

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

June 17, 2020 - 9:00 AM

## SPECIAL AND URGENT NOTICE ELIMINATING IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

Due to the directives contained in the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Board of Directors of the Monterey Peninsula Airport District is required to limit in-person attendance at the upcoming Board Committee meeting. Members of the public may utilize alternative measures established by the Monterey Peninsula Airport District to listen to Board meeting and/or to communicate your opinions to the Board Members. To participate in the Board meeting via Zoom video conference, please visit [www.zoom.us/join](https://www.zoom.us/join) and enter the following Meeting ID: 845 1441 8703. The password for this meeting is: 20200617. 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 and password.

Members of the public who wish to provide comment on an item on the agenda may do so during the meeting prior to the item being considered by the Board.

### A. CALL TO ORDER/ROLL CALL

*Chair Leffel called to order the Regular Meeting of the Board of Directors at 9:01 AM. Directors Cursio, 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

*Chair Leffel asked for a moment of silence in observation of the Pledge of Allegiance.*

### C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

*Executive Director La Pier stated that there was an article in the Monterey Herald about the rescheduling of Alaska's Seattle service, noting that Alaska has scheduled flights to begin on February 1, 2021. He added that a formal announcement of the new service launch date would come at a later time.*

*Chair Leffel welcomed Executive Director La Pier back, adding that she was very impressed by Airport staff during his absence.*

*Executive Director La Pier stated that he was extremely grateful for what he walked back in to upon returning and thanked Deputy Executive Director Bergholz and Deputy Director Morello.*

### D. PUBLIC COMMENTS

*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 May 8, 2020

- Approve      2. Minutes of the Committee Meeting of the Budget and Finance Committee of May 11, 2020
- Approve      3. Minutes of the Regular Meeting of May 13, 2020
- Approve      4. Minutes of the Committee Meeting of the Budget and Finance Committee of May 22, 2020
- Approve      5. Minutes of the Special Meeting of May 28, 2020

*Director Cursio moved to approve Consent Agenda Items E.1 through E.5. Director Sawhney 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**

- Approve      1. Resolution No. 1779, A Resolution Ratifying a Side-letter of Agreement with the Airport Administrative Assistants Association, United Public Employees 792, and Authorizing the Executive Director to Execute the Agreement

*Executive Director La Pier presented Item G.1. He stated that the District previously entered into an MOU with the Administrative Assistants Association, with a term ending June 30, 2020. He stated that prior to the commencement of negotiations for a successor MOU, the District suspended pay increases for the 2020-21 fiscal year for its unrepresented employees, and notified United Public Employees of California Representatives of a need to freeze salary at the FY 2019-20 levels for the next fiscal year as a consequence of significant impacts on the District revenues arising from the COVID-19 pandemic. He added that representatives of the District met with representatives from the Recognized Employee Organization and reached an overall tentative agreement to extend the terms of the current MOU for one year, with the exception of freezing salaries.*

*District Counsel Huber thanked all parties involved in the negotiations for a smooth process.*

*Director Cursio moved to adopt Resolution No. 1779. Director Sawhney seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

**RESOLUTION NO. 1779**

**A RESOLUTION RATIFYING A SIDE-LETTER OF AGREEMENT WITH THE AIRPORT ADMINISTRATIVE ASSISTANTS ASSOCIATION, UNITED PUBLIC EMPLOYEES 792, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT**

**WHEREAS**, the District and Union Representing the Administrative Assistants Association previously entered into an MOU set to expire on June 30, 2020; and

**WHEREAS**, the District has experienced significant budgetary impacts arising as a consequence of the COVID-19 pandemic requiring it to propose a freeze on employee wages for Fiscal Year 2020-2021; and

**WHEREAS**, the District and Association Representatives have met and conferred in good faith concerning the wages hours and working conditions, including a potential extension of the MOU for an

additional year, maintaining salaries in a status quo for the members of the bargaining unit of represented employees; and

