peninsula Airport District (MPAD) owns and operates the Monterey Regional Airport; and

**WHEREAS**, after evaluating concerns with the integrity of the deck structure around the 2801 Monterey Salinas Highway Building "A" property, it was determined that there was evidence of drywood termites found in the framing of the wooden deck; and

**WHEREAS**, the maintenance concerns with the Building "A" property occurred following the adoption of the Fiscal Year 2022 Capital Improvement Program (CIP) budget; and

**WHEREAS**, the Board will be asked to consider adoption of a Resolution amending the Fiscal Year 2022 CIP Budget at a future meeting; and

**WHEREAS**, the Airport hired Ailing House Pest Management to chemically fumigate the entire structure; and

**WHEREAS**, to ensure the deck is safe and useable, repairs and replacement of the termite damaged decking and railing components is required; and

**WHEREAS**, William A. Thayer Construction, Inc. is qualified to provide the services needed to complete the repair of the wooden deck structure around 2801 Monterey Salinas Highway, Building "A".

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** That the Monterey Peninsula Airport District contract with William A. Thayer Construction, Inc. for a total amount not-to-exceed \$193,170.00 and directs the Executive Director of the District, or his designee, to execute the purchase order.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 15th day of December 2021 by the following roll call vote:

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

Approve 4. Resolution No. 1811, A Resolution Authorizing a Contract Extension with LSL CPAs and Advisors, LLP for Professional Auditing Services

*Executive Director La Pier introduced item G.4. He stated LSL CPAs and Advisors, LLP performed Fiscal Years 2019, 2010 and 2021 District financial, single and passenger facilities charges audits. Staff recommends extending their contract for Fiscal Years 2022 and 2023.*

*Chair Cursio asked for comments and recommendations from the Finance Committee. Director Leffel stated the Finance Committee reviewed and is in support of the proposed Resolution No. 1811.*

*Director Sabo moved to adopt Resolution No. 1811. Director Leffel seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

## **RESOLUTION NO. 1811**

### **A RESOLUTION AUTHORIZING A CONTRACT EXTENSION WITH LSL CPAs AND ADVISORS, LLP FOR PROFESSIONAL AUDITING SERVICES**

**WHEREAS**, The Airport is required to conduct annual audits of its financial statements pursuant to Title 2, California Code of Regulations, section 1131.2. These financial audits are primarily concerned with providing reasonable assurance about whether the financial statements of the District are presented fairly in all material respects in accordance with Generally Accepted Accounting Principles and whether the District has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

The California Code of Regulations incorporates the standards set forth in the American Institute of Certified Public Accountants' publication entitled "Audits of State and Local Governmental Units" which requires the annual independent audit be performed by the "County Auditor" or an "independent accounting firm". (2 C.C.R. § 1131.2(a).); and

**WHEREAS**, the District historically has contracted with a private accounting firm to conduct the annual audit, which presents the results to the Board of Directors; and

**WHEREAS**, Pursuant to the Governance Manual, Board of Directors selects the independent accounting firm to prepare and submit the annual audit report. This report is presented to the Board of Directors at a regularly scheduled Board meeting; and

**WHEREAS**, the District adopted Resolution No. 1746 authorizing the Executive Director to contract with LSL CPAs and Advisors, LLP to provide audit services for Fiscal Years 2019, 2020 and 2021; and

**WHEREAS**, LSL CPAs and Advisors, LLP has provided audit services for Fiscal Years 2019, 2020 and 2021, and the contract expired. LSL's Proposal for Professional Auditing Services for RFP 2019-01 includes an option to extend audit services for Fiscal Years 2022 and 2023; and

**WHEREAS**, LSL CPAs and Advisors, LLP's Professional Auditing Services were evaluated by the Finance Committee Directors and Staff; and

**WHEREAS**, Finance Committee recommends LSL CPAs and Advisors, LLP's Professional Audit Services contract be extended for Fiscal Years 2022 and 2023.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** That the Monterey Peninsula Airport District Board of Directors authorizes the Executive Director to enter into a Professional Audit Services contract extension with LSL CPAs and Advisors, LLP for Fiscal Years 2022 and 2023.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 15th day of December 2021 by the following roll call vote:

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

*A break was taken from 11:20 AM until 11:33 AM.*

**H. BOARD COMMITTEE REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS**

Report on meetings attended by Board Members at Monterey Peninsula Airport District's expense - AB1234.

The board receives department reports which do not require any action by the board.

a. Standing Committees:

*Discussions limited to 3 minutes on matters not covered in committee minutes.*

- |   |                            |
|---|----------------------------|
| i. Budget and Finance                           | Directors Leffel & Sawhney |
| ii. Air Service, Marketing, Community Relations | Directors Cursio & Sabo    |
| iii. Airport Property Development and Leases    | Directors Cursio & Miller  |

b. Ad-Hoc Committees:

*Discussions limited to 3 minutes.*

- |                               |                           |
|-------------------------------|---------------------------|
| i. Local Jurisdiction Liaison | Directors Leffel & Miller |
|-------------------------------|---------------------------|

c. Liaison/Representatives:

*Discussions limited to 3 minutes.*

- |   |                 |              |
|---|-----------------|--------------|
| i. Local Agency Formation Commission            | Director Leffel | Alt: Sawhney |
| ii. Regional Taxi Authority                     | Director Leffel | Alt: Sawhney |
| iii. Transportation Agency for Monterey County  | Director Sabo   | Alt: Cursio  |
| iv. Special Districts Association Liaison       | Director Miller | Alt: Leffel  |
| v. Association of Monterey Bay Area Governments | E.D. La Pier    | Alt: Sabo    |

*The Board discussed the Committee and Department reports.*

**I. CLOSED SESSION**

1. **EXISTING LITIGATION** [Government Code section 54956.9(a)] The Board will meet with the Executive Director and District Counsel to discuss existing litigation: City of Monterey v. Monterey Peninsula Airport District, et al., Monterey County Superior Court, Case No. 20CV002445.

*Chair Cursio stated there is nothing new to report or discuss. There was no Closed Session.*

**J. RECONVENE TO OPEN SESSION**

*Not applicable.*

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

*None.*

**L. DISCUSSION OF FUTURE AGENDAS**

- *Quarterly Review of Goals for Executive Director (Sawhney)*

*There was a discussion about agenda items for the two-day Special Meeting Board Workshop at the end of January. The focus of the meeting will be the Safety Enhancement Program financial plan and related financial considerations. The Board suggested the dates of January 27 and 28, 2022 for the Board Workshop. Director Sawhney stated she would like to see a more strategic meeting and not just a financial report.*

**M. ADJOURNMENT**

*The meeting adjourned at 12:18 PM.*

Minutes Approved at the  
Meeting of January 19, 2022



Carl M. Miller, Chair

ATTEST



Michael La Pier, AAE  
District Secretary