

**REGULAR MEETING OF THE
MONTEREY PENINSULA AIRPORT DISTRICT
BOARD OF DIRECTORS**

January 13, 2016 10:00 AM

**Board Room, 2nd Floor of the Airport Terminal Building
200 Fred Kane Dr. Suite #200
Monterey Regional Airport**

(Unless you are a public safety official, please turn off your cell phone or place it on vibrate mode during the meeting. Thank you for your compliance.)

A. CALL TO ORDER/ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

D. PUBLIC COMMENTS

Any person may address the Monterey Peninsula Airport District Board at this time. Presentations should not exceed three (3) minutes, should be directed to an item **NOT** on today's agenda, and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Though not required, the Monterey Peninsula Airport District Board appreciates your cooperation in completing a speaker request form available on the staff table. Please give the completed form to the Monterey Peninsula Airport District Secretary. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.)

E. SEATING OF CHAIR

F. SELECTION OF CHAIR PRO TEM

G. APPOINTMENT OF COMMITTEES BY CHAIR

a. Standing Committees:

i. Local Jurisdiction Liaison _____

ii. Budget and Finance _____

iii. Air Service, Marketing, Community Relations _____

b. Ad-Hoc Committees:

i. Community Affairs _____

ii. Airport Property Development & Leases _____

iii. Noise Mitigation _____

c. Liaison/Representatives:

- i. Local Agency Formation Commission
- ii. Regional Taxi Authority
- iii. Transportation Agency for Monterey County
- iv. Water Management District (Policy Advisory)
- v. Special Districts Association Liaison

H. CONSENT AGENDA – ACTION ITEMS

(10:15AM – 10:30AM Estimated)

(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 December 9, 2015](#)

Approve 2. [Minutes of the Special Meeting of December 16, 2015](#)

I. DEFERRED CONSENT AGENDA - ACTION ITEMS

J. ACCEPTANCE OF DEPARTMENT REPORTS

(10:30AM – 10:45AM Estimated)

[\(The board receives department reports which do not require any action by the board\)](#)

K. REGULAR AGENDA – ACTION ITEMS

(10:45AM-11:45AM Estimated)

Adopt 1. [Ordinance 917, an Ordinance Prohibiting All Commercial Medical Marijuana Uses on Monterey Peninsula Airport District Property](#)

Approve 2. [Employment Agreement for Police Chief](#)

Adopt 3. [Resolution No. 1654, a Resolution Amending the Governance Manual and Board Operating Rules and Procedures](#)

Discussion/
Similar Action 4. [Consideration of Support for Legislative Bill to Treat Airport Districts in Fashion to Other Special Districts \(requested by Chair Sabo\)](#)

L. BOARD COMMITTEE REPORTS

(11:45AM –12:00PM Estimated)

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

a. Standing Committees:

- i. Local Jurisdiction Liaison
- ii. [Budget and Finance](#)
- iii. Air Service, Marketing, Community Relations

Directors Miller & Searle
Directors Miller & Sabo
Directors Leffel & Nelson

- | | |
|---|------------------------------|
| b. <u>Ad-Hoc Committees:</u> | |
| i. Community Affairs | Directors Sabo & Leffel |
| ii. Airport Property Development & Leases | Directors Nelson & Miller |
| iii. Noise Mitigation | Directors Sabo & Nelson |
| c. <u>Liaison/Representatives:</u> | |
| i. Local Agency Formation Commission | Director Leffel Alt: Searle |
| ii. Regional Taxi Authority | Director Leffel Alt: La Pier |
| iii. Transportation Agency for Monterey County | Director Sabo Alt: Nelson |
| iv. Water Management District (Policy Advisory) | Director Leffel Alt: Searle |
| v. Special Districts Association Liaison | Director Miller |

M. CLOSED SESSION

(1:00PM –1:30PM Estimated)

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

N. RECONVENE TO OPEN SESSION

O. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

- *Update on the plan to cool the terminal holding room*
- *Eastside Parkway Road*
- *Mid-Year Budget Review & Planning Workshop*
- *Dig Once Policy Resolution*
- *E-Cigarettes*

P. DISCUSSION OF FUTURE AGENDAS

(Any Board member may request the Board of Directors to instruct staff to report back to the Board at a future meeting concerning any matter or place a matter of business on a future agenda. Approval of such requests will be made by motion.)

Q. ADJOURNMENT

AGENDA DEADLINE

All items submitted by the public for possible inclusion on the Board Agenda or in the Board packet must be received by 5:00 P.M. on the Friday before the first Wednesday of the month. This agenda is subject to revision and may be amended prior to the scheduled meeting. A final Agenda will be posted outside the District Offices in the Terminal Building at the Monterey Regional Airport 72 hours prior to the meeting.

Upon request and where feasible, the Monterey Peninsula Airport District will provide written agenda materials in appropriate alternate formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. In order to allow the District time within which to make appropriate arrangements, please submit a written request containing a brief description of the materials requested and preferred alternative format or auxiliary aid or service desired as far as possible in advance of the meeting. Requests should be sent to the District Secretary at 200 Fred Kane Drive, Suite 200, Monterey, California 93940.

MINUTES OF THE REGULAR MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS
December 9, 2015 10:00AM, BOARD ROOM

A. CALL TO ORDER/ROLL CALL

Chair Sabo called to order the Regular Meeting of the Board of Directors. Directors Leffel, Miller, Searle, and Nelson were present. The following District officers were present: Board Secretary Posey, Auditor Merritt, Executive Director La Pier and District Counsel Huber.

B. PLEDGE OF ALLEGIANCE

Director Nelson led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

None.

D. PUBLIC COMMENTS

Mike Dawson, member of the public, indicated that there are a couple of issues with the Monterey Regional Airport website, the noise complaint access is not working and the Board Meeting packet link is not accessible.

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 Adjourned Meeting of November 18, 2015

Director Leffel moved to approve Item E.1. Chair Sabo seconded the motion. Director Miller abstained due to not being present at the meeting of November 18, 2015. The motion passed unanimously.

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

None

G. ACCEPTANCE OF DEPARTMENT REPORTS

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

H. REGULAR AGENDA – ACTION ITEMS

Presentation 1. Dig Once Policy by Brian Turlington, Monterey County Business Council

Brian Turlington, Executive Director, Monterey County Business Council, presented Item H.1.

- Accept 2. Annual Financial and Compliance Report for the Year Ended June 30, 2015, prepared by Macias Gini & O'Connell LLP, Certified Public Accountants

Director Leffel moved to accept Item H.2. Director Miller seconded the motion. The motion passed unanimously.

- Presentation 3. Monthly Update on the Runway Safety Area (RSA) Project by Kimley-Horn and Associates

Bob Hamilton, Kimley Horn & Associates, Kevin Flynn, Kimley Horn & Associates, and Chris Morello, Planning Manager/Grants, presented Item H.3. The Board thanked the entire project team for their many months of hard work and diligence on the project.

- Presentation 4. Status Briefing on the Airport Master Plan Initial Study and Notice of Preparation of an EIR

Jim Harris, Coffman & Associates presented Item H.4., giving the board an update on the status of the Airport Master Plan.

Public Comment

Wayne Moon, member of the public, and who also serves on the Master Plan Advisory Committee, stated that the Master Plan document is a well prepared plan for the Airport. He does have a concern which he wanted the Board to think about in advance, which is in regards to timing and the displacement of hanger tenants. He asked the board not to move anyone or any hanger facilities until there is no other choice. He stated that the tenants need to have easy access not only to roads, but to Airport facilities as well. He encouraged the Board to have hangers available for sale.

- Approve 5. Board Member Attendance at SWAAAE 56th Annual Airport Management Short Course, January 31 – February 3, 2016

Chair Sabo moved to approve Item H.5. Director Nelson seconded the motion. The motion passed unanimously.

- Presentation 6. Presentation by Staff on BOD-Approved FY 2016-2021 Airport Capital Improvement Plan (ACIP) Submitted to the Federal Aviation Administration

Mark Bautista, Deputy General Manager/Planning & Development, presented Item H.6.

- Pass to Print 7. Ordinance 917, an Ordinance Prohibiting All Commercial Medical Marijuana Uses on Monterey Peninsula Airport District Property

Scott Huber, District Counsel, presented Item H.7.

Director Leffel moved to Pass to Print Ordinance 917. Director Miller seconded the motion. The motion passed by a roll call vote of 5-0.

Public Comment

Mike Dowson, member of the public, indicated that the City of Monterey recently banned marijuana dispensaries.

ORDINANCE NO. 917
AN ORDINANCE OF THE MONTEREY PENINSULA
AIRPORT DISTRICT PROHIBITING ALL
COMMERCIAL MEDICAL MARIJUANA USES ON
MONTEREY PENINSULA AIRPORT DISTRICT PROPERTY

THE BOARD OF DIRECTORS OF MONTEREY PENINSULA AIRPORT DISTRICT DO ORDAIN AS FOLLOWS:

Section 1. Findings and Purpose. The Board of Directors finds and declares as follows:

A. In 1996, the voters of the State of California approved Proposition 215 (codified as California Health and Safety Code § 11362.5 and entitled “The Compassionate Use Act of 1996” or “CUA”).

B. The intent of Proposition 215 was to enable persons who are in need of marijuana for medical purposes to use it without fear of criminal prosecution under limited, specified circumstances. The proposition further provides that “nothing in this section shall be construed to supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes.” The ballot arguments supporting Proposition 215 expressly acknowledged that “Proposition 215 does not allow unlimited quantities of marijuana to be grown anywhere.”

C. In 2004, the Legislature enacted Senate Bill 420 (codified as California Health & Safety Code § 11362.7 et seq. and referred to as the “Medical Marijuana Program” or “MMP”) to clarify the scope of Proposition 215 and to provide qualifying patients and primary caregivers who collectively or cooperatively cultivate marijuana for medical purposes with a limited defense to certain specified State criminal statutes. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the Medical Marijuana Program to expressly recognize the authority of counties and cities to “[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective” and to civilly and criminally enforce such ordinances.

D. In City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc. (2013) 56 Cal.4th 729, the California Supreme Court held that “[n]othing in the CUA or the MMP expressly or impliedly limits the inherent authority of a local jurisdiction, by its own ordinances, to regulate the use of its land. . . .” Additionally, in Maral v. City of Live Oak (2013) 221 Cal.App.4th 975, the Court of Appeal held that “there is no right – and certainly no constitutional right – to cultivate medical marijuana. . . .” The Court in Maral affirmed the ability of a local governmental entity to prohibit the cultivation of marijuana under its land use authority.

E. The Federal Controlled Substances Act, 21 U.S.C. § 801 et seq., classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United States, and that has not been accepted as safe for use under medical supervision. The Federal Controlled Substances Act makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana. The Federal Controlled Substances Act contains no exemption for medical purposes.

F. On October 9, 2015 Governor Brown signed 3 bills into law (AB 266, AB 243, and SB 643) which collectively are known as the Medical Marijuana Regulation and Safety Act (hereafter “MMRSA”). The MMRSA set up a State licensing scheme for commercial medical marijuana uses while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to a State license. The MMRSA allows public agencies to completely prohibit commercial medical marijuana activities.

G. The Board of Directors finds that commercial medical marijuana activities, as well as cultivation for personal medical use as allowed by the CUA and MMP can adversely affect the health, safety, and well-being of MPAD tenants. Prohibition is proper and necessary on MPAD property to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells and indoor electrical fire hazards that may result from such activities. Further, as recognized by the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, marijuana cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that surrounding homes or businesses may be negatively impacted by nuisance activity such as loitering or crime. In addition, allowing the cultivation, processing, dispensing or delivery of marijuana would violate grant assurances made by MPAD to the Federal Aviation Administration.

H. The limited immunity from specified state marijuana laws provided by the Compassionate Use Act and Medical Marijuana Program does not confer a land use right or the right to create or maintain a public nuisance.

I. The MMRSA contains language that requires a public agency to prohibit cultivation, processing, and dispensary zoning uses by March 1, 2016 either expressly or otherwise under the principles of permissive zoning, or the State will become the sole licensing authority. The MMRSA also contains language that requires delivery services to be expressly prohibited by local ordinance, if the public agency wishes to do so.

J. While the Board of Directors believes that cultivation and all commercial medical marijuana uses are prohibited under MPAD's zoning regulations, it desires to enact this ordinance to expressly make clear that all such uses are prohibited in all zones regulated by the Monterey Peninsula Airport District.

Section 2. Authority. This ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including but not limited to Article XI, Section 7 of the California Constitution, the Compassionate Use Act, the Medical Marijuana Program, and The Medical Marijuana Regulation and Safety Act.

Section 3. Definitions. Unless specifically defined otherwise herein, or unless a different meaning is apparent from the context, the following words or phrases have the meanings set forth below. Words or phrases that are not defined in this ordinance, but that are defined in the California Penal Code, have the meanings set forth therein.

"Airport" means the Monterey Peninsula Airport and all lands owned or operated by the Monterey Peninsula Airport District for Airport purposes or activities. "Airport" includes all improvements, facilities and appurtenances.

"Cannabis" shall have the same meaning as set forth in Business & Professions Code § 19300.5(f) as the same may be amended from time to time.

"Caregiver" or "primary caregiver" shall have the same meaning as set forth in Health & Safety Code § 11362.7 as the same may be amended from time to time.

"Commercial cannabis activity" shall have the same meaning as that set forth in Business & Professions Code § 19300.5(k) as the same may be amended from time to time.

"Cooperative" shall mean two or more persons collectively or cooperatively cultivating, using, transporting, possessing, administering, delivering or making available medical marijuana, with or without compensation.

“Cultivation” shall have the same meaning as set forth in Business & Professions Code § 19300.5(l) as the same may be amended from time to time.

“Cultivation site” shall have the same meaning as set forth in Business & Professions Code § 19300.5 (x) as the same may be amended from time to time.

“Delivery” shall have the same meaning as set forth in Business & Professions Code § 19300.5(m) as the same may be amended from time to time.

“Dispensary” shall have the same meaning as set forth in Business & Professions Code § 19300.5(n) as the same may be amended from time to time. For purposes of this Chapter, “Dispensary” shall also include a cooperative. “Dispensary” shall not include the following uses: (1) a clinic licensed pursuant to Chapter 1 of Division 2 of the California Health and Safety Code, (2) a health care facility licensed pursuant to Chapter 2 of Division 2 of the California Health and Safety Code, (3) a residential care facility for persons with chronic life-threatening illnesses licensed pursuant to Chapter 3.01 of Division 2 of the California Health and Safety Code, (4) a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the California Health and Safety Code, (5) a residential hospice or home health agency licensed pursuant to Chapter 8 of Division 2 of the California Health and Safety Code.

“Dispensing” shall have the same meaning as set forth in Business & Professions Code § 19300.5(o) as the same may be amended from time to time.

“Distribution” shall have the same meaning as set forth in Business & Professions Code § 19300.5(p) as the same may be amended from time to time.

“Distributor” shall have the same meaning as set forth in Business & Professions Code § 19300.5(q) as the same may be amended from time to time.

“District” means the Monterey Peninsula Airport District.

“Manufacturer” shall have the same meaning as set forth in Business & Professions Code § 19300.5(y) as the same may be amended from time to time.

“Manufacturing site” shall have the same meaning as set forth in Business & Professions Code § 19300.5(af) as the same may be amended from time to time.

“Medical cannabis,” “medical cannabis product,” or “cannabis product” shall have the same meanings as set forth in Business & Professions Code § 19300.5(ag) as the same may be amended from time to time.

“Medical Marijuana Regulation and Safety Act” or “MMRSA” shall mean the following bills signed into law on October 9, 2015 as the same may be amended from time to time: AB 243, AB 246, and SB 643.

“Nursery” shall have the same meaning as set forth in Business & Professions Code § 19300.5(ah) as the same may be amended from time to time.

“Qualifying patient” or “Qualified patient” shall have the same meaning as set forth in Health & Safety Code § 11362.7 as the same may be amended from time to time.

“Testing laboratory” shall have the same meaning as set forth in Business & Professions Code § 19300.5(z) as the same may be amended from time to time.

“Transport” shall have the same meaning as set forth in Business & Professions Code § 19300.5(am) as the same may be amended from time to time.

“Transporter” shall have the same meaning as set forth in Business & Professions Code § 19300.5(aa) as the same may be amended from time to time.

Section 4. Prohibition.