**WHEREAS**, the District and Association representatives have reached agreement on an overall tentative agreement in the form of a Side-letter to the original MOU; and,

**WHEREAS**, the Side-letter agreement has been ratified by the members of the Administrative Assistants Association, and it is the recommendation of District staff that it be ratified by the Board of Directors.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT**, that the Side-letter Agreement with the Administrative Assistants Association, represented by United Public Employees of California, Local 792 (LIUNA, AFL-CIO); which Side-letter extends the term of the MOU through June 30, 2021, provides that there be no increases to bargaining unit salaries in the Fiscal Year 2020-2021, and which is attached hereto as Exhibit "A" to this resolution and incorporated herein by reference, is hereby ratified; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT**, that the Executive Director is hereby authorized to execute said Side-letter of Agreement.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 17th day of June 2020 by the following roll call vote:

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

Adopt            2. Resolution No. 1776, A Resolution Authorizing and Approving the Rates and Charges at the Monterey Regional Airport for Fiscal Year 2021

*Deputy Director Bergholz presented Item G.2, noting that the proposed Resolution was previously presented to the Finance Committee and to the full Board in the Special Meeting Budget Workshop. He stated that, based on requests from the public, rates for special events held on Airport had been added.*

*Executive Director La Pier added that rates were not increased to keep the market consistent and to keep tenants retained during this difficult time, until the Airport recovers. He noted that the Rates and Charges can always be amended in the future if necessary.*

*Director Cursio moved to adopt Resolution No. 1776. Director Miller seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

## **RESOLUTION NO. 1776**

### **A RESOLUTION AUTHORIZING AND APPROVING THE RATES AND CHARGES AT THE MONTEREY REGIONAL AIRPORT FOR FISCAL YEAR 2021**

**WHEREAS**, periodic adjustment of rates and fees is appropriate in order to achieve the District's goal of recovering the cost of operating and maintaining the Airport from rents, fees and charges paid by tenants and users of Airport facilities in fair proportion to their respective use; and

**WHEREAS**, the District has set its airside rates in accordance with the airfield residual cost recovery methodology; and

**WHEREAS**, the District has set its terminal area rental rates in accordance with the terminal compensatory cost recovery methodology.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT**, the following rate and fee schedule (SEE ANNEX A) shall be implemented effective July 1, 2020.

**1.0 Aviation & Aviation Related Rates and Fees.**

**1.1 Landing Fees.**

**1.1.1 Air Carriers.** Provided a signed agreement between an air carrier and the District exists and except as exempted from landing fees by the provisions of Section 1.1.5 of this Resolution, there shall be paid to the District a landing fee for all air carrier operations (including unscheduled charter operations) landing at the Airport (SEE ANNEX A). The landing fee is assessed per thousand pounds of certificated gross landing weight. Air carriers operating without a signed agreement will pay a landing fee equal to two (2) times the established rate.

**1.1.2 Freight Forwarding/Cargo Carriers.** Except as exempted from landing fees by the provisions of Section 1.1.5 of this Resolution, there shall be paid to the District a landing fee for all freight forwarding/cargo carrier operations (including unscheduled charter operations) landing at the Airport (SEE ANNEX A). The landing fee is assessed per thousand pounds of certificated gross landing weight or per landing.

**1.1.3 General Aviation Aircraft.** Except as exempted from landing fees by the provisions of Sections 1.1.3.1 and 1.1.5 of this Resolution, there shall be paid to the District a landing fee for all general aviation aircraft operations involving aircraft having a certificated gross landing weight of six thousand pounds (6,000 lbs) or greater landing at the Airport (SEE ANNEX A). The landing fee is assessed per thousand pounds of certificated gross landing weight.

