

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

May 19, 2021 - 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 and County Public Health Officer's recent order related to public assemblies, the Board of Directors of the Monterey Peninsula Airport District is required to limit in-person attendance at the upcoming Board 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](http://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. 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, as outlined below.

**REMOTE PUBLIC COMMENTS** To make a public comment, the following options are available:

1. Before the Meeting via Email: Written comments can be emailed to [info@montereyairport.com](mailto:info@montereyairport.com). Include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments must 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. The written comments will be read aloud into the record by District Counsel.
2. During the Meeting via Oral Comments: 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.

### A. CALL TO ORDER/ROLL CALL

*Chair Cursio called to order the Regular Meeting of the Board of Directors at 9:03 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 Leffel stated that the on June 3, 2021, the Monterey Bay Defense Alliance would be hosting an event at the Monterey Conference Center. She noted that the program would feature a presentation on the Monterey Economic Impact Report: Contributions of the Military to the Monterey County Economy. She encouraged her fellow Directors to attend either in person or virtually.*

*Director Cursio stated that he and the Board's Chair Pro-Tem, Director Miller, have begun discussions regarding the Executive Director's contract.*

### 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 Regular Meeting of April 21, 2021
- Approve 2. Minutes of the Committee Meeting of the Budget and Finance Committee of May 11, 2021
- Approve 3. Minutes of the Committee Meeting of the Air Carrier Service, Marketing and Community Relations Committee of May 12, 2021
- Approve 4. Minutes of the Committee Meeting of the Airport Property Development and Leases Committee of May 13, 2021

*Director Sawhney requested to pull Consent Agenda Item E.1, the Minutes of the Regular Meeting of April 21, 2021.*

*Director Leffel moved to approve Items E.2, E.3 and E.4. Director Miller seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

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

*Director Sawhney expressed that she had a couple minor corrections to the minutes. She requested the following amendments:*

- Page 3 of 8: She noted that she also expressed that concern regarding the timing of the Landrum and Brown Rates and Charges Analysis and Airline Lease Agreement.*
- Page 5 of 8: Director Leffel stated that the proposed Amendment to the Professional Services Agreement with Kimley-Horn and Associates was reviewed extensively by Finance Committee, not Lease Committee as written.*

*Director Leffel moved to approve the Minutes of the Regular Meeting of April 21, 2021, as amended. Director Miller seconded the motion. The motion passed unanimously by a roll call vote of 5-0.*

## **G. REGULAR AGENDA - ACTION ITEMS**

- Presentation 1. Overview of Pro-Tec Fire Services

*Executive Director La Pier introduced Item G.1, stating that he has had discussions with Pro-Tec Fire Services, and wanted to introduce the company to the Board.*

*Bill Hershman, CEO of Pro-Tec Fire Services, provided background information on the company, noting that they only provide ARFF services, and presented the following: core values, code of conduct, airports currently being served by Pro-Tec, business model and differentiation, safety, value added services, ongoing operations, FAR Part 139 training, and value proposition. Dan Deal, of Pro-Tec Fire Services, was also available to answer questions*

*The Board discussed Item G.1 and thanked them for their presentation.*

*No public comments.*

Approve 2. Third Amendment to the Parking Operations Agreement for Operation at the Monterey Regional Airport

*Executive Director La Pier presented Item G.2. He stated that the contract with REEF Parking expires at the end of the month, and they have requested an extension to the agreement. He added that there is still time remaining in the amortization period for some of the equipment that was upgraded. He stated that staff has negotiated a three-year extension with adjustments to the revenue tiers and improvements to be made by REEF. He reviewed the proposed improvements.*

*No public comments.*

*The Board discussed Item G.2.*

*Director Miller stated that the proposed Amendment was reviewed extensively by Lease Committee and they recommend approval by the Board.*

*Director Leffel requested to add a line in the Amendment stating that there is a \$50,000 owe to the Airport if REEF has not made the proposed improvements by the end of the extension term.*

*Director Sabo moved to approve the Third Amendment to the Parking Operations Agreement with the following amendments: a \$50,000 owe to the Airport if REEF has not made the proposed improvements by the end of the extension term as well as a line stating that the improvements must be made within the first year of the extension term. Director Sawhney seconded the motion.*

*Director Leffel stated that REEF has proven to be good business people and that it is in their best interest to do the improvements sooner rather than later and added that she did not like the deadline of twelve months.*

*Director Sabo withdrew his motion.*

*Director Leffel moved to amend the Third Amendment to the Parking Operations Agreement to include that if REEF does not complete the improvements by June 30, 2024, they would owe the Airport \$50,000. Director Miller seconded the motion.*

