

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

April 17, 2024 - 9:00 AM

**Monterey Regional Airport
200 Fred Kane Drive, Ste. 200
Monterey, CA 93940**

AND

**Edelweiss Lodge Lobby
St Martinstrasse 120
82467 Garmisch-Partenkirchen
Germany**

The Monterey Peninsula Airport District holds regular meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, in person or emailed comments are preferred. Remote comments are allowed for Board meetings which take place in the Board Room, as outlined below.

The Monterey Peninsula Airport District will continue to broadcast the Board Meetings via Zoom video conference for viewing by the public. To view the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: **831 7098 4092**. If you do not have access to the internet, you may listen telephonically by calling (253) 215-8782 and entering the same Meeting ID.

Pursuant to Resolution 1862, members of the public may provide comments remotely for Board Meetings which are held in the Board Room. In the event that remote participation technology is unexpectedly not available, such as during an internet service outage, electrical outage, or other technological issue that prevents remote participation by the public, the meeting will not be continued or cancelled. Remote participation is provided as a courtesy and members of the public who rely upon remote participation to provide public comment do so at their own risk. When the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9. The Secretary to the Board will call speaker names and unmute speaker microphones. You will have up to 3 minutes to provide your oral comments, pursuant to Board policy.

Members of the public are encouraged to provide written public comment by sending an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.

A. CALL TO ORDER/ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

D. CLOSED SESSION

1. **DISTRICT COUNSEL.** Pursuant to Gov. Code section 54957(b), the Board will meet with the Executive Director to consider the appointment related to the following position:
District Counsel.

E. RECONVENE TO OPEN SESSION (At 10:00 AM)

F. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Any person may address the Monterey Peninsula Airport District Board at this time on any item that is **NOT** on today's agenda and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.

G. CONSENT AGENDA - ACTION ITEMS

The Consent Agenda consists of those items which are routine and for which a staff recommendation has been prepared. A Board member, member of the audience, or staff may request that an item be placed on the deferred consent agenda for further discussion. One motion will cover all items on the Consent Agenda. The motion to approve will authorize the action or recommendation indicated.

- Approve 1. [Minutes of the Regular Meeting of the Monterey Peninsula Airport District Board of Directors of March 20, 2024](#)
- Approve 2. [Minutes of the Special Meeting of the Monterey Peninsula Airport District Board of Directors of March 22, 2024](#)
- Approve 3. [Minutes of the Budget & Finance Committee Meeting of the Monterey Peninsula Airport District Board of Directors of April 8, 2024](#)
- Approve 4. [Minutes of the Airport Property Development & Leases Committee Meeting of the Monterey Peninsula Airport District of April 9, 2024](#)
- Approve 5. [Minutes of the Air Carrier Service – Marketing – Community Relations Meeting of the Monterey Peninsula Airport District of April 10, 2024](#)

H. DEFERRED CONSENT AGENDA - ACTION ITEMS

I. REGULAR AGENDA - ACTION ITEMS

- Presentation 1. Cell Phone Data Presentation by Mike Bown, Short, Elliott, Hendrickson, Inc. (SEH)
- Adopt 2. [Resolution No. 1868, A Resolution Authorizing a Professional Services Agreement with Lance, Soll & Lunghard, LLP \(“LSL, LLP”\) for Professional Audit Services](#)
- Adopt 3. [Resolution No. 1869, A Resolution Ordering an Election, Requesting the Monterey County Elections Department to Conduct the Election, Requesting Consolidation of the Election and Stating the Determination of the Board of Directors of the Monterey Peninsula Airport District with Respect to Candidates' Statements of Qualifications](#)

J. BOARD COMMITTEE REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

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

AB1234. [The board receives department reports which do not require any action by the board.](#)

Standing Committees:

- i. Budget and Finance Director Leffel & Gaglioti
- ii. Air Service, Marketing, Community Relations Directors Leffel & Pick
- iii. Airport Property Development and Leases Directors Miller & Pick

b. Ad-Hoc Committees:

- i. Local Jurisdiction Liaison Director Leffel & Miller

c. Liaison/Representatives:

- i. Local Agency Formation Commission Director Leffel
- ii. Regional Taxi Authority Director Pick

- | | |
|---|------------------|
| iii. Transportation Agency for Monterey County | Director Miller |
| iv. Special Districts Association Liaison | Director Sawhney |
| v. Association of Monterey Bay Area Governments | Director Leffel |