**1.1.3.1 Based Aircraft Exemption.** All general aviation aircraft based at the Monterey Regional Airport shall be exempt from the landing fees set forth in Section 1.1.3 of this Resolution. General aviation aircraft based at the Airport shall be deemed to include general aviation aircraft for which monthly hangar rentals or tie-down fees are being paid to the District or to a fixed base operator holding a valid lease or rental agreement with the District for the conduct of fixed base operations at the Airport. In addition, general aviation aircraft owned or leased by such a fixed base operator shall be deemed to be general aviation aircraft based at the Airport.

**1.1.4 Helicopters.** Except as exempted from landing fees by the provisions of Sections 1.1.4.1 or 1.1.5 of this Resolution, there shall be paid to the District a landing fee for all helicopter operations landing at the Airport (SEE ANNEX A). The landing fee for helicopters is assessed per landing.

**1.1.4.1 Based Helicopter Exemption.** All helicopters based at the Monterey Regional Airport shall be exempt from the landing fees set forth in Section 1.1.4 of this Resolution. Helicopters based at the Airport shall be deemed to include helicopters for which monthly hangar rentals or tie-down fees are being paid to the District or to a fixed base operator holding a valid lease or rental agreement with the District for the conduct of fixed base operations at the Airport. In addition, helicopters owned or leased by such a fixed base operator shall be deemed to be helicopters based at the Airport.

1.1.5 General Exemptions. Aircraft landing at the Airport due to mechanical failure or other in-flight emergency shall be exempt from the landing fees set forth in this Resolution. Military aircraft or aircraft operated by the state or federal government shall be exempt from the landing fees set forth in this Resolution. Medical emergency/medical evacuation aircraft shall be exempt from the landing fees set forth in this Resolution.

## 1.2 Remain-Over-Night (RON) Fee.

1.2.1 Air Carriers. Provided a signed agreement between an air carrier and the District exists, there shall be paid to the District a RON fee for all air carrier aircraft (including unscheduled charter aircraft) that remain over night at the Airport (SEE ANNEX A). The RON fee is assessed per thousand pounds of certificated gross landing weight.

1.2.2 Freight Forwarding / Cargo Carriers. There shall be paid to the District a RON fee for all freight forwarding/cargo carrier aircraft (including unscheduled charter aircraft) that remain overnight at the Airport (SEE ANNEX A). The RON fee is assessed per thousand pounds of certificated gross landing weight.

## 1.3 Apron Fee.

1.3.1 Air Carriers. Provided a signed agreement between an air carrier and the District exists, there shall be paid to the District an apron fee for all air carrier aircraft (including unscheduled charter aircraft) that park on the terminal ramp at the Airport (SEE ANNEX A). The apron fee is assessed per thousand pounds of certificated gross landing weight. Air carriers operating without a signed agreement will pay a landing fee equal to two (2) times the established rate.

1.3.2 Freight Forwarding / Cargo Carriers. There shall be paid to the District an apron fee for all freight forwarding/cargo carrier aircraft (including unscheduled charter aircraft) that park on the terminal ramp at the Airport (SEE ANNEX A). The apron fee is assessed per thousand pounds of certificated gross landing weight.

1.4 Gate Fee. Provided a signed agreement between an air carrier and the District exists, there shall be paid to the District a gate fee for non-scheduled (including charter) air carrier aircraft that use the Airport terminal facilities (SEE ANNEX A). The gate fee is assessed per thousand pounds of certificated gross landing weight. Air carriers operating without a signed agreement will pay a landing fee equal to two (2) times the established rate.

1.5 Security Fee. There shall be paid to the District a security fee for all air carrier aircraft (including unscheduled charter aircraft) that use the Airport terminal facilities (SEE ANNEX A). The security fee is assessed per enplaned passenger.

1.6 Hangar Rentals. There shall be paid to the District rents for District owned and maintained aircraft hangars (SEE ANNEX A). The hangar rent is assessed by type and location of hangar, except as may otherwise be provided in a contractual agreement between the District (lessor) and a lessee.

1.7 Aircraft Tie-downs. There shall be paid to the District rents for District owned and maintained aircraft tie-down spaces (SEE ANNEX A). The tie-down rent is assessed by aircraft type and location of tie-down, except as may otherwise be provided in a contractual agreement between the District (lessor) and a lessee.