*Director Sawhney stated that she did not see why the improvements could not be made within the first year. She requested to add the twelve month deadline.*

*A break was taken from 11:05 AM until 11:13 AM, while Executive Director La Pier called Bob Linehart, Senior Director of REEF Parking, to inquire about the one year deadline for the improvements to be made.*

*After returning from the break, Executive Director La Pier reported that Bob Linehart was absolutely fine if the Board chooses to put a one year deadline on the capital improvements.*

*District Counsel Huber stated that the update language in the amendment would read: "In addition to the previously required Capital Improvements, Operator shall make the following Capital Improvements and/or investments within 12 months of the effective date of this Third Amendment, in an amount of approximately \$50,000." He also added the following: "If Operator does not complete the mandatory Capital Improvements listed in Paragraph 4 on or before June 30, 2024, Operator shall pay District \$50,000 upon expiration or termination of the Agreement."*

Director Miller seconded Director Leffel's motion. The motion passed unanimously by a roll call vote of 5-0.

Presentation 3. CALPERS Unfunded Accrued Liability

Deputy Executive Bergholz presented Item G.3. He reviewed the GASB 68 pension liability terms and presented the UAL as of the FY 2022 Audited Financial Statements. He gave an overview of the Board of CALPERS' response to UAL and their approved discount rate changes. He also reviewed the impact of those discount rate changes on the District, and the CALPERS UAL Recovery Plan.

The Board discussed Item G.3.

No public comments.

Director Cursio requested that Matthew Wright, General Manager of Monterey Fuel Company, give a brief update on the remodel of Monterey Jet Center and an approximate timeline for completion.

Matthew Wright stated that the remodel is moving along. He noted that they are pressed on the original timeline because of material acquisition difficulties due to COVID-19. He added that he still expects to complete the remodel by August 1, 2021.

Adopt 4. Resolution No. 1800, A Resolution of the Monterey Peninsula Airport District Amending Resolution Nos. 1774, 1775 and 1793 Related to CARES and CRRSA Act Relief for Airport Tier 1 Terminal Restaurant and Gift Shop Concession Tenants

Executive Director La Pier introduced Item G.4.

Deputy Executive Director Bergholz presented, giving an overview of the past and current tenant rent abatements. He highlighted the proposed continued rent abatements for the terminal restaurant and gift shop tenants.

Executive Director La Pier reiterated that staff recommends cancelling all rent abatements aside from those two tenants.

Director Sawhney stated that the proposed Resolution No. 1800 was reviewed extensively by Finance Committee, and they recommend approval by the Board.

Director Leffel moved to adopt Resolution No. 1800. Director Sawhney seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

**RESOLUTION NO. 1800**

**A RESOLUTION OF THE MONTEREY PENINSULA AIRPORT DISTRICT AMENDING RESOLUTION NOS. 1774, 1775 AND 1793 RELATED TO CARES AND CRRSA ACT RELIEF FOR AIRPORT TIER 1 TERMINAL RESTAURANT AND GIFT SHOP CONCESSION TENANTS**

**WHEREAS**, the Monterey Peninsula Airport District operates the Monterey Regional Airport to provide aviation and transportation services to the general public; and

**WHEREAS**, on March 17, 2020, the County Public Health Officer issued a shelter in place order which defined certain activities as "essential businesses" and which required restaurants to cease and desist all dine-in restaurant services; and

**WHEREAS**, on March 21, 2020, the President issued a Federal Declaration of Emergency due to the Coronavirus (COVID-19) pandemic; 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 small businesses, which enables airports to postpone and abate rent for aviation related tenants in some circumstances; 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**, 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 potential for rent postponement and abatement for aviation-related users at commercial airports; and

**WHEREAS**, based upon the FAA guidance, the abatement of certain rent is appropriate for Tier 1 and Tier 2 Airport tenants, which are those tenants who provide services directly to commercial airport customers, including airlines, rental car companies, air terminal tenants, and restaurant/gift shop tenants; and

**WHEREAS**, on May 13, 2020 the Board of Directors approved Resolution No. 1774 for rent abatements to Tier 1 Aviation Related Tenants from May 1, 2020 through October 31, 2020 and for restaurant related Tier 1 tenants, the rent abatement eligibility from April 1, 2020 through October 31, 2020, based upon current economic conditions; and

**WHEREAS**, on May 28, 2020 the Board of Directors approved Resolution No. 1775 for rent abatements to Tier 2 FBO Tenants from May 1, 2020 through October 31, 2020; and