K. CLOSED SESSION

1. **PENDING LITIGATION.** Pursuant to Gov. Code 54956.9(a), the Board will meet with the Executive Director and General Counsel related to pending litigation: In the Matter of the Appeal of MONTEREY PENINSULA AIRPORT DISTRICT dba MONTEREY REGIONAL AIRPORT, OCCUPATIONAL SAFETY AND HEALTH APPEALS BOARD, Inspection No. 1660955.
2. **PENDING LITIGATION.** Pursuant to Gov. Code 54956.9(a), the Board will meet with the Executive Director and General Counsel related to pending litigation: ACCO-Wilson, Inc., v. Mill Construction Company, et al., Monterey County Superior Court, Case No. 24CV000921.
3. **POTENTIAL LITIGATION.** Pursuant to Gov. Code 54957.6(b)(4), the Board will meet with the Executive Director and General Counsel related to potential initiation of litigation: one case.
4. **POTENTIAL LITIGATION.** Pursuant to Gov. Code 54957.6(b)(2), the Board will meet with the Executive Director and General Counsel related to potential exposure to litigation: four cases.

L. RECONVENE TO OPEN SESSION

M. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

None.

N. DISCUSSION OF FUTURE AGENDAS

O. ADJOURNMENT

AGENDA DEADLINE

This is the final Agenda that has been posted on the bulletin board outside of the District Offices in the Terminal Building at the Monterey Regional Airport no less than 72 hours prior to the meeting.

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.

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. 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

March 20, 2024 - 9:00 AM

The Monterey Peninsula Airport District holds regular meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, in person or emailed comments are preferred. Remote comments are allowed for Board meetings which take place in the Board Room, as outlined below.

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Members of the public are encouraged to provide written public comment by sending an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.

A. CALL TO ORDER/ROLL CALL

Chair Leffel called to order the regular meeting of the Monterey Peninsula Airport District Board of Directors at 9:01 AM. Directors Gaglioti, Pick, and Miller were present. Director Sawhney was absent. The following staff were present: Executive Director La Pier, District Counsel Huber, Deputy Executive Director Morello, Deputy Executive Director Robare, Controller Wilson, and Acting Board Secretary Adams.

B. PLEDGE OF ALLEGIANCE

Director Gaglioti led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Executive Director La Pier reminded the board that the special board meeting on March 22, 2024 begins at 8:30 AM.

Chair Leffel read a thank you letter she received from the Central Coast Art Association directed to the board.

Director Miller highlighted the KSBW interview with Executive Director La Pier that aired last evening.

District Counsel Huber referred to a recent Supreme Court ruling regarding an elected official who blocked an individual from commenting on a post about a work-related event on his personal Facebook page. Counsel Huber advised board members to clearly identify their social media pages as personal accounts and to state that opinions are their own. He noted his firm will be sending written guidelines to their clients on this case.

D. PUBLIC COMMENTS ON NON-AGENDA ITEMS

None.

E. CONSENT AGENDA - ACTION ITEMS

- Approve 1. Minutes of the Regular Meeting of the Monterey Peninsula Airport District Board of Directors of February 21, 2024
- Approve 2. Minutes of the Budget & Finance Committee Meeting of the Monterey Peninsula Airport District Board of Directors of March 11, 2024
- Approve 3. Minutes of the Special Meeting of the Monterey Peninsula Airport District Board of Directors of March 12, 2024
- Approve 4. Minutes of the Airport Property Development & Leases Committee Meeting of the Monterey Peninsula Airport District of March 12, 2024
- Approve 5. Minutes of the Air Carrier Service – Marketing – Community Relations Meeting of the Monterey Peninsula Airport District of March 13, 2024
- Accept 6. Title VI *Unlawful Discrimination Statement*

No public comment.

Director Miller moved to approve Items E.1 – E.6. Director Pick seconded the motion. The motion passed unanimously by a roll call vote of 4-0 with Director Sawhney absent.

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

None.

G. REGULAR AGENDA - ACTION ITEMS

- Action 1. Interview and Consider Candidates for Financial Statement Auditor
 - 9:15–9:45 AM: LSL, LLP
 - 9:45–10:15 AM: Crowe, LLP
 - 10:15–10:45 AM Moss Adams, LLP

The board considered Item G.2 prior to Item G.1.

- Adopt 2. Resolution No. 1867, A Resolution Authorizing the Expenditure of Funds for the Purchase of an EV Maintenance Truck

Deputy Executive Director Robare introduced Item G.2. Executive Director La Pier stated the electric vehicle intended to be purchased is within budget and will be partially reimbursed through the MBARD Clean Vehicle Program Grant.

Executive Director La Pier and Deputy Executive Director Robare answered questions about the specific truck being purchased.

Director Miller motioned to adopt Resolution No. 1867, A Resolution Authorizing the Expenditure of Funds for the Purchase of an EV Maintenance Truck. Director Gaglioti seconded the motion. The motion passed unanimously with a roll call vote of 4-0 with Director Sawhney absent.