1.8 Fuel Dispensing / Fuel Flowage Fees. There shall be paid to the District a fuel dispensing or fuel flowage fee for each gallon of fuel dispensed at the Airport (SEE ANNEX A). The fuel dispensing or flowage fee is assessed by number of gallons dispensed and by type of fuel.

## **2.0 Terminal Area Rents.**

2.1 Terminal Building and Adjacent Area Rentals. There shall be paid to the District rents for space in and around the Airport terminal (SEE ANNEX A). These rents are paid by square foot (sq. ft.) or space basis (per month) except as may otherwise be provided in a contractual agreement between the District (lessor) and a lessee.

2.2 Concessionaires. There shall be paid to the District fees for the use of space and the conduct of business in and around the Airport terminal. These fees may be assessed by square foot (sq. ft.) or space basis (per month) or may be assessed as a percentage of gross receipts, or a combination provided in a contractual agreement between the District (lessor) and a lessee or concessionaire.

3.0 **Non-Aviation Rents.** There shall be paid to the District rents for non-aviation space and facilities on the Airport (SEE ANNEX A). These rents are assessed on a square foot (sq. ft.) or space basis (per month) except as may otherwise be provided in a contractual agreement between the District (lessor) and a lessee.

## **4.0 Other Fees.**

4.1 Miscellaneous Fees. There shall be paid to the District fees for AOA badges, parking permits, SIDA badges, law enforcement activities (reports, incidents and services). These fees are assessed on each activity or service provided by the District to a tenant, tenant-employee, and lessee.

4.2 Tenant Event Support / Tenant Repair & Maintenance Fees. There shall be paid to the District fees for law enforcement support or tenant repair, maintenance services and event fees. These fees will be charged on a per hour rate and due at the completion of law enforcement support or tenant repair & maintenance services, and event fees.

4.3 Airport Events / Filming / Photography - Basic Use Fees. There shall be paid to the District fees for special on property events, motion picture filming or television recording and photography events. These fees will be charged on a per day rate and due in advance when the Facilities Use and License Agreement is executed, and before special on property events, motion picture filming or television recording and photography events occur.

4.4 Late Payment and Credit Card Payment Fees. There shall be paid to the District fees for late tenant or lessee and credit cards payments. These fees will be charged on a percentage of tenant or lessee invoices and are due upon contract terms with the District.

5.0 **Future Rate Adjustments.** The District may implement changes in rates and charges from time-to-time through the adoption of future rates and charges resolutions. During the period following the adoption of this Resolution and until the effective date of a subsequent rates and charges resolution, District leases and rental agreements may provide for adjustments to rates and charges based on changes in consumer price or other indices.

6.0 **Severability.** If any provision, clause, sentence or paragraph of this Resolution or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this Resolution which can be given effect without the invalid provision or application and to this end, the provisions of this Resolution are declared severable.

7.0                    **Effective Date.**    This Resolution shall take effect on July 1, 2020.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 17th day of June 2020, by the following roll call vote:

|                 |                   |   |
|-----------------|-------------------|---|
| <b>AYES:</b>    | <b>DIRECTORS:</b> | Cursio, Miller, Sabo, Sawhney, Chair Leffel |
| <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. 1777, A Resolution Authorizing and Approving the Fiscal Year 2021 Salary Schedule Listing Salary Ranges for the Monterey Peninsula Airport District

*Executive Director La Pier presented Item G.3, mentioning that as discussed in Item G.1, all salaries have been frozen for FY 2021. He stated that the proposed Salary Schedule reflects what has been adopted in the past, with very few changes. He stated that the proposed changes include removal of the vacant Part-Time Operations Supervisor position and the vacant Coordinator-Communications and Community Affairs position from the FY 2021 Salary Schedule. He added that the District implemented staff reductions as a result of the COVID-19 national health emergency, which included the termination of four FY 2020 budgeted positions.*