- A. Commercial cannabis activities of all types are expressly prohibited in all zones and all specific plan areas of the Airport. No person shall establish, operate, conduct or allow a commercial cannabis activity anywhere within Airport property.
- B. To the extent not already covered by subsection A above, all deliveries of medical cannabis are expressly prohibited within the Airport property. No person shall conduct any deliveries that either originate or terminate within Airport property.
- C. This section is intended to and shall prohibit all activities for which a State license is required. Accordingly, the District shall not issue any permit, license or other entitlement for any activity for which a State license is required under the MMRSA.
- D. Cultivation of cannabis for non-commercial purposes, including cultivation by a qualified patient or a primary caregiver, is expressly prohibited in all zones and all specific plans of the Airport. No person, including a qualified patient or primary caregiver, shall cultivate any amount of cannabis within the Airport property, even for medical purposes.

Section 5. Public Nuisance. Any use or condition caused, or permitted to exist, in violation of any provision of this Ordinance shall be, and hereby is declared to be, a public nuisance and may be summarily abated by the District pursuant to Code of Civil Procedure Section 731 or any other remedy available to the District.

Section 6. Civil Penalties. In addition to any other enforcement permitted by this Ordinance, District Counsel may bring a civil action for injunctive relief and civil penalties, as permitted by law, against any person or entity that violates this Ordinance. In any civil action brought pursuant to this Ordinance, a court of competent jurisdiction may award reasonable attorneys fees and costs to the prevailing party.

Section 7. CEQA. This ordinance is exempt from CEQA pursuant to CEQA Guidelines section 15305, minor alterations in land use limitations in areas with an average slope of less than 20% that do not result in any changes in land use or density and Section 15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. The District’s zoning provisions already prohibit all uses that are being expressly prohibited by this ordinance. Therefore, this ordinance has no impact on the physical environment as it will not result in any changes.

Section 8. Severability. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 9. Effective Date. This ordinance shall take effect 30 days from and after the date of its adoption.

PASSED TO PRINT BY THE BOARD OF DIRECTORS OF THE MOTNEREY PENINSULA AIRPORT DISTRICT: This 9th day of December, 2015, by the following roll call vote:

AYES: DIRECTORS: Leffel, Nelson, Searle, Miller, Sabo
NOES: DIRECTORS:
ABSTAIN: DIRECTORS:
ABSENT: DIRECTORS:

I. BOARD COMMITTEE REPORTS

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

- a. Standing Committees:
 - i. Local Jurisdiction Liaison Directors Miller & Searle
 - ii. Budget and Finance Directors Miller & Sabo
 - iii. Air Service, Marketing, Community Relations Directors Leffel & Nelson

- b. Ad-Hoc Committees:
 - i. Community Affairs Directors Sabo & Leffel
 - ii. Airport Property Development & Leases Directors Nelson & Miller
 - iii. Noise Mitigation Directors Sabo & Nelson

- c. Liaison/Representatives:
 - i. Local Agency Formation Commission Director Leffel Alt: Searle
 - ii. Regional Taxi Authority Director Leffel Alt: La Pier
 - iii. Transportation Agency for Monterey County Director Sabo Alt: Nelson
 - iv. Water Management District (Policy Advisory) Director Leffel Alt: Searle
 - v. Special Districts Association Liaison Director Miller

K. CLOSED SESSION

- 1. **ANTICIPATED LITIGATION** (Government Code section 54956.9(d)(4)) the Board will meet with the Executive Director and District Counsel regarding anticipated litigation – one case.

K. RECONVENE TO OPEN SESSION

Chair Sabo reported that no action was taken in closed session.

L. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

- *Update on the plan to cool the terminal holding room*
- *Eastside Parkway Road*
- *Mid-Year Budget Review & Planning Workshop*

M. DISCUSSION OF FUTURE AGENDAS

- *Dig Once Resolution*
- *E-Cigarettes*

N. ADJOURNMENT

The meeting adjourned at 3:35pm.

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

December 16, 2015 1:30PM

UC MBEST Center 3180 Imjin Road, Suite 102, Marina, CA 93933

A. CALL TO ORDER

Chair Sabo called to order the Special Meeting of the Board of Directors. Directors Leffel, Miller, and Searle were present. The following District officer was present: Executive Director La Pier. District Secretary Posey, District Counsel Huber and Director Nelson were absent.

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Discussion 1. Strategic Planning Session

Mike La Pier, Executive Director, provided the members of the Board with his presentation regarding Projected Initiatives for 2016.

E. ADJOURNMENT

The meeting adjourned at 5:28pm.

AGENDA ITEM: J
DATE: January 13, 2016

**REGULAR MEETING OF THE
MONTEREY PENINSULA AIRPORT DISTRICT
BOARD OF DIRECTORS**

DEPARTMENT REPORTS

Jennifer Hickerson, Marketing & Public Relations Coordinator
[Air Service Development Report](#)

Ken Griggs, Operations Manager
[Operations Report](#)

Jeff Hoyne, Police Chief
[Police Activity Report](#)

Monterey Fire Department
[Monthly Fire Report](#)

Jerry Merritt, District Auditor/Controller
[Financial Summary](#)

Mark Bautista, Deputy General Manager, Planning & Development
[P & D Monthly Project Report](#)

AGENDA ITEM: J
DATE: January 13, 2016

TO: Mike La Pier, Executive Director
FROM: Jennifer Hickerson, Marketing & Public Relations Coordinator
DATE: January 4, 2016
SUBJ: Air Service Development Report

Marketing, Advertising & Promotions

Advertising:

- Billboard: On Hwy 101, 2 miles north of Prunedale.

Air Carrier Update:

- AS – SAN and LAX service continues once a day. Alaska plans to change the schedule in March. The LAX flight will leave MRY in the evening and return in the morning which is opposite of what it is now. They noticed we have more traffic coming from LAX than to LAX so the schedule change will benefit those coming from LAX.
- G4 (Allegiant) – LAS service continues Thursdays and Sundays.
- AA – PHX service continues three times a day, with CRJ900 equipment continuing to operate the mid-day turn. The additional evening flight that began mid-December will end on January 2.
- UA SFO – SFO service continues twice a day. The LAX flight continues three times a day with the exception of Saturdays, when the mid-afternoon turn will not operate.

Air Service Development

- The new Air Service Task Force has scheduled their first meeting for January 14th. Joseph Pickering will be in town to discuss airline industry trends and community incentives.
- Alaska Airlines experienced an issue with frost last week and did not have an agreement with Envoy for deicing. They were able to coordinate an agreement with Envoy to deice their first flight out and have not had another delay due to frost since January 1st.
- A travel survey has been sent to the members of the Growers & Shippers Association. We have started receiving responses and they will be sending out another reminder to encourage more participation by their members.

Public Relations:

- Social Media/Facebook: “Total Likes” continue to grow – **13,505** as of December 29, 2015.

- Santa Cruz Warriors: The partnership with the Santa Cruz Warriors has been finalized. The “win a trip with the team” contest began on December 22nd. The commercial for the contest will begin soon.

Customer Service:

- Customer Comment Cards: see December responses attached.

Date	Time	Pax Was	Airline	Flt #	Tone	Comments	Name	Address City & State
11/27	620	D	AA	2603	P	Very friendly & helpful	L.B.	Mission Viejo, CA
11/28	600	D	AA		N	Sitting & Waiting for flight intercom was way too loud could not hear any of the info given.		
12/9	1430	D	AA	2437	P	Arnold the rep was extremely helpful to me as our plane was delayed.	K.W.	San Diego, CA
12/17	1553	G	UE	5538	N	Been waiting 45 minutes for luggage. Way too long.	J.R.	Pacific Grove
12/20	2011		AL		N	Trying to buy ticket and was told to come back, when came back no one was there		Watsonville, CA
12/20	1730	D	AE	5698	P	I love this airport. The lines are quick and employees are courteous	P.J.	Monterey, CA
12/23	1700	D	AE		P	Nice airport, need more phone charging stations	G	Columbus, GA
12/24	1150	D	UE	5343	N	United counter unmanned until 12:25, said they were too busy	M.L	Washington, DC
12/29	1637	G	UE	6346	N	No longer can see passengers in the gate area and had a problem with the parking machine	M.M.	Carmel, CA

TO: Michael La Pier, Executive Director
FROM: Operations Manager Griggs
DATE: January 4, 2016
SUBJ: Operations Report

The following is a summary of significant activity in the Operations Department for December 2015.

1. Coordinated efforts with staff, consultants and contractors for the final runway configuration changes for the Runway Safety Area project, which has now successfully been completed. All FAA Navigation Systems, Runway Lighting and Markings passed flight check requirements and standards. An ensuing FAA surveillance close-out inspection performed by the Regional FAA Safety Certification Inspector and Airport Program Manager resulted in the approved acceptance of the completed project in conformance of Part 139 standards. The letter is attached.
2. Attached is the [Noise Comment Log](#) for December.
3. Attached is the [Operating and Expense Report for the Taxi Open-Entry System](#).
4. Attached is the [Uber activity report](#).
5. Attached is the [Commercial Flight Cancellations & Delays Report](#). In the month of December there were a total of 104 delays and 32 cancellations.
6. Attached is the [Commercial Flight Schedule for January 2016](#).
7. Below is the summary of scheduled airline activity for January 2016:

Alaska Air flown by Horizon

- Continuing to operate one daily departure to San Diego and Los Angeles
- Scheduled to operate a total of 124 flights (Arrivals and Departures)

Allegiant Air

- Continues service twice a week on Thursdays and Sundays
- Scheduled to operate a total of 18 flights (Arrivals and Departures)

United flown by SkyWest

- Three daily LAX departures (two on Saturdays)
- Two daily SFO departures
- Scheduled to operate a total of 304 flights (Arrivals and Departures)

American Eagle flown by SkyWest/Mesa

- Service to PHX reverts to three daily departures
- The CRJ900, flown by Mesa, will continue to operate the midday flight
- Scheduled to operate a total of 178 flights (Arrivals and Departures)

Cumulatively speaking, the airlines have scheduled 172 fewer flights (624 vs. 796) as compared to last December. This is primarily due to the American Eagle discontinuation of LAX service, and the contraction of United Express SFO flights to maximize seating capacity using Canadair Regional Jets (50 and in some cases 76 seats) in lieu of Embraer 120 (27 seats) turbo-props.



U.S Department
of Transportation

Western-Pacific Region
Office of the Regional Administrator

P.O. Box 92007
Los Angeles, CA 90009-2007

December 18, 2015

Mr. Ken Griggs
Monterey Regional Airport
200 Fred Kane Dr., Suite 200
Monterey, CA 93940

Monterey Regional Airport
Monterey, California
Surveillance Inspection Closeout Letter

Dear Mr. Griggs:

A surveillance inspection of the Monterey Regional Airport (MRY) was conducted December 16, 2015. The inspection was conducted to confirm the completion of the Runway Safety Area Project and to ensure compliance with 14 CFR Part 139.309.

The inspection revealed that the airport is being operated in compliance with 14 CFR Part 139, the Airport Certification Manual, and the Airport Operating Certificate. We commend you for the procedures you are using in the day-to-day operation of the airport. The appearance of the airport indicates they are effective.

Thank you for your cooperation during the inspection, and please do not hesitate to call if you have questions regarding the operational safety of the airport.

Sincerely,

Charlotte Jones
Airport Certification Safety Inspector
FAA Western-Pacific Region

MRY AIRPORT NOISE COMMENT LOG DECEMBER 2015

Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Comments	By	Action Taken	Notes	
1	Jeffrey Latts	Pasadera	12/1, 12/2, 12/5, 12/10	multiple	multiple	landing RWY 28L	Ongoing concerns regarding changes to RWY 28L RNAV approaches.	NG	Documented.	Ops has corresponded at length with complainant regarding this issue.
2	Kristina Baer	New Monterey	12/1-2, 12/3	multiple	Learjet, F/A-18	RWY 10R appch	12/3 plane was loud and low enough to shake windows. Eighth time this week.	NG	Explained that FAA flight checks on 12/1 & 12/2 necessitated repeated approaches. F/A-18 made an approach to RWY 10R on 12/3.	
3	Jeffrey Latts	Pasadera	12/3/2015	9:41am	F/A-18	RWY 10R appch	Exceptionally very loud airplane	KG	F/A-18 performed one touch-n-go operation	
4	Elanor	Skyline Forest	last few months	multiple	multiple	general	Why so much activity over our area over the last few months	KG	Discussed a variety of reasons, including NextGen, visual approaches, departures and the unavailability of navigational systems for RWY 10R due to the RSA project.	
5	Reva Bush	New Monterey	12/3/2015	9:55AM	MD-80	landing RWY 10R	A large commercial aircraft was turning slowly and very low. I thought the it was going to crash. Very unusual.	KG	The Allegiant Air MD-80 performed a left traffic visual approach for RWY 10R.	
6	Kay Kurpant	Pacific Grove	12/2/2015	9pm	unknown	unknown	Ms. Kulpant called on 12/3/15 to inquire if a sonic boom occurred on 12/2/15 @ 9pm. Inquired whether anyone else called the airport.	KG	No sonic booms were reported or witnessed by other citizens. Left a message.	
7	Patricia Domingo	Monterey	12/3/2015	9:39am	F/A-18	RWY 10R appch	Loud Jet. I haven't heard noise like this before.	KG	F/A-18 performed one touch-n-go operation	This inquiry was forwarded by the City of Monterey
8	William McCrone	Pasadera	12/3, 12/5	10:47am	CRJ200	landing RWY 10R	Aircraft directly over homes on Belladerra Court. 78db.	NG	Documented.	Ops has corresponded previously with complainant regarding status of RNAV approaches.
9	Barbara Lovero	Pasadera	12/1, 12/2, 12/3, 12/4, 12/6, 12/7, 12/9, 12/11, 12/12, 12/13, 12/14, 12/15, 12/16, 12/17, 12/18, 12/19, 12/20, 12/21, 12/22, 12/23, 12/24	multiple	multiple	landing RWY 28L	Ongoing concerns regarding changes to RWY 28L RNAV approaches.	NG	Documented.	Ops has corresponded at length with complainant regarding this issue.
10	Lauren Kaplan	Pasadera	12/6/2015	multiple	multiple	landing RWY 28L	Ongoing concerns regarding changes to RWY 28L RNAV approaches.	NG	Documented.	Ops has corresponded at length with complainant regarding this issue.

11	Cris Staedler	Pasadera	12/6/2015	multiple	multiple	landing RWY 28L	Low flying aircraft right over our house. Please reactivate the 28L LOC/DME and the old GPS flight paths away from Pasadera Residential Community.	NG	Provided information regarding changes to appch procedures and MPAD's continued efforts with FAA to evaluate alternatives.	
12	Stephanie Chastain	Prescott Hill (New Monterey)	12/8/2015	7:55pm	KC-10	landing RWY 10R	Aircraft was too low over home.	NG	Advised complainant that aircraft was an Air Force aircraft initiating an emergency landing.	
13	Doug McNaught	New Monterey	12/8/2015	7:55pm	KC-10	landing RWY 10R	Aircraft was too low over home. Shook house.	NG	Advised complainant that aircraft was an Air Force aircraft initiating an emergency landing.	
14	Randy Vosti	Pasadera	12/9/2015	1:05pm	Citation	departing RWY 10R	Low flying plane, very loud noise	NG	Aircraft departed RWY 10R on Standard Instrument Departure. Complainant's location and recent increased 10R departures due to weather are contributing factors to observations.	Referred complainant to FAA Noise Ombudsman to discuss departure procedure concerns.
15	Randy Vosti	Pasadera	12/10/2015	3:43pm	MD-80	departing RWY 10R	Very loud plane, very disturbing	NG		
16	Denise Guzik	Corral de Tierra	12/11/2015	General	multiple	Mostly arriving RWY 28L	Over last six months observed changes to flight procedures.	KG	Provided information regarding changes to appch procedures and MPAD's continued efforts with FAA to evaluate alternatives.	
17	John Yacco	Scotts Valley	12/14/2015	3:20pm	PC-12	northbound	Aircraft buzzed my home today at about 500 feet in altitude. Upset about ongoing air traffic above home.	NG	Advised complainant aircraft was on approach to San Carlos Airport. Suggested complainant contact SQL and FAA Noise Ombudsman.	Aircraft originated at MRY.
18	Robert Egnew	New Monterey	12/17/2015	4:00pm	MD-80	departing RWY 10R	Allegiant jet plane flew low and with lots of noise.	NG	Documented.	Ops has corresponded at length with complainant. Complainant does not accept principles of air traffic control.
17	Mark Watson	CONA	12/20/2015	3:20pm	Piper Warrior	departing RWY 28R to the north	Aircraft flew to low over home. Safety concern.	NG	ATCT did not observe any unusual or unsafe activity.	Advised complainant to call back if repeated operations of this type are observed and obtain tail number if possible.
18	David Farrett	Pacific Grove	12/20/2015	7:05pm	MD-80	arriving RWY 10R	Allegiant jet plane flew low and with lots of noise.	KG	The Allegiant Air MD-80 performed a left traffic visual approach for RWY 10R, and may have applied engine thrust for altitude adjustments.	
19	Lauren Kaplan	Pasadera	12/21/2015	12:08pm	CRJ900	arriving RWY 28L	Large jet directly flying low directly over residential community (28L RNAV approach)	NG	Documented.	Ops has corresponded at length with complainant regarding this issue.