RESOLUTION NO. 1867

A RESOLUTION AUTHORIZING THE EXPENDITURE OF FUNDS FOR THE PURCHASE OF AN EV MAINTENANCE TRUCK

WHEREAS, on June 21, 2023, Resolution No. 1848, A Resolution Authorizing and Approving the Capital Budget of the Monterey Peninsula Airport District (MPAD) for Fiscal Year 2024 was adopted; and

WHEREAS, the Monterey Peninsula Airport Board of Directors adopted Resolution No. 1866 accepting the Monterey Bay Air Resource District (MBARD) grant for an Electric Vehicle (EV) which provides a \$10,000 reimbursable grant agreement to public agencies to replace existing vehicles with all-electric vehicles; and

WHEREAS, staff found a Ford F150 Lightning XLT EV, 100% battery electric vehicle to add to the district fleet from Salinas Valley Ford that meets the FY24 CIP budget and provides a work truck for our maintenance staff that grew by 2 personnel this fiscal year; and

WHEREAS, the FY24 CIP budget Project 2024-02 Vehicle Replacement specified \$100,000 for the purchase of an EV Truck; and

WHEREAS, the estimated pricing is \$71,000

WHEREAS, the expenditure requires the approval of the Board of Directors of the Monterey Peninsula Airport District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: The Board of Directors of the Monterey Peninsula Airport District does hereby authorize and approve the expenditure estimate of \$71,000 for the purchase of a Ford F150 Lightning XLT EV.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 20th day of March 2024 by the following roll call vote:

AYES:	DIRECTORS:	Gaglioti, Pick, Miller, Leffel
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	None
ABSENT:	DIRECTORS:	Sawhney

Action 1. Interview and Consider Candidates for Financial Statement Auditor

Controller Wilson reminded the board that Monterey Peninsula Airport District (MPAD) has engaged the same financial auditor for the last six years and the board determined it to be prudent to solicit qualifications from firms of Certified Public Accountants to audit its financial statements for fiscal year

ending June 30, 2024. Qualifications have been received and the board is to interview and consider candidates.

9:15 – 9:45 AM: LSL, LLP

Controller Wilson introduced Brandon Young, with LSL, LLP, MPAD's current financial auditor, who joined the meeting by videoconference. Mr. Young gave a presentation that introduced the proposed new audit team headed by partner Ryan Domino, reviewed LSL's core values, and their audit plan and timeline.

Mr. Young answered questions from Directors regarding experience with CalPERS and UAL, remote vs. on-site audit time, how often LSL switched out their engagement partners, risk assessment techniques and criteria used to determine materiality.

A break was taken from 9:30 AM – 9:45 AM.

9:45 – 10:15 AM: Crowe, LLP

Controller Wilson introduced Brad Schelle from Crowe, LLP. Mr. Schelle introduced his team: Kathy Lai, Partner, Joseph Widjaja, Audit Manager, and Tyler Brumley, Audit Manager. All joined the meeting via videoconference. Crowe's team gave a presentation that highlighted their airport audit experience, their tailored audit approach, their investments in technology, and their process for a smooth transition to a new audit team.

Mr. Schelle and Ms. Lai answered questions from Directors regarding experience with CalPERS and UAL, remote vs. on-site audit time, how often Crowe switched out their engagement partners, risk assessment techniques and criteria used to determine materiality as well as questions about their branded technology portal, experience with GASB68 and required disclosures, and their transition process.

10:15 – 10:45 AM Moss Adams, LLP

Controller Wilson introduced Ashley Osten and Olga Darlington from Moss Adams, who joined the meeting at 10:34 AM via videoconference. Ms. Osten and Ms. Darlington highlighted their experience as government entity audit specialists as well as their experience with airports and seaports, the firm's technical expertise, and their strong local presence in California with a national depth/scalability.

Ms. Osten and Ms. Darlington answered questions from Directors regarding experience with CalPERS and UAL, remote vs. on-site audit time, how often Moss Adams switched out their engagement partners, risk assessment techniques and criteria used to determine materiality as well as questions about the Moss Adams, LLP Salinas, CA office, experience with concessionaire audits, and cyber security.

A break was taken from 11:18 – 11:22 AM.

Directors discussed the candidates and asked questions of staff. Executive Director La Pier reminded the board this is a professional services agreement, and the process is to choose the most appropriate service provider. Staff will then negotiate the cost and if the price comes in too high, we can reject it. Directors chose LSL, LLP as the most appropriate firm to audit its financial statements for the fiscal year ending June 30, 2024.