*Chair Leffel stated that the Finance Committee reviewed the proposed Resolution No. 1777 and is in support of its adoption.*

*Director Miller moved to adopt Resolution No. 1777. Director Sawhney seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

#### **RESOLUTION NO. 1777**

#### **A RESOLUTION AUTHORIZING AND APPROVING THE FISCAL YEAR 2021 SALARY SCHEDULE LISTING SALARY RANGES FOR THE MONTEREY PENINSULA AIRPORT DISTRICT**

**WHEREAS**, the Monterey Peninsula Airport District negotiated a one-year extension with the represented staff (agreement AAA MOU) for FY 2021 with no changes to the lower and upper salary ranges, and

**WHEREAS**, the Monterey Peninsula Airport District authorized the addition of a second Operations Supervisor position which resulted in the hiring of the then Part-Time Operations Supervisor. The Part-Time Operations Supervisor has been vacated and Airport Staff recommends closing that position and removing it from the FY 2021 Salary Schedule, and

**WHEREAS**, On March 31, 2020 the Monterey Peninsula Airport District implemented a staff reduction as a result of the COVID-19 national health emergency. The staff reductions included the termination of four FY 2020 budgeted positions and the removal of the Coordinator-Communications and Community Affairs position from the FY 2021 Salary Schedule.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** That the compensation of all employees of the Monterey Peninsula Airport District as set forth and prescribed in the 2021 Salary Schedule, Listing Salary Ranges is hereby approved and adopted. A copy of said schedule is attached hereto and made a part of 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 Schedule in accordance with and designated "Monterey Peninsula Airport District Fiscal Year 2021 Salary Schedule" listing salary ranges.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 17th day of June 2020 by the following roll call vote:

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

Adopt 4. Resolution No. 1778, A Resolution Authorizing and Approving the Operating Budget and the Capital Budget of the Monterey Peninsula Airport District for Fiscal Year 2021

*Deputy Executive Director Bergholz presented Item G.4, noting that staff took a conservative approach in preparing the FY 2021 budget, based on the challenges that are facing the Airport and the general public, and added that the proposed Resolution was previously presented to the Finance Committee and to the full Board in the Special Meeting Budget Workshop. He stated that since the Budget Workshop, the Airport had received a memo from the City of Del Rey Oaks, where Chief Hoyne communicated that Del Rey Oaks staff carefully looked at ways to reduce costs for FY 2021, and provided a contract total that reflected an almost \$150,000 cost reduction as a one-time adjustment in light of COVID-19 related revenue decreases at the Airport District and in the City. Deputy Director Bergholz stated that aside from that change, the budget was the same as previously presented. He gave the Board a brief overview of major points of the proposed operating and capital budgets for FY 2021.*

*Chair Leffel stated that the Finance Committee reviewed the proposed Resolution No. 1778 and is in support of its adoption.*

*Director Sabo made the following comments:*

*"As I previously indicated in the budget workshop, I am opposed to this FY 2021 budget proposal.*

*Much good work has gone into preparing this budget, but I am concerned that in the space of just fifteen months we will have burned through 45% of our CARES Act funding.*

*This is going to be a very slow recovery and ramp up to regenerating our airline and concession revenue. When we burn through 45% of our CARES money in a short period of time, it raises my concerns about some of the operational line items that we increased substantially and some that we cut dramatically, such as our marketing outreach to our local customers who are primary users of our airport. But of major concern to me is that we are continuing to go forward with a large capital expenditure budget to the tune of \$740,000 of District cash at a time of financial crisis and limited funds.*

*Those capital projects are certainly worthwhile, but I do not believe we should be moving forward on these District funded projects, at a great capital expense, during a time of great uncertainty about our future revenue outlook. For example, we are planning to spend \$250,000 to demolish Building 505 in this fiscal year. That is certainly something we have to do but it is not something we have to do in this time period of financial uncertainty.*