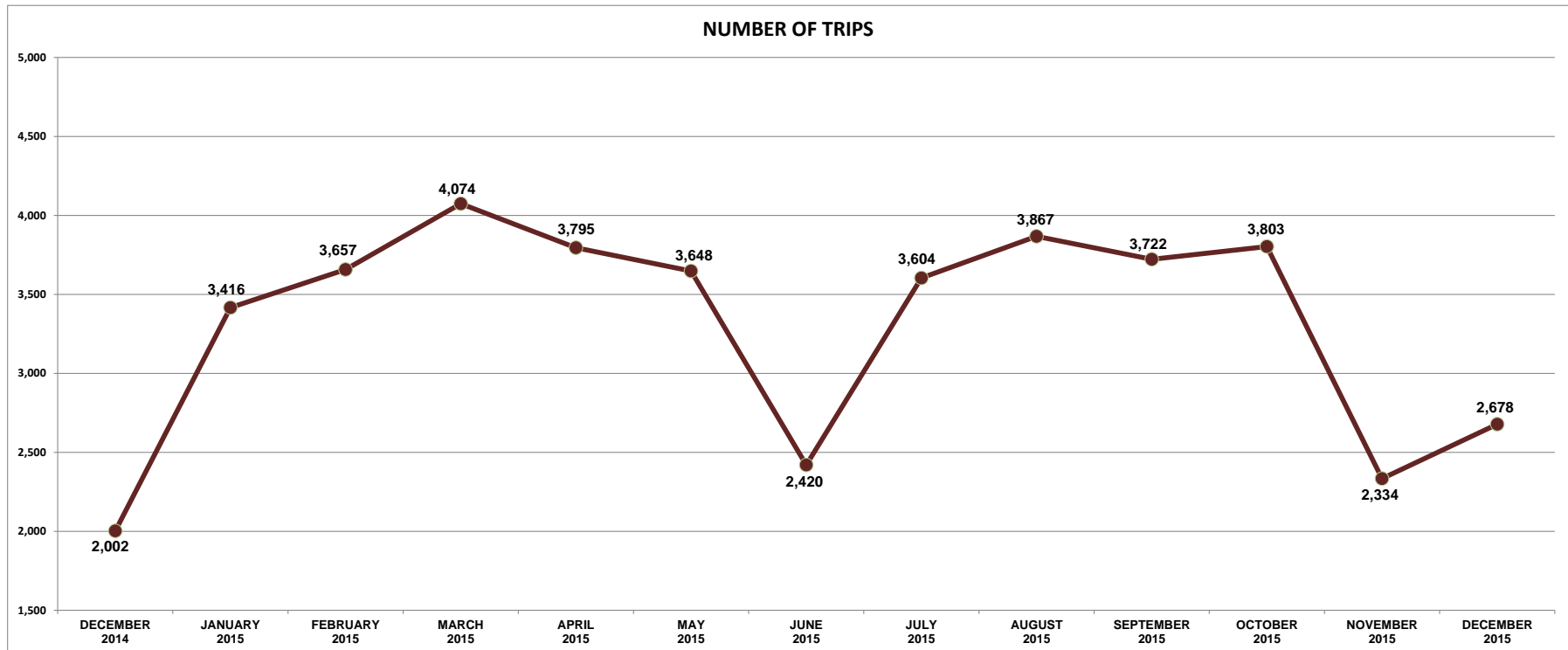
20	Scott Sailor	Del Rey Oaks	12/29/2015	10am-12pm	DA 40	pattern work	Aircraft with "T" tail has repeatedly made more than three passes over home	NG	Advised complainant to call back with further description if aircraft is seen again.	ATCT advised multiple acft conducting pattern work. No unusual ops noted. DA 40 most closely matched description.
21	Robert Egnew	New Monterey	12/30/2015	morning	multiple	arriving RWY 10R	Concern about constant flights over New Monterey. Complainant asserts that "weather should not be a factor."	NG	Explained that winds favored RWY 10 usage, despite possible brief wind shifts.	
AIR OPERATIONS ORIGINATING FROM ANOTHER AIRPORT										

AIR OPERATIONS OF UNKNOWN ORIGIN										
1	Linda Cheatham	Carmel Valley/Los Tulares	ongoing	multiple	multiple	unknown	Commercial jets heading for SFO. Next Gen flight patterns have destroyed our tranquility in the home setting.	NG	Documented. Ops has corresponded at length with complainant regarding this issue.	Previously provided contact info for FAA and Bay Area airports.
2	Janell Picard	Santa Cruz Mountains	12/14/2015	4:53am	Cal-Star Eurocopter	unknown	This extremely low flying aircraft flew over today and I was awakened by the low flying thing and the tremendous noise it made. Flight radar said CMD8. Looked like it flew out of MRY. Ongoing concerns about flight path.	NG	Unable to determine origin of flight. Call sign belongs to Cal-Star medevac helicopter.	Complainant's ongoing concerns are regarding flight paths into Bay Area airports.
3	Frank Takacs & Amy Essick	Carmel Valley	last several months	all day	unknown	unknown	Noise levels and frequency of aircraft over our property has changed dramatically and is disturbing.	NG	Referred to Bay Area airports and FAA Noise Ombudsman.	MRY procedures do not impact complainant's area regularly. Concerns likely related to Bay Area approaches.

MONTHLY TOTALS and COMPARISONS

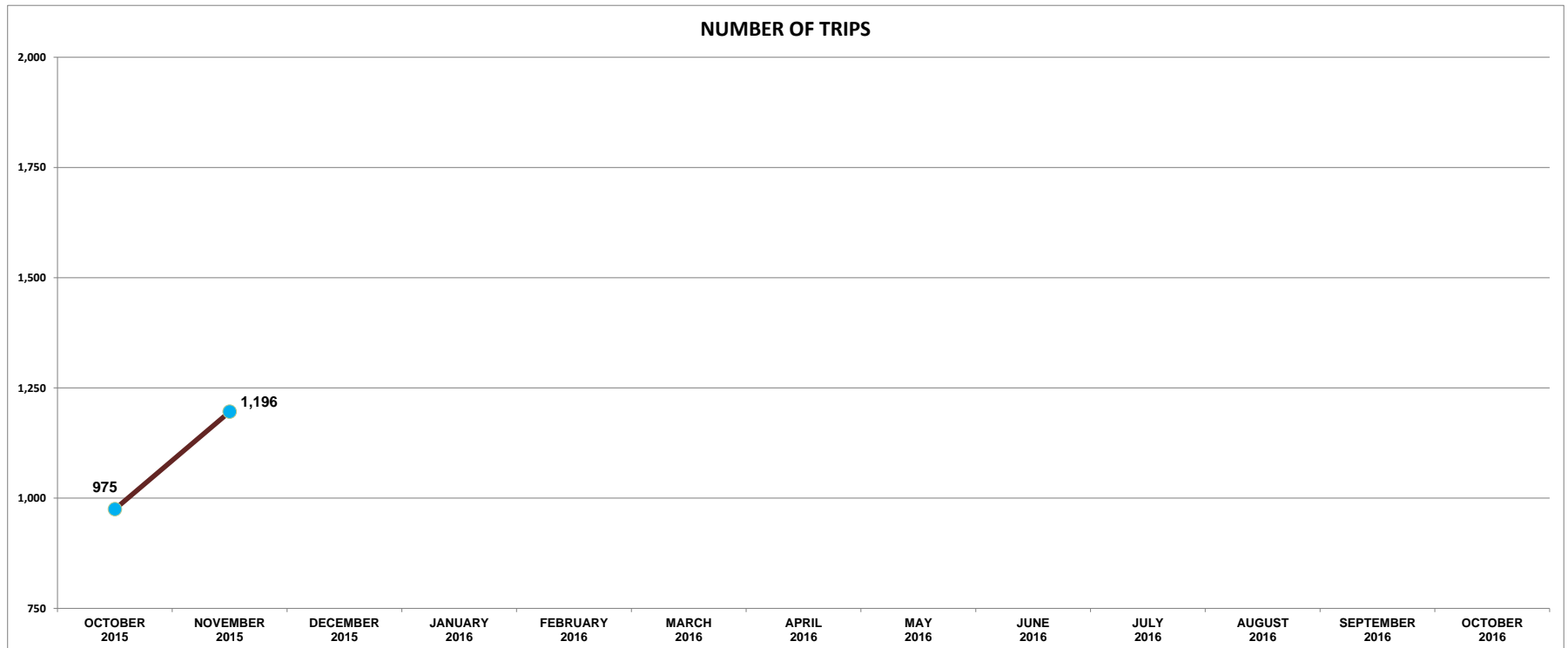
	Dec-15	Dec-14	% Change	Other Airport	UNKNOWN ORIGINS
Number of Complaints:	24	3	200%	0	0
Number of Operations:	4,867	3,458	41%	0	0
			% Change		
Annual Total	159	72	121%	0	0

13-MONTH ROLLING COMPARISON



	2014 DECEMBER	2015 JANUARY	2015 FEBRUARY	2015 MARCH	2015 APRIL	2015 MAY	2015 JUNE	2015 JULY	2015 AUGUST	2015 SEPTEMBER	2015 OCTOBER	2015 NOVEMBER	2015 DECEMBER
NUMBER OF TRIPS	2,002	3,416	3,657	4,074	3,795	3,648	2,420	3,604	3,867	3,722	3,803	2,334	2,678
NUMBER OF CABS	122	123	124	127	128	128	129	101	105	111	115	115	115
TAXI TRIP FEES	\$ 6,006	\$ 10,248	\$ 10,971	\$ 12,222	\$ 11,385	\$ 10,944	\$ 7,260	\$ 10,812	\$ 11,601	\$ 11,166	\$ 11,409	\$ 7,002	\$ 8,034
TAXI MEDALLION FEES¹	\$ 2,833	\$ 2,333	\$ 2,458	\$ 2,743	\$ 2,271	\$ 2,208	\$ 2,271	\$ 2,104	\$ 3,104	\$ 3,604	\$ 2,917	\$ 2,104	\$ 2,104
TAXI - TOTAL REVENUE	<u>\$ 8,839</u>	<u>\$ 12,581</u>	<u>\$ 13,429</u>	<u>\$ 14,965</u>	<u>\$ 13,656</u>	<u>\$ 13,152</u>	<u>\$ 9,531</u>	<u>\$ 12,916</u>	<u>\$ 14,705</u>	<u>\$ 14,770</u>	<u>\$ 14,326</u>	<u>\$ 9,106</u>	<u>\$ 10,138</u>
CURB MGMT CONTRACT	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897	\$ 10,897
EQUIPMENT DEPRECIATION	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SOFTWARE LICENSE / HOSTING	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175
EXPENDABLE SUPPLIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TAXI - TOTAL EXPENSE	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ 13,072</u>	<u>\$ 13,072</u>	<u>\$ 13,072</u>	<u>\$ 13,072</u>	<u>\$ 13,072</u>	<u>\$ 13,072</u>	<u>\$ 13,072</u>	<u>\$ 13,072</u>	<u>\$ 13,072</u>
OPERATING INCOME / (LOSS)	\$ (5,833)	\$ (2,091)	\$ (1,243)	\$ 293	\$ 584	\$ 80	\$ (3,541)	\$ (156)	\$ 1,633	\$ 1,698	\$ 1,254	\$ (3,966)	\$ (2,934)
FYTD 2016 (July - December) OPERATING INCOME / (LOSS)													\$ (2,470)
CUMULATIVE (13-MONTH) OPERATING INCOME / (LOSS)													\$ (14,220)

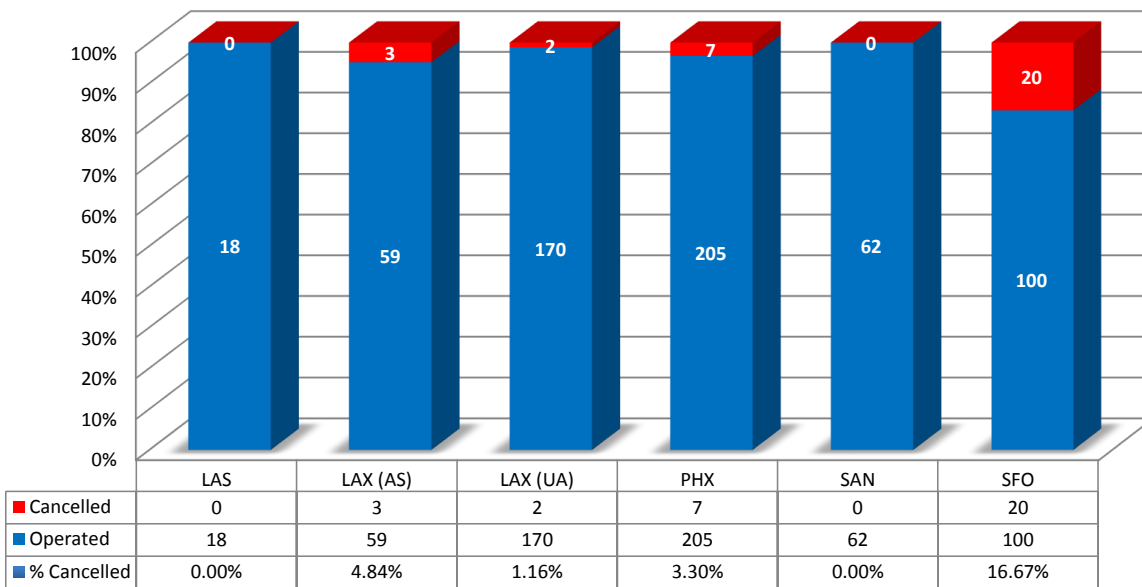
13-MONTH ROLLING COMPARISON



	2015 OCTOBER	2015 NOVEMBER	2015 DECEMBER	2016 JANUARY	2016 FEBRUARY	2016 MARCH	2016 APRIL	2016 MAY	2016 JUNE	2016 JULY	2016 AUGUST	2016 SEPTEMBER	2016 OCTOBER
NUMBER OF TRIPS	975	1,196											
NUMBER OF TNCs	1	1											
TNC TRIP FEES	\$ 2,925	\$ 3,588											
TNC PERMITS	\$ 1,000	\$ -											
TNC - TOTAL REVENUE	\$ 3,925	\$ 3,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