Action 3. Local Agency Formation Commission of Monterey County (LAFCO) Ballot

Executive Director La Pier referred to the LAFCO ballot and candidates' statements provided in the packet for the election of one Independent Special District Regular Member to serve a four-year term on the Local Agency Formation Commission of Monterey County. He requested the board select from the two candidates. Directors discussed the candidates. Director Pick motioned to cast Monterey Peninsula Airport District's vote to Chad M. Lindley. Director Gaglioti seconded the motion. The motion passed unanimously by a roll call vote of 4-0 with Director Sawhney absent.

H. BOARD COMMITTEE REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

Standing Committees:

- | | |
|---|----------------------------|
| i. Budget and Finance | Director Leffel & Gaglioti |
| ii. Air Service, Marketing, Community Relations | Directors Leffel & Pick |
| iii. Airport Property Development and Leases | Directors Miller & Pick |

b. Ad-Hoc Committees:

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

c. Liaison/Representatives:

- | | |
|---|------------------|
| i. Local Agency Formation Commission | Director Leffel |
| ii. Regional Taxi Authority | Director Pick |
| iii. Transportation Agency for Monterey County | Director Miller |
| iv. Special Districts Association Liaison | Director Sawhney |
| v. Association of Monterey Bay Area Governments | Director Leffel |

No Public Comment.

Director Pick reported for the Air Service Committee and highlighted a new television commercial.

There were no questions for the Budget & Finance, Air Service, or Lease Committees.

There was no Local Jurisdiction meeting.

Chair Leffel reported for LAFCO, noting the meeting is next week.

There was no Regional Taxi meeting.

Director Miller reported for the Transportation Agency for Monterey County (TAMC). There was a discussion about the current status of the Highway 68 project.

There was no Special Districts meeting this month.

Director Leffel reported she did not attend the AMBAG meeting.

I. CLOSED SESSION

1. **QUARTERLY GOAL UPDATE** [Government Code Section 54957(b)]. The Board will meet with the Executive Director and District Counsel to consider the quarterly goal update related to the following position: Executive Director.

The board entered Closed Session at 11:56 AM.

J. RECONVENE TO OPEN SESSION

The board reconvened to Open Session at 12:56 PM. There was no reportable action.

K. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

None.

L. DISCUSSION OF FUTURE AGENDAS

None.

M. ADJOURNMENT

The meeting adjourned at 12:56 PM.

*Approved at the
Meeting of April 17, 2024*

Mary Ann Leffel, Chair

A T T E S T

*Michael La Pier
District Secretary*

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

March 22, 2024 – 8:30 AM

NOTICE REGARDING PUBLIC COMMENT FOR THIS SPECIAL BOARD MEETING

Members of the public may attend the Special Board Meeting in person and request to speak to the Board when the Chair calls for public comment. Members of the public will have up to 3 minutes to provide oral comments, pursuant to Board policy. Remote comments by members of the public will not be accepted for this Special Meeting, except in writing as outlined below.

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

A. CALL TO ORDER/ROLL CALL

Chair Leffel called to order the special meeting of the Monterey Peninsula Airport District Board of Directors at 8:37 AM. Directors Pick and Miller were present. Director Gaglioti and Director Sawhney were absent. The following staff were present: Executive Director La Pier, Deputy Executive Director Morello, Deputy Executive Director Robare, Controller Wilson, District Counsel Huber, and Acting Board Secretary Adams. District Counsel Huber attended via videoconference.

B. PLEDGE OF ALLEGIANCE

Director Miller led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

None.

D. OPEN ACTION ITEMS

Discussion 1. Strategic Business Planning Session

There was no Public Comment.

Executive Director La Pier stated today's workshop is about discussing opportunities for the future of Monterey Regional Airport. He introduced today's facilitator, John DeCoster with Decomm Aviation Consulting.

Mr. DeCoster gave the board an overview of his background and experience.

Mr. DeCoster reviewed the Strategic Goals from the November 2022 Strategic Planning Session. There was a discussion about the direction for the Monterey Regional Airport and meeting the needs of the community.

A break was taken from 10:00 AM – 10:10 AM.

All staff except Executive Director La Pier were excused from the meeting at 10:15 AM. There was a discussion regarding succession planning.

Deputy Executive Director Morello, Deputy Executive Director Robare, and Controller Wilson returned to the meeting at 11:10 AM.

Mr. DeCoster facilitated the remainder of the meeting, which included a working lunch. Discussions included the results of a Wages & Benefits study, air service development goals, operations opportunities, financial goals, emerging trends in aviation, the future of the existing terminal building, and non-airline revenue opportunities.

E. ADJOURNMENT

The meeting adjourned at 2:56 PM.