*We are also proposing in the budget narrative to move forward on the water project for \$250,000 in this time period. I do not know that this is a necessary project at a time when our revenues are uncertain.*



*With these capital budget expenditures, we are going to deplete our retained earnings by \$740,000 at a time when we are not certain where our future revenues are going to come from.*

*We have done an admirable job for many of our tenants of relieving them of rent payments at our own expense, without any obligation to repay us in any way for the rent mitigations we have done for them. I think we have done a good community service for them with our rent relief, but I believe we have an equal responsibility to protect the assets of the District.*

*Going forward, I do not know where we will be two or three years from now, but I don't want us to be in a position where we have spent all of our CARES Act money and a substantial amount of our District reserves leaving us on our financial backs still waiting for the airlines to recover and bring passengers back to Monterey."*

Public Comment: Matthew Wright, Monterey Fuel Company General Manager, thanked the members of the Board and staff for including the FBO partners in the Tier 2 relief. He shared numbers with the Board, indicating where operations were currently at compared to where they were previously. He also mentioned that Monterey Jet Center was ranked as the 10<sup>th</sup> best FBO in the country by Professional Pilot Magazine.

*Director Cursio moved to adopt Resolution No. 1778. Director Miller seconded the motion. The motion passed by a roll call vote of 4-1. Director Sabo voted no.*

#### **RESOLUTION NO. 1778**

#### **A RESOLUTION AUTHORIZING AND APPROVING THE OPERATING BUDGET AND THE CAPITAL BUDGET OF THE MONTEREY PENINSULA AIRPORT DISTRICT FOR FISCAL YEAR 2021**

**WHEREAS**, the estimates submitted to the Board of Directors of the Monterey Peninsula Airport District entitled "Monterey Peninsula Airport District, County of Monterey, State of California, Budget - Fiscal Year 2021," and now on file in the offices of the District are hereby approved and adopted as the budget of the District for the Fiscal Year 2021, and

**WHEREAS**, On March 27, 2020, the Congress passed the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") and the President signed the CARES Act into law. The CARES Act provides grants for airports with commercial airline service, among other forms of relief for aviation businesses; and

**WHEREAS**, On April 4, 2020, the FAA released an informational document titled *Information for Airport Sponsors Considering COVID-19 Restrictions or Accommodations*, which specifically addresses the use of grant funds at commercial airports; and

**WHEREAS**, On April 15, 2020, the Board of Directors approved Resolution No. 1772, which authorized the Airport to receive designated funds from the CARES Act for utilization by the Airport pursuant to FAA authorized purposes; and

**WHEREAS**, The Districts Fiscal Year 2021 revenues are projected to be insufficient to fund expenses, capital expenditures and debt service; and

**WHEREAS**, The District anticipates submitting periodic draws from CARES ACT grant to fund operating deficits and to ensure that current operating expenses, capital expenditures and debt service obligations are funded; and

**WHEREAS**, the revenues of the District for the Fiscal Year 2021 are hereby appropriated as set forth and segregated in the operating budget and the capital budget, and

**WHEREAS**, all annual salaries, compensations, allowances and operating expenses for the Fiscal Year 2021 as set forth in the operating budget shall be payable in such time, form and manner as is prescribed by the Monterey Peninsula Airport District Act and by Resolution No. 1424, a Resolution Establishing Fiscal Control Policies and Procedures for the Monterey Peninsula Airport District; and

**WHEREAS**, all capital expenditures for the Fiscal Year 2021 as set forth in the capital budget shall be payable in such time, form and manner as is prescribed by the Monterey Peninsula Airport District Act and by Resolution No. 1424; and

**WHEREAS**, all debt service expenditures, interest and principal, for the Fiscal Year 2021 are identified and shall be payable in such time, form and manner as prescribed by contract or covenant, are hereby approved, and