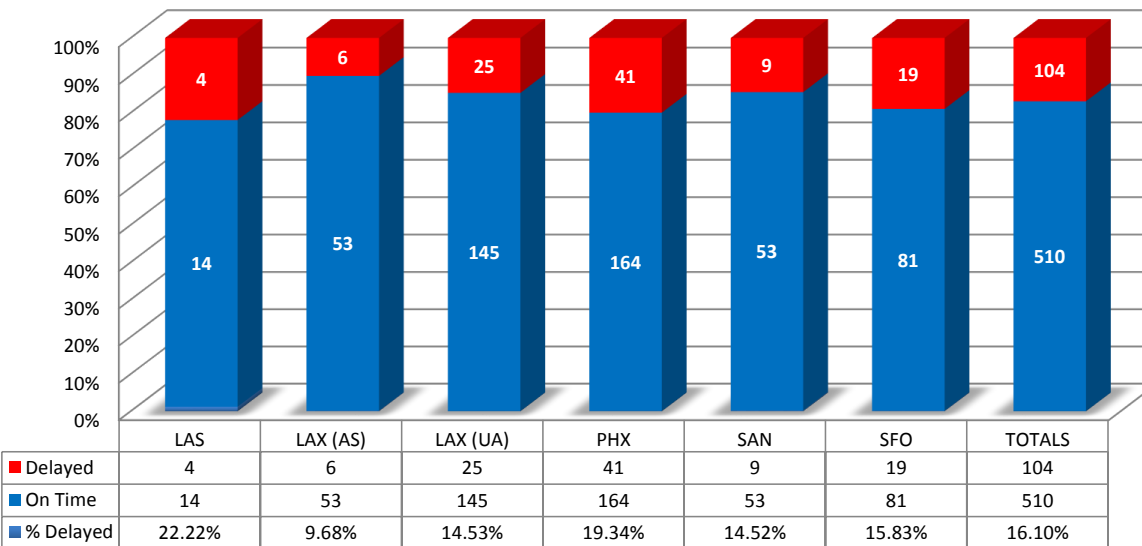
December 2015

December Commercial Flights Operated vs. Canceled




TOTAL CANCELED FLIGHTS: 32

December Commercial Flights On Time vs. Delayed



TOTAL DELAYED FLIGHTS: 104

Monterey Regional Airport January 2016 Flight Schedule

ARRIVALS					DEPARTURES				
FROM	AIRLINE	FLIGHT	TIME	SCHD	TO	AIRLINE	FLIGHT	TIME	SCHD
CRJ200 (50)	LAX	 5324	10:42 AM	DAILY	SFO	 6346	5:45 AM	DAILY	CRJ200 (50)
CRJ900 (76)	PHX	 5581	11:55 AM	DAILY	LAX	 2603	6:00 AM	DAILY	Q400 (76)
Q400 (76)	SAN	 2436	2:00 PM	DAILY	PHX	 2980	6:15 AM	DAILY	CRJ200 (50)
CRJ200 (50)	LAX	 5333	2:50 PM	DAILY EXC SA	LAX	 5316	6:20 AM	DAILY	CRJ200 (50)
CRJ200 (50)	SFO	 5538	2:50 PM 3:15 PM 4:40 PM	JAN 2-3 JAN 4 JAN 5-31	LAX	 5362	11:12 AM	DAILY	CRJ200 (50)
CRJ200 (50)	PHX	 2955	3:33 PM	DAILY EXC SA	PHX	 5740	12:30 PM	DAILY	CRJ900 (76)
MD80 (166)	LAS	 540	4:25 PM 4:00 PM	JAN 3 ALL OTHER TH & SU	SAN	 2437	2:35 PM	DAILY	Q400 (76)
CRJ900 (76)	PHX	 5690	6:43 PM	JAN 1-2 ONLY	LAX	 5343	3:20 PM	DAILY EXC SA	CRJ200 (50)
Q400 (76)	LAX	 2604	9:05 PM	DAILY	SFO	 5675	3:05 PM 3:50 PM 5:10 PM	JAN 2-3 JAN 4 JAN 5-31	CRJ200 (50)
CRJ200 (50)	PHX	 2974	9:57 PM	DAILY	PHX	 2955	4:10 PM	DAILY EXC SA	CRJ200 (50)
CRJ200 (50)	LAX	 5356	11:16 PM 9:52 PM 9:21 PM	JAN 1-4 JAN 5-31 EXC SU	LAS	 541	5:10 PM 4:45 PM	JAN 3 ALL OTHER TH & SU	MD80 (166)
CRJ200 (50)	SFO	 6376	12:14 AM 11:30 PM	JAN 1-4 JAN 5-31	PHX	 5698	7:15 PM	JAN 1-2 ONLY	CRJ900 (76)

*Flight Schedule is general information and subject to change. Schedules are updated monthly and can change daily. Please contact your airline for further information.

AGENDA ITEM: J
DATE: January 13, 2016

TO: Michael La Pier, Executive Director
FROM: Police Chief Jeff Hoyne
DATE: January 4, 2016
SUBJECT: Police Activity Report for December 2015

The following is a summary of significant activity in the Police Department during December 2015:

Highlights

- MRY PD responded to more than **160 alarms in December.**
- Officers worked a total of **35 hours of overtime in December.**
- MRY PD Officers responded to two outside agency assists in December, which consisted of the following:
 - 12/6 @ 2133 Assisted Del Rey Oaks PD with backup on a DUI call at 78 Work Avenue. A suspect was arrested for DUI.
 - 12/19 @ 0230 Del Rey Oaks requested PD assistance on a civil detail on Quail Run Court.

Training

MRY PD Officers completed:

- All officers completed Blood Borne Pathogen course
- Officer Hickerson attended Taser Instructor Course
- Officers attended Active Shooter training, held at the Monterey Jet Center
- MRY Police hosted a second First Aid Training Course with officers from Marina and Pacific Grove attending
- Chief Hoyne completed Law Enforcement Executive Development Association course

Calls for Service

1. 12/1 @ 1445 A Monterey Jet Center employee reported her purse stolen, which contained her SIDA badge.
2. 12/8 @ 1950 Stage II emergency...U.S. Air Force refueling DC-10 captain requested emergency landing as his cockpit was filling with smoke. Aircraft landed safely without incident. Plane housed at Monterey Jet Center until repair crew could conduct repair.
3. 12/10 @ 1409 Dispatched to the TSA checkpoint for an open door. Footage was reviewed and employee left Gate 5 open.
4. 12/13 @ 1745 Power outage report of V-22 gate being stuck in the open position. Officer corrected the gate issue.

5. 12/20 @ 0930 Officers dispatched to a verbal 415 at the Enterprise rental counter. Subject was located and contacted. He had wrecked his rental car and wanted another one but was denied. He later took a cab to further his travels on a train.
6. 12/20 @ 1615 Call for service at Gate 4 in reference to a drunk passenger. Subject was arrested for 647 (f) P.C. and booked into jail.
7. 12/21 @ 1630 Observed a vehicle exit gate V-26. Vehicle failed to stop after exiting the gate. Vehicle was stopped on Fred Kane Drive. The driver related he was doing work for GEM Aviation and did not understand the gate requirement. I subsequently spoke to GEM personnel and advised them of the violation.
8. 12/23 @ 1146 Rental car employee reported an embezzled Gray 2015 Mazda. The vehicle was rented on September 10 with a return date of October 10. Additionally, subject's CDL lists caution "May be Armed and Dangerous."
9. 12/26 @ 1850 Contacted subject parked facing the wrong way across from the Monterey Jet Center. The Jet Center called about this same subject several weeks ago. Subject was motivated to move on.



MONTEREY FIRE DEPARTMENT

Report to Airport Board of Directors

December 2015

1. Incident Responses

Engine assigned to Fire Station 6 (Airport) responded to a total of 23 incidents during the month as follows (see attached for breakdown of types of incidents):

- MPAD property – 3
- City of Monterey – 18
- Auto / Mutual Aid – 2

Engine assigned to Fire Station 6 (Airport) responded to a total of 304 incidents during the year as follows:

- MPAD property – 51
- City of Monterey – 228
- Auto / Mutual Aid – 25

2. Training

Personnel completed a total of 11.5 hours of Airport related training during the month.

Currently the following numbers of personnel are qualified in the ARFF training program:

- Awareness (familiar with operations at the Airport): 71
- Operational (qualified to work at Airport, but no live fire training): 31
- Technician (fully qualified to be the designated ARFF fire engineer): 13

3. Other

- The Fire Department met with Operations personnel to review procedures on fire prevention inspections and compliance. Some areas for improvement to provide tools for gaining compliance were identified and work is being done to implement those.
- Planning is underway for the triennial drill scheduled for this spring. Further information will be share with the Board as it becomes available.

Monterey Fire Department

Incident Type Report (Summary)

**Alarm Date Between {12/01/2015} And
{12/31/2015} and Station = "6"**

Incident Type	Count	Pct of Incidents	Total Est Loss	Pct of Losses
3 Rescue & Emergency Medical Service Incident				
321 EMS call, excluding vehicle accident with injury	10	43.48%	\$0	0.00%
322 Motor vehicle accident with injuries	1	4.35%	\$0	0.00%
324 Motor Vehicle Accident with no injuries	1	4.35%	\$0	0.00%
	12	52.17%	\$0	0.00%
4 Hazardous Condition (No Fire)				
422 Chemical spill or leak	1	4.35%	\$0	0.00%
444 Power line down	1	4.35%	\$0	0.00%
462 Aircraft standby	1	4.35%	\$0	0.00%
	3	13.04%	\$0	0.00%
5 Service Call				
551 Assist police or other governmental agency	1	4.35%	\$0	0.00%
553 Public service	1	4.35%	\$0	0.00%
	2	8.70%	\$0	0.00%
6 Good Intent Call				
611 Dispatched & cancelled en route	1	4.35%	\$0	0.00%
622 No Incident found on arrival at dispatch address	1	4.35%	\$0	0.00%
671 HazMat release investigation w/no HazMat	1	4.35%	\$0	0.00%
	3	13.04%	\$0	0.00%
7 False Alarm & False Call				
735 Alarm system sounded due to malfunction	2	8.70%	\$0	0.00%
745 Alarm system activation, no fire - unintentional	1	4.35%	\$0	0.00%
	3	13.04%	\$0	0.00%

Total Incident Count: 23

Total Est Loss: \$0

TO: Michael La Pier, Executive Director, Monterey Peninsula Airport District
FROM: Jerry Merritt, District Auditor/Controller
SUBJ: Financial Summary for November & Fiscal Year 2016

BACKGROUND. The Financial Summary for November 2015 (the fifth period of Fiscal Year 2016) is summarized by the following documents:

- **Graphic Comparison – Actual Operating Revenue & Actual Operating Expense**
- **Airport District Operating Statistics & Financial Performance**
- **Sources / Uses of Cash**
- **Capital Expenditures**

SUMMARY. In November, operating revenue was above plan by \$9,409 (1%). Terminal concessions, rental car concessions, TNC permits & trip fees, GA landing fees, light GA, non-aviation and other operating revenues were above plan.

In November, GA operations were 14.2% lower than in October 2015, but 20.5% higher than November 2014; GA landing fees remain above plan.

Commercial aeronautical fees, TCP operator permits, taxi operator permits & trip fees, parking concession, fuel flowage fees and interest income were below plan.

There were fourteen (14) cancelled commercial flights in November, causing commercial aeronautical fee and parking concession revenue to be below plan. The loss of commercial airline passengers had a negative effect on parking concessions. Despite fewer commercial flights, rental car, restaurant and gift shop concession revenue exceeded expectations.

Fiscal year-to-date operating revenue was \$26,130 (or 1%) above plan at November 30, 2015 and is due to above plan GA landing fees and one-time SB 90 reimbursements.

OPERATING REVENUE							
NOVEMBER 2015 ACTUAL	NOVEMBER 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 678,826	\$ 669,417	\$ 9,409	1%	\$ 3,591,948	\$ 3,565,818	\$ 26,130	1%

In November, operating expense was below plan by \$49,746 (-7%); phasing is the primary cause (planned expenses have been purposely postponed). FYTD operating expense was

below plan by -9% or \$301,622; some of this positive variance will erode as the fiscal year progresses.

OPERATING EXPENSE							
NOVEMBER 2015 ACTUAL	NOVEMBER 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 615,567	\$ 665,313	\$ 49,746	-7%	\$ 3,184,876	\$ 3,486,498	\$ 301,622	-9%

Net income for November was 1441% or \$59,155 above plan; FYTD net income was \$327,752 (413%) above plan; both due to operating expense being below plan, above plan FYTD operating revenue also contributed.

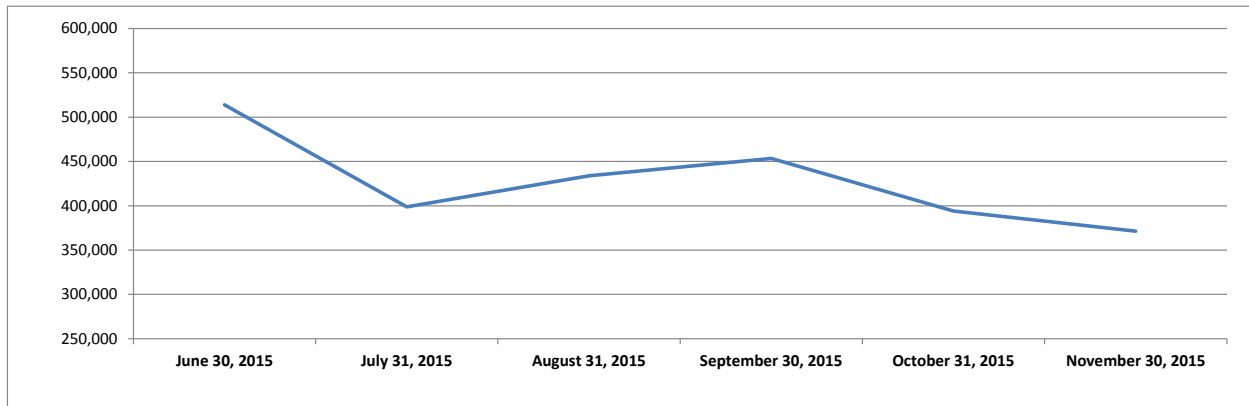
OPERATING INCOME / (LOSS)							
NOVEMBER 2015 ACTUAL	NOVEMBER 2015 PLAN	VARIANCE		FYTD 2016 ACTUAL	FYTD 2016 PLAN	VARIANCE	
		\$	%			\$	%
\$ 63,259	\$ 4,104	\$ 59,155	1442%	\$ 407,072	\$ 79,320	\$ 327,752	413%

The net change in operating cash position for November was a positive \$28,837; FYTD net change was a positive \$1,164,544; this is attributable to operating expense being below plan and operating revenue being above plan. Nearly \$1million of this was an FAA reimbursement and has been moved into the District's investments.

ACCOUNTS RECEIVABLE. The accounts receivable balance on November 30, 2015, was \$371,361. This balance is 5.8% lower than the balance on October 31, 2015 and 27.7% lower than the balance on June 30, 2015.

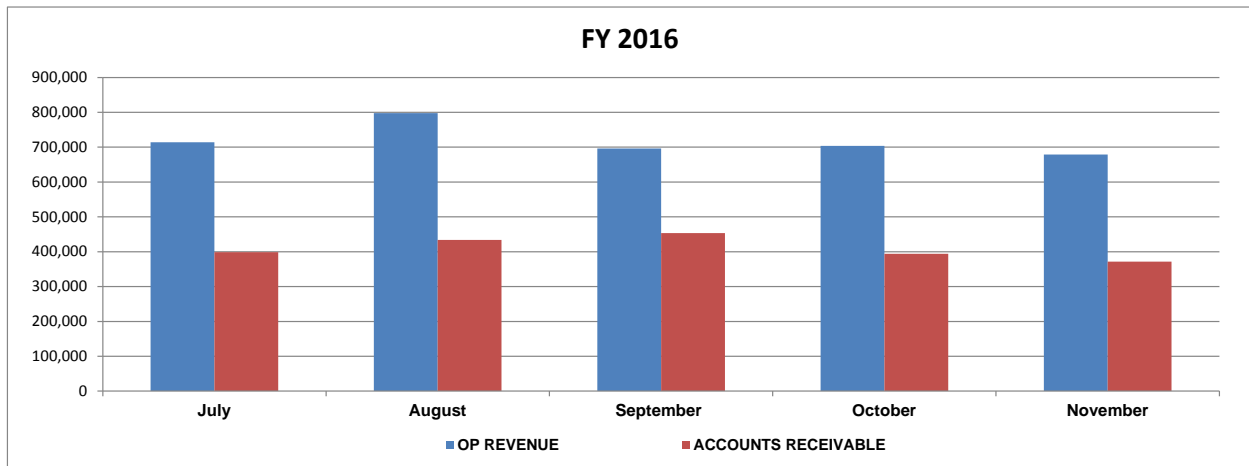
Of the accounts receivable balance, \$8,517 or 2.3% was over 60 days old. Chart 1 depicts the accounts receivable balances by month.

Chart 1



Under normal circumstances, the balance of accounts receivable at month-end will align with the dynamic (variable) operating revenue in that month, such as landing fees, fuel flowage fees, concession-based revenues, passenger facility charges (PFC). Typically, accounts receivable balances will span a range from \$350,000 to \$550,000, depending on the District's business cycle. We have a cyclic high in August; a cyclic low in January. Compared to October, November operating revenue decreased 3.5%; compared to September, November operating revenue decreased 2.5%. Chart 2 graphically presents the monthly comparison of operating revenues to accounts receivable.

Chart 2



INVESTMENTS. The investments balance on October 31, 2015 was \$3,253,043; the investments balance on November 30, 2015 was \$3,255,911.

Chart 3 graphically presents the monthly balances of investments.