Approved at the
Meeting of April 17, 2024

Mary Ann Leffel, Chair

ATTEST

Michael La Pier
District Secretary

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

April 8, 2024 – 10:30 AM

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

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

A. CALL TO ORDER

The meeting of the Budget & Finance Committee of the Monterey Peninsula Airport District Board of Directors was called to order at 10:33 AM. Directors Leffel and Gaglioti, Executive Director La Pier, Controller Wilson, and Acting Board Secretary Adams were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. Resolution No. 18XX, A Resolution Authorizing a Professional Services Agreement with Lance, Soll & Lunghard, LLP ("LSL, LLP") for Professional Audit Services

Controller Wilson introduced Item D.1 and reminded Directors the Board chose LSL, LLP as the most appropriate firm to audit its financial statements for the fiscal year ending June 30, 2024, and for the subsequent five fiscal years. Although there were fees included in LSL, LLP's submitted qualifications, they have been negotiated lower and now represent a discount of 20% for being a continuing client and fees remaining static for the first three years.

Controller Wilson turned the floor over to Ryan Domino, Partner with LSL, LLP, who attended the meeting via video conference. Mr. Domino introduced himself and answered questions from Directors.

Controller Wilson noted the agreement being reviewed has been agreed upon by LSL, LLP and reviewed by District Counsel Huber and is ready to be signed upon approval of the Board.

Mr. Domino was excused from the meeting at 10:44 AM.

Review 2. FYTD Financial Statements

Controller Wilson reviewed Item D.4 prior to Item D.2.

Review 3. Variance Analysis - MTD and YTD

Controller Wilson reviewed Item D.4 prior to Item D.3.

Review 4. Budget Schedule

Controller Wilson advised Directors that a draft Fiscal Year 2025 Budget would be prepared prior to the next Finance Committee meeting. After the May Finance Committee meeting and prior to the June Regular Board meeting, there will be a Special Board Budget Workshop and that still needs to be scheduled. The approval of the Fiscal Year 2025 Budget will be on the Regular June Board meeting agenda.

Directors discussed their availability and suggested meeting dates for the Special Board Budget Workshop. Executive Director La Pier directed Acting District Secretary Adams to schedule the meeting based on the Directors' feedback.

Review 2. FYTD Financial Statements

Controller Wilson reviewed the February 2024 Financial Statements and explained the District will receive a pro-rated refund on the Traveler's insurance policy that was recently cancelled after receiving a new, lower cost, policy through the PRISM program. He reported the month was very close to the Budget.

There was a discussion about budgeting expenses for the Plan of Finance team and the timing for approving those professional services agreements. Controller Wilson answered questions about the roll of each professional in the Plan of Finance for the replacement terminal building. He reminded Directors there has not been a commitment to one particular type of financing vehicle yet, although it is likely the Plan of Finance team will recommend a portion be taken to the bond market as an investment opportunity.

Review 3. Variance Analysis - MTD and YTD

There were no questions on the Variance Analysis.

E. ADJOURNMENT

The meeting adjourned at 11:47 AM.

*Approved at the
Meeting of April 17, 2024*

Mary Ann Leffel, Chair

A T T E S T

*Michael La Pier
District Secretary*

MINUTES OF THE AIRPORT PROPERTY DEVELOPMENT & LEASES COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

April 9, 2024 at 9:00 AM

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

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

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

A. CALL TO ORDER

The meeting of the Airport Property Development & Leases Committee of the Monterey Peninsula Airport District was called to order at 9:03 AM. Directors Miller and Pick, Controller Wilson, Deputy Executive Director Morello, and Acting Board Secretary Adams were present. Director Pick attended via videoconference from the alternate address noticed on the agenda.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. REGULAR AGENDA – ACTION ITEMS

Review 1. Leasing Activity Review

There was no Public Comment.

Controller Wilson gave an update on the Motion Products, Inc. (MPI) lease that has not yet been executed. The current tenant has had the environmental inspection done by M3 Environmental and is waiting for the environmental report certifying the property is free of any contamination.

Controller Wilson reported on communications with a ground lease tenant regarding a new percentage rent structure in any amended lease agreement going forward.

Controller Wilson remarked on recent communications with the tenants at 2801. Deputy Executive Director Morello answered questions about remediation work being done on the vacant building.

Controller Wilson reported the space at 2801 that has been leased to Kimley-Horn has been waiting on tenant improvements to be done prior to their lease commitment. Their leasehold improvements have not started due to delays. However, they advised they are going to start paying rent as of April 1, 2024.

Controller Wilson gave updates on a potential new lease to a home staging business, the as yet unrented corporate hangar space, the box hangar permanent power which PG&E advised is scheduled for April, and a meeting with Monterey Fuel Company and Avila Construction regarding true-up of costs for the hangar construction.

Controller Wilson answered questions from Directors.

Deputy Executive Director Morello answered questions from Directors regarding construction bids for the replacement terminal, the ARFF communication systems, and terminal parking during construction. She reported all but 30 RV tenants have moved, and all will be relocated by April 15th.