**WHEREAS**, all motions and resolutions and parts of motions and resolutions insofar as they are in conflict with this resolution are hereby repealed.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT**, the Operating Plan and Capital Plan presented in the Budget for Fiscal Year 2021 are hereby established and designated as in the Budget and shall take effect on July 1, 2020.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 17th day of June 2020 by the following roll call vote:

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

Approve      5. Establish Procedure for Response to Grand Jury Report

*District Counsel Huber presented Item G.5, stating that the Grand Jury issued their report on June 2, 2020. He explained the function of the Civil Grand Jury and gave a brief summary of the contents of the report titled "The Airport Master Plan – a Well-Conceived Flight Plan, but Indications of Financial Turbulence Ahead." He stated that having received this report, the Board of Directors is now obligated to provide responses to the findings and recommendations the Grand Jury has made concerning these subjects. He explained how the Board is required to respond to each finding and each recommendation and noted that to meet those objectives, Staff proposes that the Board direct that a full draft response to the Grand Jury Report be prepared by August 3, 2020 and that this report be agendaized for consideration at the Board meeting scheduled for August 12, 2020.*

*Chair Leffel suggested establishing an Ad-Hoc Committee to draft a response to the Grand Jury report and asked that Director Sabo join her on that committee.*

*Director Cursio moved to establish an Ad-Hoc Committee to draft a response to the Grand Jury report, represented by Chair Leffel and Director Sabo. Director Sawhney seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

Approve 6. Board Attendance at Future Conferences and Events

*Chair Leffel presented Item G.6, noting that several of the conferences had already been cancelled. She asked that as a Board, the Directors vote that no one attends more than two.*

*Executive Director La Pier clarified that the budget limits the Board and staff to one conference and attendance at the SWAAAE Annual Airport Management Short Course.*

*Chair Leffel added that the budget can be amended in the future if needed, she stated to Executive Director La Pier that the Board feels like there are going to be a lot of changes this next year and that, as a policy setting group, it is very beneficial for the members of the Board to hear from representatives of DOT and FAA.*

*Public Comment: Marlana Brown, Naval Support Activity Monterey, mentioned that the Sustaining Military Readiness Conference planned for August in San Antonio, Texas had been postponed until 2021, in case anyone had planned on attending.*

*Director Sabo moved to approve Board attendance at one future conference and the SWAAAE Annual Airport Management Short Course. Director Sawhney seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

*A break was taken from 10:49 AM to 11:04 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:**

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

**b. Ad-Hoc Committees:**

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

**c. Liaison/Representatives:**

- |   |                 |              |
|---|-----------------|--------------|
| i. Local Agency Formation Commission            | Director Leffel | Alt: Sawhney |
| ii. Regional Taxi Authority                     | Director Cursio | Alt: Leffel  |
| 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    |

**I. CLOSED SESSION**

*The Board entered into Closed Session at 11:37 AM.*

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

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 2999 Monterey-Salinas Highway, Monterey, CA 93940.

**J. RECONVENE TO OPEN SESSION**

*The Board returned to Open Session at 1:37 PM.*

*Chair Leffel stated that no reportable action was taken during Closed Session.*

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

- COVID-19 Recovery Plan
- Rules and Regulations

**L. DISCUSSION OF FUTURE AGENDAS**

- Annual Review for Executive Director La Pier

*Chair Leffel stated that Director Sawhney had asked about the date of the July meeting, because it was scheduled to be so close to the Fourth of July. She added that because of the holiday closure, staff would be limited on time to prepare the agenda packet. She asked staff if it was the pleasure of staff to move the Board meeting to the 15<sup>th</sup> of July. Executive Director La Pier stated that would be staff's request.*

*Director Sabo asked Executive Director La Pier for an update on his health status and what that looks like moving forward. Executive Director replied and thanked the Board for their patience the last few months.*

**M. ADJOURNMENT**

*The meeting adjourned at 1:51 PM.*

Minutes Approved at the  
Meeting of July 15, 2020



Mary Ann Leffel, Chair

ATTEST



Michael La Pier, AAE  
District Secretary