Chart 3

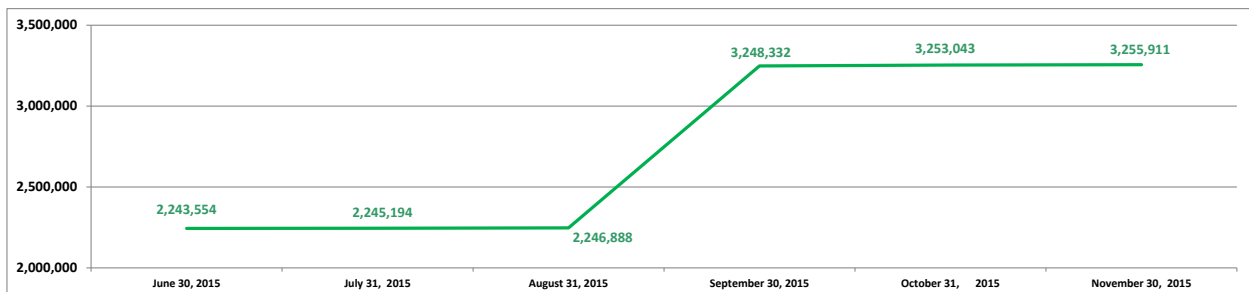
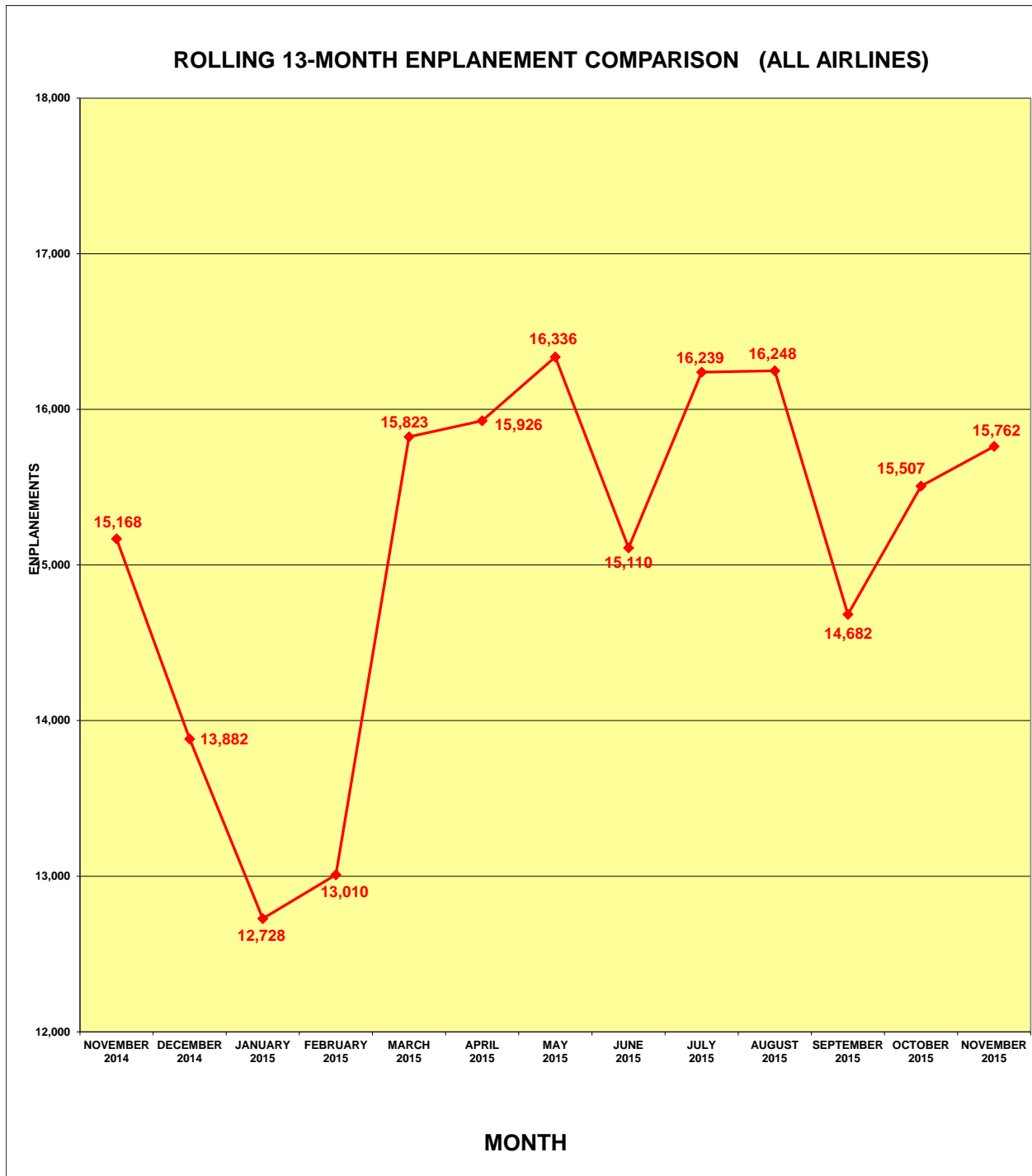
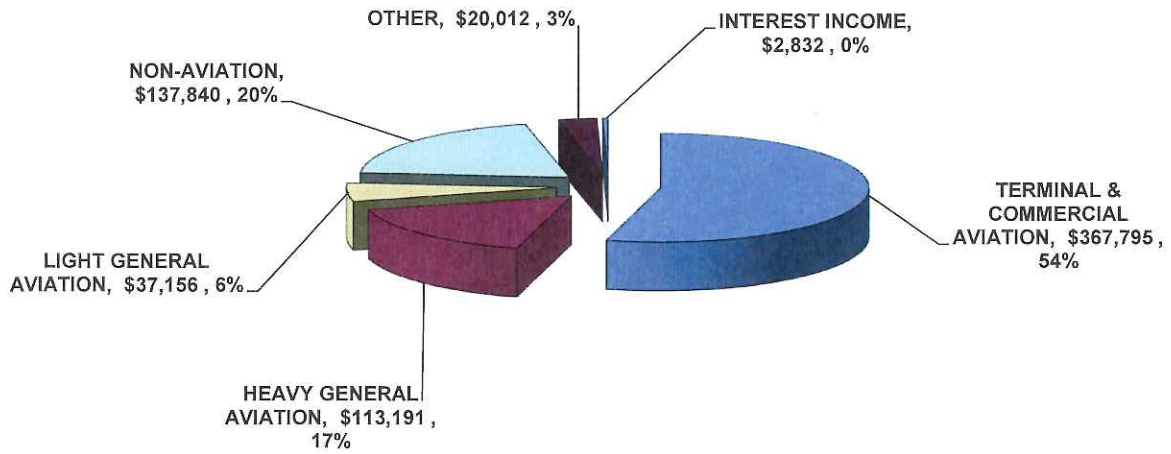


Chart 4 presents a rolling 13-month display of total enplanements which mimics the business cycle of the District. When compared to October 2015, November 2015 enplanements increased 1.6%. When compared to November 2014, November 2015 enplanements increased 3.9%.

Chart 4

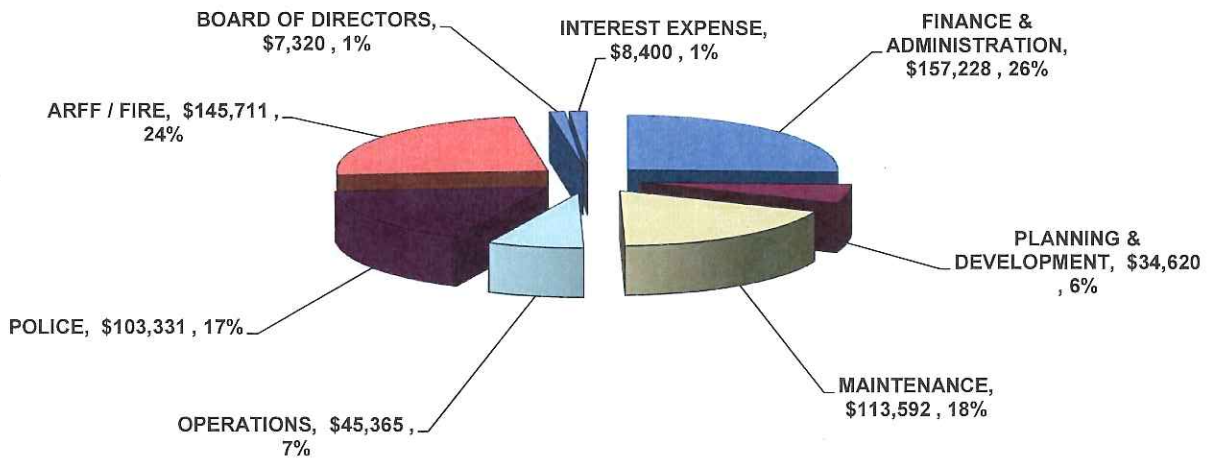


NOVEMBER 2015 OPERATING REVENUE



TOTAL OPERATING REVENUE: \$678,826

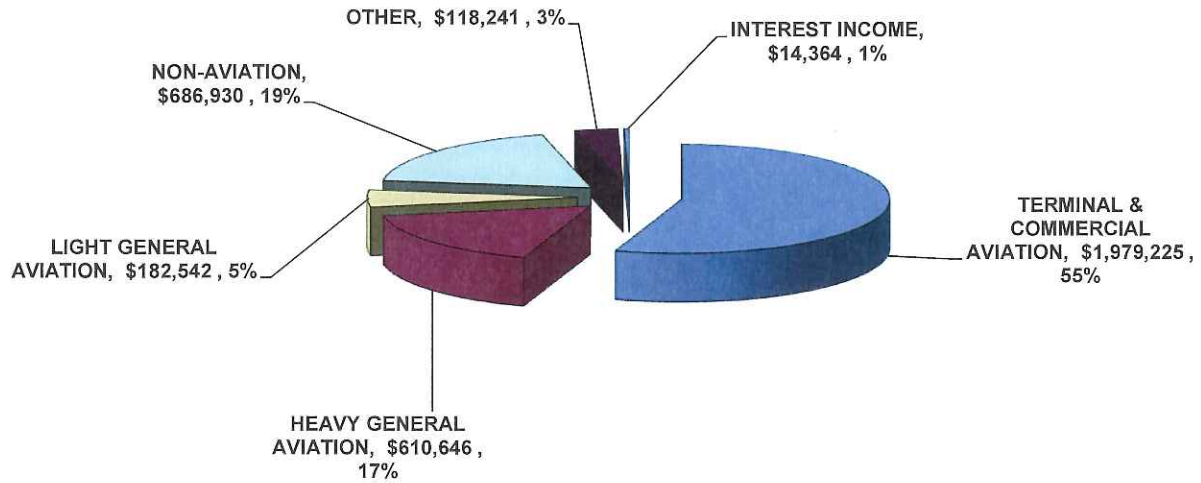
NOVEMBER 2015 OPERATING EXPENSE



TOTAL OPERATING EXPENSE: \$615,567

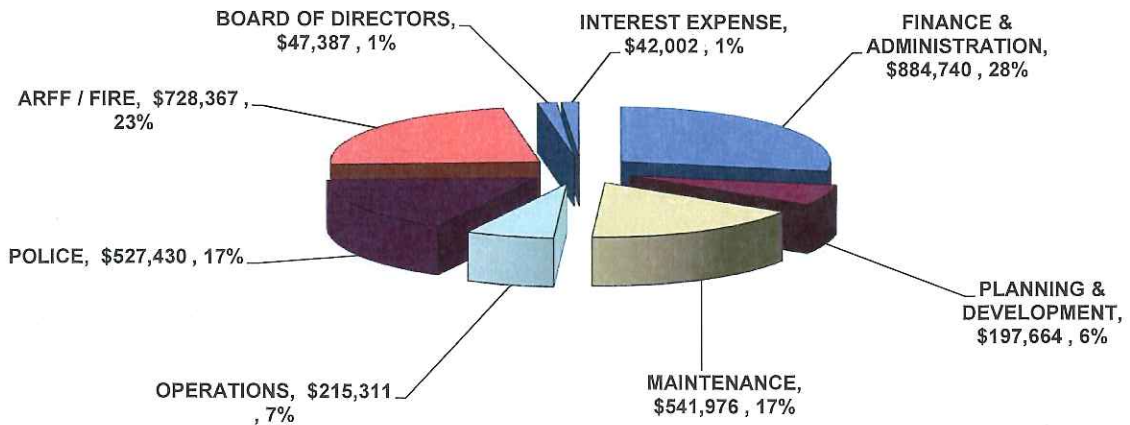
Monterey Peninsula Airport District

FY 2016 (July 15 - Nov 15) YTD OPERATING REVENUE



TOTAL OPERATING REVENUE: \$3,591,948

FY 2016 (July 15 - Nov 15) YTD OPERATING EXPENSE



TOTAL OPERATING EXPENSE: \$3,184,876

AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY

November 30, 2015

OPERATING STATISTICS	NOVEMBER 15			NOVEMBER 14			YTD FY 16			YTD FY 15		
AIRPORT ACTIVITY												
Air Carrier Landings ¹		315	338	-7%	378		1,643	1,826	-10%	2,046		
Passengers (emp/dep)		31,113			30,001		156,282			159,771		
Total Cargo (in pounds)		87,369			89,214		442,247			449,672		
AIRCRAFT OPERATIONS												
Commercial		1,225			1,163		6,478			6,256		
General Aviation		3,726			3,091		22,590			15,250		
Military		337			166		2,056			830		
TOTAL AIRCRAFT OPERATIONS		5,288			4,420		31,124			22,336		
VEHICLE EXIT COUNT												
Upper Short Term (1) Lot		2,058			1,924		10,635			10,583		
Long Term (2) Lot		2,107			2,097		10,456			10,829		
Lower Short Term (3) Lot		6,133			6,160		32,477			33,139		
TOTAL VEHICLE EXIT COUNT		10,298			10,181		53,568			54,551		

¹Cancelled Flights: November = 14 (6 - Alaska / 0 - Allegiant / 1 - American / 7 - United Express); FYTD = 143 (9 - Alaska / 0 - Allegiant / 40 - American / 94 - United Express)

FINANCIAL INFORMATION	NOVEMBER 15			NOVEMBER 14			YTD FY 16			YTD FY 15		
	ACTUAL	BUDGET	%	ACTUAL	ACTUAL	BUDGET	%	ACTUAL				
OPERATING REVENUE												
TERMINAL												
CA Landing, Apron & RON Fees	56,017	56,807	-1%	55,717	289,844	312,300	-7%	295,097				
Rents	140,875	140,649	0%	142,256	706,487	703,776	0%	709,348				
TCP Operator Permits	633	750	-16%	1,050	3,927	3,830	3%	4,250				
Taxi Operator Permits & Trip Fees	9,106	13,186	-31%	13,269	65,823	67,649	-3%	71,128				
TNC Permits & Trip Fees	3,588	-	100%	-	7,513	-	100%	-				
Concessions	10,826	9,883	10%	9,882	65,998	60,774	9%	60,897				
Rental Car	79,599	75,242	6%	75,167	517,525	507,337	2%	507,509				
Parking	67,151	70,035	-4%	69,687	322,109	342,598	-6%	340,971				
HEAVY GENERAL AVIATION												
GA Landing Fees	30,069	26,922	12%	26,922	173,057	153,405	13%	153,321				
FBO Rent	56,252	56,251	0%	54,925	281,260	281,255	0%	274,625				
Fuel Fees	26,870	29,085	-8%	25,184	156,329	175,349	-11%	152,970				
LIGHT GENERAL AVIATION												
	37,156	36,713	1%	36,185	182,542	183,565	-1%	179,822				
NON AVIATION												
	137,840	133,684	3%	135,794	686,930	672,750	2%	691,155				
OTHER OPERATING REVENUE												
	20,012	17,115	17%	16,654	118,241	86,050	37%	87,503				
INTEREST INCOME												
	2,832	3,095	-9%	3,131	14,364	15,180	-5%	16,276				
TOTAL OPERATING REVENUE	\$ 678,826	\$ 669,417	1%	\$ 665,824	\$ 3,591,948	\$ 3,565,818	1%	\$ 3,544,871				
OPERATING EXPENSE												
Finance & Administration	157,228	154,779	2%	159,646	884,740	939,556	-6%	907,768				
Planning & Development	34,620	40,424	-14%	32,502	197,664	220,029	-10%	140,431				
Maintenance & Custodial Services	113,592	144,205	-21%	108,990	541,976	664,315	-18%	558,880				
Airport Operations	45,365	44,692	2%	42,493	215,311	249,768	-14%	207,435				
Police Department	103,331	114,556	-10%	96,803	527,430	580,595	-9%	524,184				
ARFF /Fire Services	145,711	150,763	-3%	144,548	728,367	742,705	-2%	724,106				
Board of Directors	7,320	7,494	-2%	88,270	47,387	47,528	0%	124,160				
Interest Expense	8,400	8,400	0%	9,405	42,002	42,002	0%	47,025				
TOTAL OPERATING EXPENSE	\$ 615,567	\$ 665,313	-7%	\$ 682,657	\$ 3,184,876	\$ 3,486,498	-9%	\$ 3,233,989				
OPERATING INCOME / (LOSS)	\$ 63,259	\$ 4,104	1442%	\$ (16,833)	\$ 407,072	\$ 79,320	413%	\$ 310,882				
DISTRICT CAPITAL EXPENDITURES												
	\$ 10,771	\$ -	0.0%	\$ 25,366	\$ (875,724)	\$ 263,380	432.5%	\$ 37,046				
DEBT SERVICE - PRINCIPAL ONLY												
	\$ 23,833			\$ 22,667	\$ 119,167			\$ 113,333				