D. ADJOURNMENT

The meeting adjourned at 9:39 AM.

*Approved at the
Meeting of April 17, 2024*

Mary Ann Leffel, Chair

A T T E S T

*Michael La Pier
District Secretary*

MINUTES OF THE AIR CARRIER SERVICE - MARKETING - COMMUNITY RELATIONS COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

April 10, 2024 – 9:00 AM

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

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

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

A. CALL TO ORDER

The meeting of the Air Carrier Service – Marketing – Community Relations Committee of the Monterey Peninsula Airport District was called to order at 9:00 AM. Directors Leffel and Pick, Deputy Executive Director Morello, Deputy Executive Director Robare, and Acting Board Secretary Adams were in attendance. Director Pick attended via videoconference from the alternate address noticed on the agenda.

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

None.

C. REGULAR AGENDA – ACTION ITEMS

Discuss 1. Emergency Communications Plan

Deputy Executive Director Morello explained there was an emergency communication plan that included dissemination of information from operations to leadership, marketing & PR, and to the Board of Directors. There was a discussion about what constitutes a crisis that warrants emergency communication to the Board. Director Pick suggested when a situation generates media attention, the board should receive a communication message. Director Leffel agreed that is a good baseline for when to communicate irregular operations.

Deputy Executive Director Morello explained the FAA required emergency communication plans are continually updated, especially when the organizational chart is revised, and at least once a year there are simulation drills.

Discuss 2. Air Carrier Service & Development Update

Deputy Executive Director Morello reported United Airlines has returned to two flights per day to Denver and next week Alaska Airlines will return to two flights a day to San Diego. The United flight to San Francisco will resume the late-night arrival and morning departure in late May.

Discuss 3. Local Marketing and Digital Outreach Update

Deputy Executive Director Morello reviewed the paid social media advertising that focused on Minneapolis, San Diego, and Denver service. Sun Country was a top referral to our website, indicating

interest from the Minneapolis market in the new route to MRY. She noted Sun Country will focus on the MRY market 60 days prior to the first flights; most likely in June. Deputy Executive Director Morello also gave an overview of the collaboration with See Monterey for the Minneapolis group market outreach.

Deputy Executive Director Robare answered questions regarding cell phone data analytics that can assist with understanding passenger travel trends. She gave an overview of the benefits of the recently purchased software and noted there will be a presentation during the April Regular Board meeting.

Discuss 4. Passenger Comments, Services and Amenities Update

There was a discussion about recognition for employees that go above and beyond for our customers.

Discuss 5. Community Noise Concerns Update

There was a review of the March Noise Comment Log.

There was a discussion about community outreach and presentations by Directors as well as airport Staff.

D. ADJOURNMENT

The meeting was adjourned at 9:55 AM.

*Approved at the
Meeting of April 17, 2024*

Mary Ann Leffel, Chair

A T T E S T

*Michael La Pier
District Secretary*

TO: Board of Directors, Monterey Peninsula Airport District
FROM: Michael La Pier, A.A.E., Executive Director
SUBJ: Resolution No. 1868, A Resolution Authorizing a Professional Services Agreement with Lance, Soll & Lunghard, LLP (“LSL, LLP”) for Professional Audit Services

BACKGROUND. The Monterey Peninsula Airport District (MPAD) issued a Request for Qualifications (RFQ) for Professional Audit Services on January 31, 2024 for FY2024 through FY2029. Responses were due by 5:00 p.m. PST on February 29, 2024.

Three (3) firms submitted qualifications and are listed below in alphabetical order:

Crowe LLP
Certified Public Accountants
650 Town Center Drive, Suite 740
Costa Mesa, CA 92626

Lance, Soll & Lunghard, LLP
Certified Public Accountants
203 N. Brea Blvd., Suite 203
Brea, CA 92821

Moss Adams LLP
Certified Public Accountants
913 Blanco Circle
Salinas, CA 93901

STAFF ANALYSIS. The submissions were first reviewed for responsiveness. All were found to be responsive to the District’s requirements. The evaluations were based on the following criteria:

1. Mandatory Elements
 - a. The audit firm is independent and licensed to practice in California.
 - b. The audit firm’s professional personnel have received adequate continuing professional education within the preceding two years.
 - c. The firm has no conflict of interest with regard to any other work performed by the firm for the Airport.
 - d. The firm adheres to the instructions in this Request for Qualifications on preparing and submitting the response.

2. Expertise and Experience
 - a. Ability to complete work in a timely manner,
 - b. Schedule commitments,
 - c. Experience of the Firm performing government Audits,
 - d. Experience of the Firm performing Airport and Special District Audits,
 - e. Experience of the Firm’s staff,
 - f. Past performance on other related projects,
 - g. Proximity to the District,
 - h. Familiarity with the FAA Airport Improvement Program, and

i. Familiarity with the FAA Passenger Facility Charge Program.