**WHEREAS**, on October 14, 2020 the Board of Directors approved Resolution No. 1793 extending rent abatements for Tier 1 and Tier 2 Tenants beginning March 1, 2021 and ending May 31, 2021 with some modifications; and

**WHEREAS**, on May 19, 2021 the Board of Directors approved an extension of rent abatements for Airport Tier 1 Terminal Restaurant and Gift Shop Concession Tenants beginning June 1, 2021 and ending July 31, 2021.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT** that the Executive Director, or a designee, is authorized to abate rent for Airport Tier 1 Terminal Restaurant and Gift Shop Concession Tenants from

June 1, 2021 through July 31, 2021. In the event that the economic conditions materially improve, the Executive Director is authorized to discontinue prior to July 31, 2021 the abatement of rent.

**ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:** This 19th day of May 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

Discussion 5. Renaming Protocols

*Executive Director La Pier presented Item G.5, giving a brief overview. He stated that he was approached by Visit Carmel about a year prior to discuss their recommendation to rename the Airport to include Carmel in its title. He added that Visit Carmel presented to the Board in March, and it was brought to Air Service Committee after that for discussion.*

*Director Sabo recapped the discussion that was had at the Air Service Committee meeting. He stated that there was a split opinion, and that Director Cursio feels strongly against including Carmel in the Airport's name, while he strongly supports considering the name change.*

*Chair Cursio added that he completely understands what a valuable partner Carmel is to the Airport. He stated that the current branding is working very well, and a lot of time and effort have been put into those efforts. He sees a potential issue with other stakeholders, and other areas of the region, if the Carmel was added to the name.*

*Executive Director La Pier noted that the Airport and Visit Carmel will work in partnership to communicate with the airlines to add Carmel to MRY's descriptor in their online booking/reservation systems. He added that American Airlines and JSX already do so. He also stated that the Airport worked with Visit Carmel to promote in Seattle, and the campaign was extremely successful. He proposed a larger partnership with Visit Carmel to put on a national campaign. Finally, he noted that the name changes in the booking portals and the marketing campaign were both positive steps, regardless of the name change decision, to enhance the MRY/Carmel partnership.*

*The Board discussed Item G.5.*

*Director Sabo further expressed his support of the name change. Directors Leffel, Miller and Sawhney all expressed that they support enhancing the partnership with Carmel, but do not support the name change.*

*Public Comment: Mark Watson, Visit Carmel Board Member, thanked the Board for their consideration of the proposal to change the name. He stated that he understands some of the Board's concerns, but he personally feels strongly about augmenting the branding with the word Carmel. He added that he is disappointed in some of the feedback but is very gratified for the strong partnership that has developed between Visit Carmel and the Airport, and he looks forward to continuing to build awareness to their visitors.*

*Public Comment: Amy Herzog, Visit Carmel Executive Director, thanked the Board as well for their consideration and noted that they are very open to all the other ideas that Mike presented, and that the Board seems interested in pursuing. She stated that they will happily continue to work as the Airport's partner. She thanked the Board for valuing Carmel's presence, and added that they value the Airport*

as well. She stated that there is a reason why Visit Carmel's Board is adding a \$100,000 fly market marketing campaign, something that they have not ever done so extensively. She noted that they are usually more focused on the drive market, but that there has been a huge shift. She stated that leisure travel is the road to recovery right now, and the Visit Carmel Board is willing to go out and be aggressive while they have the chance to reach new markets, some of which are not very familiar with the area. She added that they are happy to help if they can with adding Carmel to the airline booking systems, but that a much cleaner way would be to add Carmel to the Airport's name, which does not necessarily mean rebranding. Finally, she asked the Board to keep an open mind, and perhaps the name change may force itself in the future. She thanked the Board again and requested that the two organizations keep talking.

**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    |

A break was taken from 1:53 PM until 2:03 PM.

**I. CLOSED SESSION**

The Board entered into Closed Session at 2:03 PM.

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.

**J. RECONVENE TO OPEN SESSION**

The Board returned to Open Session at 3:32 PM.

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

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

*None.*

**L. DISCUSSION OF FUTURE AGENDAS**

- *Presentation on Funding Options for CALPERS Unfunded Accrued Liability (Sabo/Cursio)*

**M. ADJOURNMENT**

*The meeting adjourned at 3:35 PM.*

Minutes Approved at the  
Meeting of June 16, 2021



Gary Cursio, Chair

ATTEST



Michael La Pier, AAE  
District Secretary