MONTEREY PENINSULA AIRPORT DISTRICT

	FY 2016 NOVEMBER 2015 ACTUAL	FY 2016 YEAR-TO-DATE ACTUAL
SOURCES AND USES OF CASH -- OPERATIONS		
SOURCES OF CASH		
CASH RECEIVED - OPERATING REVENUE	\$ 675,994	\$ 3,577,584
CASH RECEIVED - INTEREST INCOME	2,832	14,364
CASH RECEIVED	<u>\$ 678,826</u>	<u>\$ 3,591,948</u>
USES OF CASH -- OPERATIONS		
CASH DISBURSED - OPERATING EXPENSE ¹	\$ 606,984	\$ 3,141,960
CASH DISBURSED - DEBT SERVICE (BOND INTEREST EXPENSE) ²	8,400	42,002
CASH DISBURSED - DEBT SERVICE (PRINCIPAL REDUCTION) ²	23,833	119,167
CASH DISBURSED	<u>\$ 639,217</u>	<u>\$ 3,303,128</u>
CHANGE IN CASH POSITION FROM OPERATIONS & DEBT SERVICE	<u>\$ 39,608</u>	<u>\$ 288,820</u>
 ¹ Net of non-cash operating expense (OPEB)		
² Moved to Restricted Account/Disbursement will occur in December 2015 & June 2016		
USES OF CASH -- CAPITAL PROGRAM		
CASH DISBURSED - DISTRICT CAPITAL PROJECTS ³	\$ 10,771	\$ (875,724)
CASH DISBURSED	<u>\$ 10,771</u>	<u>\$ (875,724)</u>
CHANGE IN CASH POSITION FROM CAPITAL PROGRAM	<u>\$ (10,771)</u>	<u>\$ 875,724</u>
 ³ District-funded capital plan for FY16		
CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL & DEBT SERVICE	<u>\$ 28,837</u>	<u>\$ 1,164,544</u>

Monterey Peninsula Airport District
Airport Capital Improvements / Capital Expenditures
November 30, 2015

<u>Airport Improvement Programs</u>	Actual FY 2016 Current Period		Prior Fiscal Year Current Period		Actual FY 2016 Year-To-Date		Prior Fiscal Year Year-To-Date	
MPAD Expenditures	10,330.22	3.7%	0.00	0.0%	(942,317.72)	-7.4%	0.00	0.0%
AIP -- FAA Funded Expenditures	246,159.35	87.1%	5,500,303.22	95.0%	12,900,301.01	101.8%	11,046,706.51	94.9%
AIP -- PFC Funded Expenditures	26,276.11	9.3%	291,164.84	5.0%	715,402.78	5.6%	591,460.91	5.1%
Total Capital Improvement Expenditures	282,765.68	100%	5,791,468.06	100%	12,673,386.07	100%	11,638,167.42	100%

Capital Acquisitions / Expenditures By Department

Finance & Administration	0.00				0.00			
Planning & Development	0.00				0.00			
Maintenance & Custodial Services	440.89	100.0%			66,593.83	100.0%		
Airport Operations	0.00				0.00			
Police	0.00		25,365.83	100%	0.00		37,046.21	100%
ARFF / Fire	0.00				0.00			
Total Capital Acquisition Expenditures	440.89	100%	25,365.83	100%	66,593.83	100%	37,046.21	100%

Consolidated

District Expenditures	10,771.11	3.8%	25,365.83	0.4%	(875,723.89)	-6.9%	37,046.21	0.3%
AIP -- FAA Funded Expenditures	246,159.35	86.9%	5,500,303.22	94.6%	12,900,301.01	101.3%	11,046,706.51	94.6%
AIP -- PFC Funded Expenditures	26,276.11	9.3%	291,164.84	5.0%	715,402.78	5.6%	591,460.91	5.1%
Total Capital Expenditures	283,206.57	100%	5,816,833.89	100%	12,739,979.90	100%	11,675,213.63	100%

FY 2016 District Capital Expenses:

2012-01 RSA - Construction - Phase 1	0.00				(964,992.44)		
2013-02 Airport Master Plan	9,585.00				26,261.00		
2015-03 Infield Safety Area Rehab - A	745.22				(3,586.28)		
2016-03 Pick-Up Truck - Maintenance	440.89				38,195.82		
2016-04 Pick-Up Truck - Maintenance	0.00				28,398.01		capitalized 7/31/15
	<u>10,771.11</u>				<u>(875,723.89)</u>		

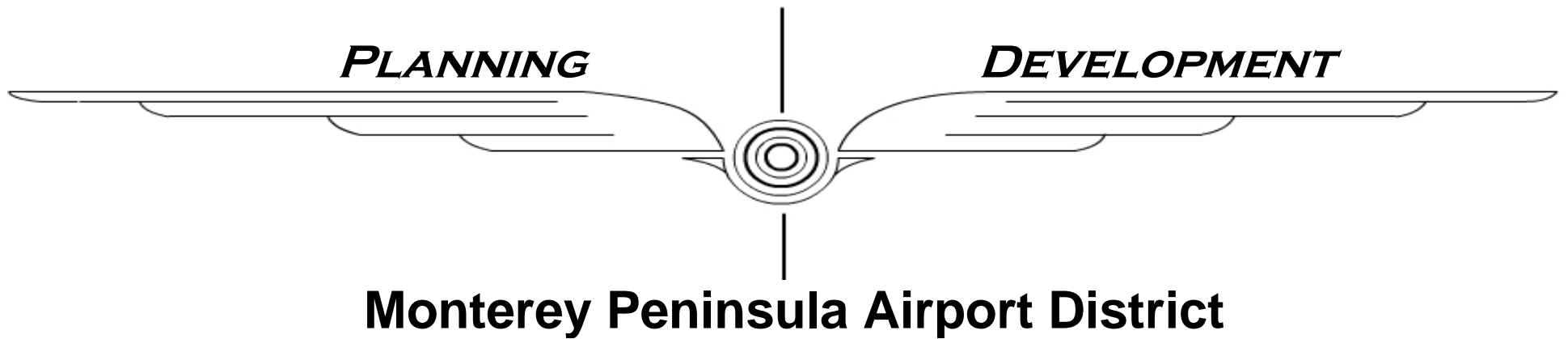
AGENDA ITEM: J
DATE: January 13, 2016

TO: Michael La Pier, Executive Director
FROM: Mark Bautista, Deputy General Manager, Planning & Development
DATE: December 31, 2015
SUBJ: Planning & Development Monthly Project Report

Attached is the current monthly Project Report for the Planning and Development Department. Highlights for December 2015 include:

- Work directed toward implementation of the Runway Safety Area (RSA) Project accomplished during the reporting period, including:
 - Change Order #13 executed by all parties.
 - Completed erosion control evaluation and implemented additional storm preparation measures.
 - Continue to work on all documents for FAA project close out of the project and grants.
 - Maintenance of the project web site on the Internet.
- Work directed toward the Airport Master Plan (AMP), including:
 - Publication of the Notice for Preparation for EIR for the AMP, and concurrently, distribution of a notice for the February 3, 2016 scoping meeting.
 - Preparation of the airport economic benefits study brochure.
 - Maintenance of the project web site on the Internet, including the errata sheet and redlined text for the AMP Chapters 6 & 7, and Appendix B, and the ALP.
- Work directed toward the Wells Assessment Project, including:
 - Continuing work on the Options Analysis.
- Work directed toward the Infields Rehabilitation Project, including:
 - On-going preparation of the Environmental Assessment.
- Work directed toward assessment of Bldgs 505 & 506, including:
 - Staff review of draft Asbestos Operations & Maintenance Program from consultants.
- Received and executed an Electric Vehicle Incentive Replacement Program Grant Agreement for the purchase of one Polaris GEM eLXD, street legal maintenance light utility vehicle. With this purchase one existing gasoline engine vehicle and one 17-year old electric vehicle will be retired.

Monthly Capital Project Report
January 2016



FUNDING			BUDGETING				EXPENDITURES				STATUS			
PROJECT#	AIP #	PFC	Prior FY Budget	FY 2016 Budget	Post FY Budget	Total Project Budget	Spent in Prior Fiscal Years	FY 2016 Expenditures to Date	Cumulative 12/31/2015	% Physical Complete	Project Name	Current Status	4 Week Look Ahead	
ACTIVE FEDERALLY FUNDED PROJECTS:														
1	2012-01 and 2014-01	58, 61	10-15-C-00-MRY 11-17-C-00-MRY 13-18-C-00-MRY 14-19-C-00-MRY	\$31,973,875	\$19,104,934	\$0	\$51,078,808	\$31,973,875	\$16,754,810	\$48,728,684	99%	RSA Runway 10R/28L - Construction; Phase 1 and 2	Schedule I, II, III, IV and V are complete. ILS back in service on December 10.	Project construction completed. Work continues on project close out documentation.
2	2013-02	59	13-18-C-00-MRY	\$842,341	\$252,639	\$0	\$1,094,980	\$842,341	\$231,106	\$1,073,447	95%	Airport Master Plan	Final PAC and public workshop meetings were held on September 29, 2015. Update on work progress was presented at the October 14, 2015 BOD meeting.	Notice of Preparation for the EIR has been filed. Scoping meeting scheduled for February 2016.
3	2015-03	62	Unk.	\$0	\$825,000	\$269,980	\$1,094,980	\$0	\$31,192	\$31,192	5%	Airport Infield Safety Area Rehabilitation- Part A	Scoping Notices for the Project EA was published in the newspaper and website. Scoping letters were sent to agencies/individuals. Scoping comments due Dec. 18	Data gathering will continue through the reporting period.
4			\$0	\$0							1%	Wells Assessment Project-Options Analysis	Water District has approved use of grant award for options analysis. Kick off meeting has been held, NTP issued.	Options analysis remains underway.
5			\$0	\$0			\$0				0%	Board Room Soundproofing	Design complete.	Firm has been hired, work to be completed by February 2016.
ACTIVE DISTRICT FUNDED PROJECTS:														
6	N/A	N/A	N/A	\$96,175	\$2,825	\$0	\$99,000	\$96,175	\$0	\$96,175	n/a	FWSS Mitigation Land Restoration	Preparation and planting is complete at the off-airport site.	Monitoring will continue through FY 2017.

TO: Board of Directors
Michael La Pier, Executive Director
FROM: Scott E. Huber, District Counsel
SUBJ: Adoption of an Ordinance Prohibiting All Commercial Medical Marijuana Uses on Monterey Peninsula Airport District Property

BACKGROUND. The Board may consider an Ordinance to prohibit the cultivation, processing, distribution and delivery of medical marijuana on property owned by the Monterey Peninsula Airport District.

DISCUSSION

In 1996, the voters of the State of California approved Proposition 215 entitled "The Compassionate Use Act of 1996" or "CUA" to enable seriously ill Californians, under the care of a physician, to legally possess, use, and cultivate marijuana for medical use under state law. In 2003, the California Legislature adopted SB 420 entitled the Medical Marijuana Program ("MMP") which permits qualified patients and their primary caregivers to associate collectively or cooperatively to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code. Neither the CUA nor the MMP require or impose an affirmative duty or mandate upon a local government to allow, authorize, or sanction the establishment of facilities that cultivate or process medical marijuana within its jurisdiction. Under the Federal Controlled Substances Act, the use, possession, and cultivation of marijuana are unlawful and subject to federal prosecution without regard to a claimed medical need.

On October 9, 2015, Governor Jerry Brown signed the Medical Marijuana Regulation and Safety Act ("MMRSA"). The MMRSA actually consists of three different pieces of legislation, Assembly Bill 243 (Wood), Assembly Bill 266 (Bonta), and Senate Bill 643 (McGuire). Each of the bills has passed the California Legislature and were signed by the Governor. The bills were endorsed by the League of California Cities, California Police Chiefs Association, and Cannabis Industry Association. The California State Sheriffs' Association has taken a neutral position.

MMRSA provides for comprehensive state licensing and regulation of medical marijuana cultivation, processing, transportation, and distribution. It would place the Department of Food and Agriculture in charge of licensing indoor and outdoor cultivation sites, mandate the Department of Pesticide Regulation to develop pesticide standards for cultivation, and require the Department of Public Health to develop standards for the production and labeling of edible products.

MMRSA also creates a Bureau of Medical Marijuana Regulation within the Department of Consumer Affairs. It provides a dual licensing system, with the State issuing licenses and local governments issuing permits for medical marijuana dispensaries, cultivation, and delivery, beginning in 2018. It requires the Department of Consumer Affairs to license dispensaries, distributors, and transport entities dealing with medical marijuana, and provide restrictions on holding more than one such license in the medical marijuana cultivation and distribution chain. It also ties the validity of state licenses to local permits (i.e., a state license becomes invalid if a local permit is denied or revoked).

Under the MMRSA, local governments retain the right to choose whether to permit or prohibit medical marijuana dispensaries. In addition, local governments can either permit or prohibit marijuana cultivation, processing, and delivery. However, if local governments want to regulate any aspect of medical marijuana, it must have ordinances to regulate marijuana in effect on or before March 1, 2016.

The District is the recipient of federal grant funds and, as such, the District is required to comply with the FAA's grant assurances. As such, the District must comply with federal law, and require compliance with federal law in all of its contracts for the leasing of property. If the District does not adopt Ordinance 917, the FAA may determine that the District is not in full compliance with its grant assurances. In addition, the District may be in as position where the State issues a license to a business, which is a tenant of the District, for a commercial marijuana enterprise. In theory, the State could issue the license because there is no specific prohibition in place. In that instance, the District would then be required to remove the tenant for violation of the lease, which can be an expensive proposition resulting from litigation between the parties. If Ordinance 917 is adopted, the State will not issue a license to any commercial marijuana enterprise that is operating on District property.

BUDGET EFFECT. None

IMPACT ON REVENUES. None.

IMPACT ON OPERATIONS. None.

RECOMMENDATION. Adopt Ordinance 917

ORDINANCE NO. 917

**AN ORDINANCE OF THE MONTEREY PENINSULA
AIRPORT DISTRICT PROHIBITING ALL
COMMERCIAL MEDICAL MARIJUANA USES ON
MONTEREY PENINSULA AIRPORT DISTRICT PROPERTY**

**THE BOARD OF DIRECTORS OF MONTEREY PENINSULA AIRPORT DISTRICT DO
ORDAIN AS FOLLOWS:**

Section 1. Findings and Purpose. The Board of Directors finds and declares as follows:

A. In 1996, the voters of the State of California approved Proposition 215 (codified as California Health and Safety Code § 11362.5 and entitled “The Compassionate Use Act of 1996” or “CUA”).

B. The intent of Proposition 215 was to enable persons who are in need of marijuana for medical purposes to use it without fear of criminal prosecution under limited, specified circumstances. The proposition further provides that “nothing in this section shall be construed to supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes.” The ballot arguments supporting Proposition 215 expressly acknowledged that “Proposition 215 does not allow unlimited quantities of marijuana to be grown anywhere.”

C. In 2004, the Legislature enacted Senate Bill 420 (codified as California Health & Safety Code § 11362.7 et seq. and referred to as the “Medical Marijuana Program” or “MMP”) to clarify the scope of Proposition 215 and to provide qualifying patients and primary caregivers who collectively or cooperatively cultivate marijuana for medical purposes with a limited defense to certain specified State criminal statutes. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the Medical Marijuana Program to expressly recognize the authority of counties and cities to “[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective” and to civilly and criminally enforce such ordinances.

D. In City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc. (2013) 56 Cal.4th 729, the California Supreme Court held that “[n]othing in the CUA or the MMP expressly or impliedly limits the inherent authority of a local jurisdiction, by its own ordinances, to regulate the use of its land. . . .” Additionally, in Maral v. City of Live Oak (2013) 221 Cal.App.4th 975, the Court of Appeal held that “there is no right – and certainly no constitutional right – to cultivate medical marijuana. . . .” The Court in Maral affirmed the ability of a local governmental entity to prohibit the cultivation of marijuana under its land use authority.