3. Price

Cost was not requested and will not be the primary factor in the selection of an audit firm.

All three (3) firms (LSL, LLP, Crowe LLP, and Moss Adams LLP) were scheduled for interviews.

On Thursday, March 20, 2024, at its Regular Board Meeting, the MPAD Board of Directors interviewed representatives from each firm. The firms were asked to present their audit team, services and audit approach based on the evaluation criteria, followed by questions from the Board.

All three firms were found to be professional and technically competent; however, Directors chose LSL, LLP as the most appropriate firm to audit its financial statements for the fiscal year ending June 30, 2024, and for the subsequent five fiscal years. Upon the Board's recommendation, Staff negotiated a "best and final" fee proposal from LSL, LLP and submitted to them MPAD's professional services agreement, to which they will be a party, for review.

SCHEDULE. Upon execution of the Professional Services Agreement with LSL, LLP, the Professional Audit Services fieldwork dates will be coordinated and scheduled by Staff and the audit firm.

IMPACT ON OPERATIONS. None.

IMPACT ON FY 2024 BUDGET. None. The new fees will be incorporated in the FY2025 and subsequent years' budgets.

RECOMMENDATION. Resolution No. 1868, A Resolution Authorizing a Professional Services Agreement with Lance, Soll & Lunghard, LLP ("LSL, LLP") for Professional Audit Services.

ATTACHMENTS.

Resolution No. 1868

Professional Services Agreement Between Monterey Peninsula Airport District and Lance, Soll, and Lunghard, LLP for Professional Audit Services

RESOLUTION NO. 1868

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH LANCE, SOLL & LUNGHARD, LLP (“LSL, LLP”) FOR PROFESSIONAL AUDIT SERVICES

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

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

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

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

WHEREAS, the District issued a Request for Qualifications (RFQ) for Professional Auditing Services on January 31, 2024; and

WHEREAS, the District received three responses to the Request for Qualifications (RFQ) for Professional Auditing Services by 5:00 p.m., PST on February 29, 2024; and

WHEREAS, each Professional Auditing Services firm was selected for oral interviews; and

WHEREAS, the Board recommends LSL, LLP’s Professional Audit Services for fiscal year 2024, and fiscal years 2025, 2026, 2027, 2028 and 2029.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: That the Monterey Peninsula Airport District Board of Directors authorizes the Executive Director to enter into a Professional Audit Services agreement with Lance, Soll & Lunghard, LLP (“LSL, LLP”) for Fiscal Years 2024, 2025, 2026, 2027, 2028 and 2029.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY
PENINSULA AIRPORT DISTRICT:** This 17th day of April 2024 by the following roll call vote:

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

Signed this 17th day of April 2024

Mary Ann Leffel, Chair

ATTEST

Michael La Pier, AAE
District Secretary

PROFESSIONAL SERVICES AGREEMENT BETWEEN MONTEREY PENINSULA AIRPORT DISTRICT AND LANCE, SOLL, AND LUNGHARD, LLP FOR PROFESSIONAL AUDIT SERVICES

This Agreement is entered into and effective on April 17, 2024, by and between the Monterey Peninsula Airport District, hereinafter referred to as "MPAD," and Lance, Soll and Lunghard, LLP, hereinafter referred to as "FIRM".

Section 1 **SCOPE OF SERVICES**

Subject to the terms and conditions set forth in this Agreement, FIRM shall provide MPAD the services described in Exhibit A, entitled "Scope of Services," attached to this Agreement and incorporated by reference. FIRM shall not be compensated for services outside the scope of services as set forth in Exhibit A unless, prior to the commencement of such services: (a) FIRM notifies MPAD and MPAD agrees that such services are outside of the scope of services to be performed; (b) FIRM estimates the additional compensation required for the additional services; and, (c) MPAD, after notice, approves the additional services and amount of compensation.

Section 2 **COMPENSATION**

MPAD shall pay FIRM for services rendered pursuant to this Agreement at the times and in the manner as set forth in Exhibit B, entitled "BEST AND FINAL OFFER," attached to this Agreement and incorporated by reference. Payments specified in Exhibit B shall be the only payments to be made to FIRM for services rendered pursuant to this Agreement unless, pursuant to Section 1 above, MPAD approves additional compensation for additional services. Total compensation for services shall not exceed \$152,970 for services related to fiscal years ending 2024, 2025 and 2026 and shall not exceed \$162,340 for services related to fiscal years ending 2027, 2028 and 2029.