E. The Federal Controlled Substances Act, 21 U.S.C. § 801 et seq., classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance that has

a high potential for abuse, that has no currently accepted medical use in treatment in the United States, and that has not been accepted as safe for use under medical supervision. The Federal Controlled Substances Act makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana. The Federal Controlled Substances Act contains no exemption for medical purposes.

F. On October 9, 2015 Governor Brown signed 3 bills into law (AB 266, AB 243, and SB 643) which collectively are known as the Medical Marijuana Regulation and Safety Act (hereafter “MMRSA”). The MMRSA set up a State licensing scheme for commercial medical marijuana uses while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to a State license. The MMRSA allows public agencies to completely prohibit commercial medical marijuana activities.

G. The Board of Directors finds that commercial medical marijuana activities, as well as cultivation for personal medical use as allowed by the CUA and MMP can adversely affect the health, safety, and well-being of MPAD tenants. Prohibition is proper and necessary on MPAD property to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells and indoor electrical fire hazards that may result from such activities. Further, as recognized by the Attorney General’s August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, marijuana cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that surrounding homes or businesses may be negatively impacted by nuisance activity such as loitering or crime. In addition, allowing the cultivation, processing, dispensing or delivery of marijuana would violate grant assurances made by MPAD to the Federal Aviation Administration.

H. The limited immunity from specified state marijuana laws provided by the Compassionate Use Act and Medical Marijuana Program does not confer a land use right or the right to create or maintain a public nuisance.

I. The MMRSA contains language that requires a public agency to prohibit cultivation, processing, and dispensary zoning uses by March 1, 2016 either expressly or otherwise under the principles of permissive zoning, or the State will become the sole licensing authority. The MMRSA also contains language that requires delivery services to be expressly prohibited by local ordinance, if the public agency wishes to do so.

J. While the Board of Directors believes that cultivation and all commercial medical marijuana uses are prohibited under MPAD’s zoning regulations, it desires to enact this ordinance to expressly make clear that all such uses are prohibited in all zones regulated by the Monterey Peninsula Airport District.

Section 2. Authority. This ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including but not limited to Article XI, Section 7

of the California Constitution, the Compassionate Use Act, the Medical Marijuana Program, and The Medical Marijuana Regulation and Safety Act.

Section 3. Definitions. Unless specifically defined otherwise herein, or unless a different meaning is apparent from the context, the following words or phrases have the meanings set forth below. Words or phrases that are not defined in this ordinance, but that are defined in the California Penal Code, have the meanings set forth therein.

“Airport” means the Monterey Peninsula Airport and all lands owned or operated by the Monterey Peninsula Airport District for Airport purposes or activities. “Airport” includes all improvements, facilities and appurtenances.

“Cannabis” shall have the same meaning as set forth in Business & Professions Code § 19300.5(f) as the same may be amended from time to time.

“Caregiver” or “primary caregiver” shall have the same meaning as set forth in Health & Safety Code § 11362.7 as the same may be amended from time to time.

“Commercial cannabis activity” shall have the same meaning as that set forth in Business & Professions Code § 19300.5(k) as the same may be amended from time to time.

“Cooperative” shall mean two or more persons collectively or cooperatively cultivating, using, transporting, possessing, administering, delivering or making available medical marijuana, with or without compensation.

“Cultivation” shall have the same meaning as set forth in Business & Professions Code § 19300.5(l) as the same may be amended from time to time.

“Cultivation site” shall have the same meaning as set forth in Business & Professions Code § 19300.5 (x) as the same may be amended from time to time.

“Delivery” shall have the same meaning as set forth in Business & Professions Code § 19300.5(m) as the same may be amended from time to time.

“Dispensary” shall have the same meaning as set forth in Business & Professions Code § 19300.5(n) as the same may be amended from time to time. For purposes of this Chapter, “Dispensary” shall also include a cooperative. “Dispensary” shall not include the following uses: (1) a clinic licensed pursuant to Chapter 1 of Division 2 of the California Health and Safety Code, (2) a health care facility licensed pursuant to Chapter 2 of Division 2 of the California Health and Safety Code, (3) a residential care facility for persons with chronic life-threatening illnesses licensed pursuant to Chapter 3.01 of Division 2 of the California Health and Safety Code, (4) a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the California Health and Safety Code, (5) a residential hospice or home health agency licensed pursuant to Chapter 8 of Division 2 of the California Health and Safety Code.

“Dispensing” shall have the same meaning as set forth in Business & Professions Code § 19300.5(o) as the same may be amended from time to time.

“Distribution” shall have the same meaning as set forth in Business & Professions Code § 19300.5(p) as the same may be amended from time to time.

“Distributor” shall have the same meaning as set forth in Business & Professions Code § 19300.5(q) as the same may be amended from time to time.

“District” means the Monterey Peninsula Airport District.

“Manufacturer” shall have the same meaning as set forth in Business & Professions Code § 19300.5(y) as the same may be amended from time to time.

“Manufacturing site” shall have the same meaning as set forth in Business & Professions Code § 19300.5(af) as the same may be amended from time to time.

“Medical cannabis,” “medical cannabis product,” or “cannabis product” shall have the same meanings as set forth in Business & Professions Code § 19300.5(ag) as the same may be amended from time to time.

“Medical Marijuana Regulation and Safety Act” or “MMRSA” shall mean the following bills signed into law on October 9, 2015 as the same may be amended from time to time: AB 243, AB 246, and SB 643.

“Nursery” shall have the same meaning as set forth in Business & Professions Code § 19300.5(ah) as the same may be amended from time to time.

“Qualifying patient” or “Qualified patient” shall have the same meaning as set forth in Health & Safety Code § 11362.7 as the same may be amended from time to time.

“Testing laboratory” shall have the same meaning as set forth in Business & Professions Code § 19300.5(z) as the same may be amended from time to time.

“Transport” shall have the same meaning as set forth in Business & Professions Code § 19300.5(am) as the same may be amended from time to time.

“Transporter” shall have the same meaning as set forth in Business & Professions Code § 19300.5(aa) as the same may be amended from time to time.

Section 4. Prohibition.

- A. Commercial cannabis activities of all types are expressly prohibited in all zones and all specific plan areas of the Airport. No person shall establish, operate, conduct or allow a commercial cannabis activity anywhere within Airport property.
- B. To the extent not already covered by subsection A above, all deliveries of medical cannabis are expressly prohibited within the Airport property. No person shall conduct any deliveries that either originate or terminate within Airport property.
- C. This section is intended to and shall prohibit all activities for which a State license is required. Accordingly, the District shall not issue any permit, license or other entitlement for any activity for which a State license is required under the MMRSA.
- D. Cultivation of cannabis for non-commercial purposes, including cultivation by a qualified patient or a primary caregiver, is expressly prohibited in all zones and all specific plans of the Airport. No person, including a qualified patient or primary caregiver, shall cultivate any amount of cannabis within the Airport property, even for medical purposes.

Section 5. Public Nuisance. Any use or condition caused, or permitted to exist, in violation of any provision of this Ordinance shall be, and hereby is declared to be, a public nuisance and may be summarily abated by the District pursuant to Code of Civil Procedure Section 731 or any other remedy available to the District.

Section 6. Civil Penalties. In addition to any other enforcement permitted by this Ordinance, District Counsel may bring a civil action for injunctive relief and civil penalties, as permitted by law, against any person or entity that violates this Ordinance. In any civil action brought pursuant to this Ordinance, a court of competent jurisdiction may award reasonable attorneys fees and costs to the prevailing party.

Section 7. CEQA. This ordinance is exempt from CEQA pursuant to CEQA Guidelines section 15305, minor alterations in land use limitations in areas with an average slope of less than 20% that do not result in any changes in land use or density and Section 15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. The District's zoning provisions already prohibit all uses that are being expressly prohibited by this ordinance. Therefore, this ordinance has no impact on the physical environment as it will not result in any changes.

Section 8. Severability. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason held to be invalid or unconstitutional

by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 9. Effective Date. This ordinance shall take effect 30 days from and after the date of its adoption.

ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 13th day of January, 2016, by the following roll call vote:

AYES:	DIRECTORS:
NOES:	DIRECTORS:
ABSTAIN:	DIRECTORS:
ABSENT:	DIRECTORS:

Signed this 13th day of January, 2016

Mary Ann Leffel, Chair

ATTEST

Tonja Posey
District Secretary

AGENDA ITEM: K-2
DATE: January 13, 2016

TO: Board of Directors
FROM: Michael La Pier, Executive Director
SUBJ: Approval of Employment Agreement with Jeffrey Hoyne

BACKGROUND. The Board may consider an Employment Agreement with Jeffrey Hoyne for the position of Chief of Police for the Monterey Peninsula Airport District.

DISCUSSION

Jeffrey Hoyne has served the Monterey Peninsula Airport District well since June 2014. Hoyne was selected through a nationwide search for a full-time police chief, and came to MPAD from the Port of Seattle at Sea-Tac Airport. Hoyne has 27 years of police experience, with extensive municipal and county policing experience with assignments in patrol, training, SWAT, and K9 units. Hoyne earned a Bachelor of Science degree in Homeland Security from American Military University and attended Command College Northwestern University School of Police Staff and Command.

With this proposed employment agreement, the Chief of Police will take on additional duties and responsibilities. Hoyne will act as the Airport Security Coordinator (including responsibility for all locks and keys), as well as serving as the Liaison between the District and the City of Monterey related to fire and police services. Hoyne will also have direct oversight of the Airport Operations Department.

This proposed agreement does not change the organizational structure of the Airport or the line of authority for the Police Chief position. If approved, Hoyne will continue to report to, and receive direction from, the Executive Director.

BUDGET EFFECT: The fiscal impact of this contract is an increase in annual operating expense of \$23,829 (not including the annualized value of the District-provided vehicle). This increase will be mitigated through other measures by management.

RECOMMENDATION: Approve the employment agreement between Jeffrey Hoyne and the Monterey Peninsula Airport District for the position of Chief of Police

ATTACHMENT: Employment Agreement

**EMPLOYMENT AGREEMENT BETWEEN
THE MONTEREY PENINSULA AIRPORT DISTRICT AND
JEFFREY HOYNE**

This agreement is made and entered into on the 16th day of January, 2016, by and between the Monterey Peninsula Airport District ("District"), and Jeffrey Hoyne, both of whom understand as follows:

WHEREAS, District desires to employ the services of Hoyne as its Police Chief; and

WHEREAS, it is the desire of the Board of Directors of the District ("Board"), to provide certain benefits, to establish certain conditions of employment and to set working conditions for Hoyne; and

WHEREAS, Hoyne desires to accept employment as the Police Chief of District.

Now therefore, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1. Duties:

District hereby agrees to employ Hoyne as Police Chief of District to perform the functions and duties as established by the Executive Director, the District's Enabling Act, and such other legally permissible and proper duties and functions as the Executive Director shall from time to time assign to him. In addition, Hoyne shall act as the Airport Security Coordinator (including responsibility for all locks and keys), the Liaison between the District and the City of Monterey related to fire services, and shall have direct oversight of the Airport Operations Department. Hoyne shall also act as an advisor to other communities with airports, as instructed by the Executive Director.

Section 2. Term; Termination; Severance Compensation:

- A. Hoyne agrees to remain in the exclusive employ of District until December 31, 2018 ("Expiration Date") and neither to accept other employment nor to become employed by any other employer until the expiration date of this agreement, subject to the provisions of Subsection 2. B.
- B. If Hoyne resigns his position as Police Chief before the expiration date of the initial or any extended term of this agreement, then Hoyne shall give District no less than 60 days written notice in advance. In that event, Hoyne shall not be entitled to the severance compensation provided for in Section 2. C.
- C. As an "at will" employee serving at the pleasure of the Board, Hoyne's appointment may be terminated by the Board without cause at any time as outlined in Ordinance 909. In the event that Hoyne is terminated by the District before the expiration of the term of this agreement, other than as specified in subsection (D) herein, the District agrees to pay Hoyne a lump sum cash payment of six (6) months aggregate salary and continuation of the medical and dental plan in effect at the time of termination for six (6) months, or such other payout as may be mutually agreed upon. In

addition, Hoyne shall be compensated for all vested accrued leave time, which is currently defined as all accumulated and unused vacation leave. Hoyne shall report to, and receive direction solely from, the Executive Director. Further, in the event that it becomes necessary, Hoyne may be disciplined and/or placed on administrative leave by the Executive Director. Hoyne shall not report to, receive direction from, or be evaluated by the Board.

- D. Hoyne may be terminated by the Board at any time for either malfeasance or nonfeasance in office, or for a conviction of a crime. In the event of such removal, the District shall have no obligation to pay the aggregate severance pay referenced above.
- E. Six months prior to expiration of this Agreement, Hoyne shall give written notice to District if he wishes to extend this agreement on the same terms and conditions for an additional period of time to be negotiated between the parties. Thereafter the Board shall determine, within 60 days, whether or not it wishes to extend the agreement and shall give written notice to Hoyne of its decision. If the Board approves such extension, the parties shall enter into a new, or amended, agreement. If the Board disapproves such extension, this agreement shall terminate on the Expiration Date and Hoyne shall not be entitled to any compensation except for any vested accrued leave time.

Section 3. Non-Industrial Injury/Illness:

If Hoyne is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four successive weeks beyond any accrued leave, District shall have the option to terminate the agreement, subject to the severance pay provisions of Section 2. C.

Section 4. Salary and Compensation:

Hoyne shall receive an initial base salary of \$135,000 per year.

Hoyne's salary will be reviewed annually and may be adjusted as determined by the District based on his performance, economic conditions, or other factors as may be determined by the District.

The District shall reimburse Hoyne up to \$5,000 for previous expenses related to temporary housing, house-hunting trips, moving expenses, and other miscellaneous expenses related to Hoyne's prior relocation to the Monterey region, pursuant to the District's "accountable" plan. In the event that Hoyne resigns the position as outlined in Section 2(B), Hoyne shall repay the District the full amount during the first year of the Agreement, \$3,333 during the second year of the Agreement, and \$1,667 during the third year of the Agreement.

Section 5. Performance Evaluation:

- A. The Executive Director shall review and evaluate the performance of Hoyne

annually after the commencement of this agreement. Upon a favorable or exemplary performance evaluation, the Board may, but is not required to, provide Hoyne with an incentive payment. Such review and evaluation shall be in accordance with specific criteria developed jointly by the Executive Director and Hoyne. Such criteria may be added to or deleted from, as the Board and/or Executive Director may from time to time determine, in consultation with Hoyne. Further, the Executive Director shall provide Hoyne with a summary written statement of the evaluation and provide an adequate opportunity for Hoyne to discuss the evaluation with him or her.

- B. Hoyne shall report to the Executive Director. The Executive Director and Hoyne shall define the criteria that they determine are necessary for the proper fulfillment of Hoyne's duties, as outlined above, and establish goals and objectives for Hoyne to fulfill, including the establishment of a relative priority among the goals and objectives. All such goals and objectives shall be reduced to writing. The goals and objectives shall be reasonably attainable within the time and budgetary resources allocated to Hoyne to achieve them.

Section 6. Hours of Work:

Hoyne shall be employed on a full-time basis and for optimal customer service, should generally perform such work during District's normal business hours. However, it is recognized that Hoyne shall be required to devote a great deal of time outside of normal office hours on business of District, and to that end he shall be allowed to establish an appropriate work schedule, with the approval of the Executive Director, to meet the requirements of the position.

Section 7. Bereavement Leave:

When compelled to be absent from work by reason of death of an immediate family member or where death appears imminent, Hoyne, after completing six (6) months of employment with the District shall be entitled to receive up to three (3) days Bereavement Leave, which shall not be charged against any other leave acquired by Hoyne. If Hoyne desires such leave, he shall notify, in writing, the Executive Director of the time of absence needed and the expected date of return to work.

The immediate family is defined as spouse; natural, step or legal child; parent; brother; sister; grandparent; grandchild; mother-in-law or father-in-law.

Section 8. Automobile Use:

District shall provide Hoyne with an unmarked automobile suitable for his use while performing his duties as Chief of Police in compliance with Internal Revenue Regulation Section 1.274-5 T(k)(6). If the District requires Hoyne to travel outside a 50-mile radius of the Monterey Airport, Hoyne shall obtain authorization from the Executive Director to rent a vehicle at the expense of the District. All vehicle use by Hoyne pursuant to this Agreement must comply with the District's fleet management policy and procedures, which may be updated from time to time.

Section 9. Vacation and Sick Leave:

Hoyne shall accumulate Sick Leave at the rate of 120 hours per year during the term of this Agreement. Hoyne shall be permitted to accumulate an unlimited amount of sick leave.

Hoyne shall accumulate Vacation Leave at the same rate as Sick Leave. Hoyne shall be permitted to accumulate a maximum of 240 hours of Vacation Leave.

Section 10. Medical, Dental, Vision, Insurance and Other Benefits:

Employee and dependent coverage is available from CalPERS at 85% employer cost and 15% employee cost. Health Benefits are available on the first day of the month following the date of hire. Dental coverage for employee and dependents is available at the employer's cost. Dental Benefits are available on the first day of the month following two (2) months of continuous employment. Vision coverage for employee is available at employer cost. Vision coverage for dependents is available at the employee's cost. Vision benefits are available on the first day of the month following two (2) months of continuous employment. The District shall provide life insurance to Hoyne equal in face value (no cash-value) to one year of Hoyne's base salary during the time this Agreement is in effect.

Section 11. Holidays: Hoyne is authorized to celebrate the following holidays:

- | | |
|---------------------------|-----------------------------------|
| 1. New Year's Day | 7. Veteran's Day |
| 2. Martin Luther King Day | 8. Thanksgiving Day |
| 3. President's Day | 9. The Day after Thanksgiving Day |
| 4. Memorial Day | 10. The Day before Christmas Day |
| 5. Independence Day | 11. Christmas Day |
| 6. Labor Day | |

Notwithstanding the holidays delineated above, Hoyne may be required to work on a holiday, in which case, Hoyne shall be granted an alternate day, equal in time in which Hoyne was required to report to work during the holiday, after consultation with and as approved by the Executive Director.

Section 12. Retirement:

The District shall pay the employer's required PERS contribution, and Hoyne shall pay the employee contribution as set forth in California statute. The District shall provide for optimal conversion of accrued Sick Leave for Service Credit upon retirement, if available, subject to PERS regulations.

Section 13. Deferred Compensation Plan:

The District shall provide a Deferred Compensation Plan. The District shall not be required to make a contribution to any of Hoyne's Deferred Compensation Plan.

Section 14. Outside Employment:

During the term of the agreement and any extensions thereof, Hoyne shall not accept any outside employment of any kind or character without having first obtained the prior approval of the Board.

Section 15. Dues and Subscriptions:

District agrees to budget for and to pay for professional dues and subscriptions of Hoyne necessary for his continuation and full participation in national, regional, state and local associations and organizations as are desirable for his continued professional participation, growth, and advancement, and for the good of the District; provided, however, the amount of such dues and subscriptions shall not exceed the amount appropriated therefore in the annual budget.

Section 16. Professional Development:

- A. District agrees to pay for travel and subsistence expenses of Hoyne, with the advanced written approval of the Executive Director, for professional and official travel, meetings, and occasions adequate to continue the professional development of Hoyne and to adequately pursue necessary official functions for District, and such other national, regional, state and local governmental groups and committees thereof which Hoyne serves as a member; provided, however, the amount of such travel and subsistence shall not exceed the amount appropriated therefore in the annual budget. Hoyne shall not accept a leadership, executive, or other officer position in a related industry or trade group without the advance consent of the District.
- B. District also agrees to pay for travel and subsistence expenses of Hoyne for short courses, institutes and seminars that are necessary for his professional development and for the good of the District; provided, however, the amount of such travel and subsistence shall not exceed the amount appropriated therefore in the annual budget.

Section 17. Indemnification:

In addition to the requirements of state and local law, District shall defend, save harmless, and indemnify Hoyne against any tort, professional liability claim or demand, or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Hoyne's duties as Police Chief, except for any civil action or proceeding brought against Hoyne for actual fraud, corruption or actual

malice. District, at its sole discretion, shall retain counsel of its choice, and compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

Section 18. Bonding:

District shall bear the full cost of any fidelity or other bonds required of Hoyne under any law or ordinance.

Section 19. Other Terms and Conditions Employment:

- A. The Board may fix other terms and conditions of employment, as it may determine from time to time relating to the performance of Hoyne, following consultations with him, provided such terms and conditions are not inconsistent with or in conflict with the provisions of the agreement, the Ordinances of the District, the District's enabling act or any other law.
- B. It is understood and agreed by District and Hoyne that Hoyne is an "at will" employee of the District, whose contract is approved by the Board, under the provisions of the District's enabling act. As such, Hoyne serves at the pleasure of the District. Hoyne is subject to the provisions of the District's Personnel Rules and Regulations, provided they do not conflict with the terms of this Agreement, in which case, this Agreement shall control.

Section 20. Notices:

Notices pursuant to the agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- A. TO DISTRICT: Executive Director, Monterey Peninsula Airport District, 200 Fred Kane Dr., Suite 200, Monterey, CA 93940.
- B. TO Hoyne: Jeffrey Hoyne, at his permanent residence address on record with the District.

Alternatively, notices required pursuant to the agreement may be personally served to the same persons as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the United States Postal Service.

Section 21. General Provisions:

- A. The text herein shall constitute the entire agreement between the parties.
- B. The agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Hoyne.
- C. The agreement shall not be assigned by Hoyne or District.
- D. The agreement shall not be modified without the written consent of Hoyne and District.
- E. The agreement shall become effective commencing January 15, 2016.
- F. Hoyne shall only be entitled to those benefits outlined in this Agreement.

G. If any provision, or any portion thereof, contained in the agreement is held unconstitutional, invalid or unenforceable, the remainder of the agreement or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

Approved by the Board of Directors of the Monterey Peninsula Airport District at its meeting held January 13, 2016.

**MONTEREY PENINSULA
AIRPORT DISTRICT**

JEFFREY HOYNE

Mary Ann Leffel, Chair

Jeffrey Hoyne

APPROVED AS TO FORM:

Scott E. Huber, District Counsel

AGENDA ITEM: K-3
DATE: January 13, 2016

TO: Board of Directors
Michael La Pier, Executive Director
FROM: Scott E. Huber, District Counsel
SUBJ: Modification of Governance Manual

BACKGROUND. The Board may consider the adoption of Resolution 1654, a modification to the governance manual related to compensable meetings.

DISCUSSION

The enabling act (Sec. 7.5. Compensation.) provides that (a) each member of the board of directors shall receive compensation in an amount not to exceed the amount set forth in Section 22407 of the Public Utilities Code for each regular or special meeting of the board or each day's service rendered as a director at the request of the board, which amount shall be fixed by the board from time to time; (b) Notwithstanding subdivision (a), no director shall receive compensation for more than four days in any calendar month.

Pursuant to the enabling act and Section 22407 of the Public Utilities Code, the Board, on April 9, 1997, adopted Resolution No. 1140, A Resolution Establishing the Rate of Compensation for Members' Attendance at Meetings of the Board of Directors of the Monterey Peninsula Airport District, which set the rate of compensation at \$100.00 per member per meeting.

The Board has previously determined, through the adoption of the governance manual, that regular and special Board Meetings, as well as standing committee meetings qualify for compensation. However, as currently written, the governance manual does not provide compensation for ad-hoc committee meetings, or for other meetings where a Board Member acts as a designated liaison or representative. Examples of the established liaison or representative positions are to the Airport Land Use Commission, the Local Agency Formation Commission, the Regional Airports Planning Group, and the Transportation Agency for Monterey County.

The operative language of the governance manual, as currently written, is as follows: "With the adoption of this Governance Manual, a Director's attendance at any meetings of District standing committees of which such Director is a member will be established as the "rendering of service at the request of the Board" and the rate of compensation for such service will be set at the statutory maximum (\$100 per day). A Director's attendance at any meeting of District ad hoc committees or attendance at any meetings as a designated District liaison or representative will not be compensated (although travel expenses may be reimbursed)." (internal footnotes omitted.)

This item would consider modifying the governance manual to allow for compensation for ad-hoc committee meetings and for other meetings where a board member acts as a designated liaison or representative of the Board.

BUDGET EFFECT: Although the actual expense is dependent on 1) the number of liaison or representative positions established and 2) the number of meetings scheduled each calendar month. The payment of \$100 per meeting (for the above referenced four additional and currently unpaid meetings) could increase operating expense by \$400 per month (\$4,800 per fiscal year).

RECOMMENDATION:

(1) Adopt Resolution No. 1654 - A RESOLUTION AMENDING THE "GOVERNANCE MANUAL AND BOARD OPERATING RULES AND PROCEDURES;

or

(2) Make no changes to the governance manual.

RESOLUTION NO. 1654

A RESOLUTION AMENDING THE “GOVERNANCE MANUAL AND BOARD OPERATING RULES AND PROCEDURES”

WHEREAS, the Monterey Peninsula Airport District (“District”) on November 9, 2011 did by Resolution No. 1562 adopt the “Governance Manual and Board Operating Rules and Procedures” (“Governance Manual”); and

WHEREAS, the District Board of Directors (“Board”) amended the Governance Manual on March 13, 2013 by Resolution No. 1596; and

WHEREAS, the Board seeks to make additional amendments to the Governance Manual;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: that the previously adopted and amended Governance Manual is hereby amended in the following manner:

1. The second paragraph under the heading “Director Compensation” shall be amended to read, “With the adoption of this Governance Manual, a Director’s attendance at any meetings of District standing committees of which such Director is a member, ad hoc committees of which such Director is a member, or attendance at any meetings as a designated District liaison or representative will be established as the “rendering of service at the request of the Board” and the rate of compensation for such service will be set at the statutory maximum (\$100 per day).”

ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 13th day of January 2016 by the following roll call vote:

AYES:	DIRECTORS:
NOES:	DIRECTORS:
ABSTAIN:	DIRECTORS:
ABSENT:	DIRECTORS:

Signed this 13th day of January, 2016

Mary Ann Leffel, Chair

A T T E S T

Tonja Posey
District Secretary

AGENDA ITEM: K-4
DATE: January 13, 2016

TO: Board of Directors
FROM: Michael La Pier, Executive Director
Scott E. Huber, District Counsel
SUBJ: Consideration of Support for Legislative Bill to Treat Airport Districts in Similar Fashion to Other Special Districts

BACKGROUND. The Board may consider support for a legislative bill that will treat airport districts in similar fashion to other special districts.

DISCUSSION

Several years ago, the legislature modified the Government Code to treat special districts in similar fashion to cities as it relates to organization, compensation of directors, and governance. The specific legislation which governs airport districts is located predominantly in the Public Utilities Code. Because the modifications related to special districts were made to the Government Code, the changes do not apply to airport districts.

A former board member of another airport district is currently in the legislature. This legislative member has been approached with the proposal to enact legislation that will treat airport districts similarly to other special districts. Staff would like direction from the Board to determine if the Monterey Peninsula Airport District would like to support this proposal.

BUDGET EFFECT: Since the specific provisions of the proposed legislation are currently unknown, the immediate effect cannot be determined. The future effect is dependent upon how the proposed legislation will change the District's organization, governance, operating structure, and board member compensation. There is potential for increased operating expense.

RECOMMENDATION: Provide direction to staff.

AGENDA ITEM: L. a. ii.
DATE: January 13, 2016

TO: Board of Directors, Monterey Peninsula Airport District
FROM: Michael La Pier, Executive Director (on behalf of the Finance Committee)
SUBJ: Committee Report for Budget & Finance Committee Meeting

BACKGROUND. Since the last regular Board meeting, the Budget & Finance Committee held one committee meeting. The agenda is presented below. Comments and notes are recorded separately (at the end of the agenda).

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

January 6, 2015 1:30 PM

**Boardroom, Terminal Building
Monterey Regional Airport**

(Unless you are a public safety official, please turn off your cell phone or place it on vibrate mode during the meeting.)

A. CALL TO ORDER

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

C. PUBLIC COMMENTS

(Any person may address the Monterey Peninsula Airport District Finance Committee at this time. Presentations should not exceed three (3) minutes, should be directed to an item **NOT** on today's agenda, and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Though not required, the Monterey Peninsula Airport District Board appreciates your cooperation in completing a speaker request form available on the staff table. Please give the completed form to the Monterey Peninsula Airport District Secretary. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.)

D. REGULAR AGENDA – ACTION ITEMS

- | | | |
|------------|----|---|
| Review | 1. | November 2015 & FYTD (FY 2016) Financial Statements |
| Review | 2. | Accounts Receivable Aged Invoice Report |
| Update | 3. | Cash Position Update |
| Discussion | 4. | Future Agenda Items/Finance Committee Schedule |

E. ADJOURNMENT

AGENDA DEADLINE

This is the final Agenda that has been posted on the bulletin board outside the District Offices in the Terminal Building at the Monterey Peninsula Airport no less than 24 hours prior to the meeting.

Notes/comments from 01/06/2016 Finance Committee Meeting:

- The meeting was called to order by Chair Sabo at 1:49 p.m.
- The meeting was attended by Board members Bill Sabo and Carl Miller; Mike La Pier and Jerry Merritt were also present.
- There were no communications or public comments.
- November 2015 & FYTD (FY 2016) Financial Statements:
 - ✓ Presented Financial Summary for November 2015 (FY16),
 - ✓ Presented variance analysis,
 - ✓ Operating revenue was 1% or \$9,409 above plan for November,
 - Categories of operating revenue above plan were:
 - Terminal concessions,
 - Rental car concessions,
 - TNC permits & trip fees,
 - GA landing fees,
 - Light GA (i.e. hangar rents),
 - Non-aviation rents, and
 - Other operating revenue.
 - All other categories of operating revenue were on or below plan
 - Answered questions regarding:
 - Fuel flowage fees – why below plan when GA landing fees are above plan? Answer – the plan for FY16 fuel flowage fees was built using actual FY15 numbers (by month); again less fuel was pumped in November 2015 (Jet A - 0.8% less / 100 LL – 4.4% less) compared to November 2014. October 2015 (Jet A – 10.5% less / 13.7% more) versus October 2014. Jet A pumped FYTD 16 is 6% less that the corresponding time frame in FY 15. 100 LL pumped FYTD 16 is 15.8% more than the corresponding time frame in FY15.
 - Parking concession revenue was 4% below plan for November and 6% below plan YTD - trend? Answer – no trend has been identified, however there has been a slow change in customer use. We suspect that it may be as simple as more commercial airline passengers are being dropped off – instead of parking their autos. Uber may also be a part of this change.
 - How many GA hangars does MPAD have available for rent? Answer – 3; 2 – SE hangars/1 – NE hangar. No Nunno (rectangle) hangars are available.
 - Tenant Employee Parking, Decals & Badges was 164% above plan for November – new ground handling company – Aviation Port Services started operating at MRY; APS handles Alaska and

Allegiant commercial flight operations. APS personnel required SIDA badges and tenant employee parking decals.

- ✓ FYTD Operating Revenue was 1% or \$26,130 above plan; this is due to:
 - One-time receipt of SB90 reimbursements (from the state) and
 - GA landing fees
- ✓ November operating expense was 7% (\$49,746) below plan
 - Primarily due to phasing (timing of actual expense execution/recognition compared to when planned/budgeted)
 - Answered questions (outside the scope of the November variance analysis) regarding several expense lines in several departments asked by Director Sabo, specifically regarding:
 - Dues & Subscriptions – Admin,
 - Office Supplies & Materials,
 - Salary & Wage Reimbursement – P&D, and
 - General Supplies & Materials - Police.
- ✓ FYTD Operating Expense was 9% or \$301,622 below plan
- ✓ Operating income was 1442% or \$59,155 above plan for November, due to above plan operating revenue and below plan operating expense
- ✓ Operating income FYTD was 413% or \$327,752 above plan, due to:
 - above plan operating revenue, and
 - below plan operating expense.
- ✓ Balance Sheet
 - Director Sabo asked (and staff answered) questions regarding the following items on the 11/30/2015 balance sheet:
 - Accounts Receivable,
 - Grants Receivable – FAA,
 - Accounts Payable, and
 - Unfunded Actuarial Accrued Liability (UAAL) - OPEB
- Accounts Receivable Aged Invoice Report:
 - ✓ reviewed the distribution of aged receivables for the month of November,
 - ✓ only 2.3% or \$8,517 is over 60 days old, and
 - ✓ reviewed the aged A/R detail as of 12/31/2015
- Cash Position Update:
 - ✓ reviewed operating cash position for November & FY 2016, and
 - ✓ reviewed investment balance at 11/30/2015
- Future Agenda Items/Finance Committee Schedule:
 - ✓ Director Sabo inquired when the review/update of the investment policy would occur – Mike briefed the committee on his plan to review all policies and procedures, starting in the next few weeks, and
 - ✓ FC scheduled the next finance committee meeting for Wednesday, February 3, at 1:30 p.m.
- Meeting adjourned by committee chair Sabo at 3:28 p.m.