FIRM will submit an invoice to MPAD upon conclusion of the "Planning Phase," "Interim Phase," "Year-End Phase," "Presentation and Acceptance of Final Reports," and "Additional Optional Services" as described and set forth in Exhibit A and Exhibit B for services completed. All invoices will be itemized to reflect the categories of employees performing the requested tasks, the billing rate for each employee, and the hours for services.

All invoices sent by FIRM to MPAD shall be paid within thirty (30) days of receipt, provided supporting narrative and hours billed against the specific task allocations in the contract's scope of work are included and acceptable to the MPAD.

Section 3
TERMS AND CONDITIONS OF AGREEMENT

1. Time for Commencement and Completion of Services: FIRM shall commence services on the date first set out above, and shall prosecute the services related to fiscal years ending 2024, 2025, 2026, 2027, 2028 and 2029 to completion, unless the agreement is terminated, as provided for herein or modified by MPAD and agreed to by FIRM.

2. Facilities and Property: MPAD agrees to make its facilities accessible to FIRM as required for FIRM's performance of its services.

3. License, Permits, and Compliance with Law: FIRM represents that prior to commencing any services under this Agreement, it shall obtain and maintain at its own expense during the life of this Agreement any licenses, permits, qualifications, and approval required to practice its profession and perform the contract services and shall comply with any and all applicable local, state, and federal laws in performing the contract services.

4. Relationship of Parties, No Third-Party Beneficiaries: FIRM is an independent contractor under this Agreement. This Agreement gives no rights or benefits to anyone not named as a party to this Agreement, and there are no third-party beneficiaries to this Agreement. In the exercise of rights and obligations under this Agreement, FIRM acts as an independent contractor and not as an agent or employee of MPAD. MPAD shall not control where and how services are performed. MPAD shall not reimburse FIRM for business expenses or supplies and shall not provide FIRM with vacation, pension, insurance, or sick leave. FIRM shall provide FIRM'S own office, tools, and supplies and shall be free to engage in contracts with other persons or agencies, either public or private. FIRM shall not be entitled to any rights and benefits accorded or accruing to the Board members, officers or employees of MPAD, and FIRM expressly waives any and all claims to such rights and benefits.

5. Subcontracts: FIRM may use the services of independent contractors to perform a portion of its obligations under this Agreement with prior approval by MPAD. Independent contractors and subcontractors shall be provided with a copy of this Agreement and shall agree to be bound by its terms. FIRM shall be the responsible party with respect to all actions of its independent contractors and subcontractors and shall obtain such insurance and indemnity provisions from contractors and subcontractors as FIRM shall determine to be necessary.

6. No Discrimination: In performing the services under this Agreement, FIRM shall not discriminate in the employment of its employees and the engagement of any subcontractors on the basis of race, religion, color, national origin, ancestry, disability, marital status, pregnancy, medical condition, gender, sexual orientation, or political opinions or affiliation or any other criteria prohibited by law.

7. Insurance Requirements: FIRM shall comply with the insurance

requirements set forth in Exhibit C, attached to this Agreement and incorporated by reference. In addition, FIRM, in accordance with the provisions of Section 3700 of the California Labor Code, shall secure at its own expense and maintain during the life of this Agreement, Workers' Compensation coverage for its employees as necessary to protect FIRM and its employees under the Workers' Compensation Insurance and Safety Act. Such insurance shall be in a standard form and shall relieve MPAD of all responsibility for such claims and or liability. FIRM shall, prior to undertaking the work contemplated herein, supply MPAD with a certificate of insurance evidencing that said insurance coverage is in full effect.

8. Indemnity and Hold Harmless: With the exception that this section shall in no event be construed to require indemnification by FIRM to a greater extent than permitted under the laws of the State of California, FIRM shall, indemnify, protect, defend with counsel approved by MPAD and at FIRM'S sole cost and expense, and hold harmless MPAD, its Board of Directors, officials, representatives, agents employees and volunteers from and against any and all claims, causes of action, liabilities, judgments, awards, losses, liens, claims, stop notices, damages, expenses, and costs (including without limitation attorneys' fees, expert and FIRM fees, and other expenses of litigation) of every nature, including, but not limited to, death or injury to persons, or damage to property, which arise out of or are in any way connected with the work performed, materials furnished, or services provided under this Agreement, or from any violation of any federal, state, or municipal law or ordinance, or MPAD Policy, by FIRM or FIRM'S officers, agents, employees, volunteers or subcontractors. FIRM shall not be obligated to indemnify or defend MPAD for claims finally determined by a court of law or arbitrator to arise from the active negligence or willful misconduct of MPAD. It is the intent of the Parties that this indemnity obligation is at least as broad as is permitted under California law. To the extent California Civil Code sections 2782, et seq., limit the defense or indemnity obligations of FIRM to MPAD, the intent hereunder is to provide the maximum defense and indemnity obligations allowed by FIRM under the law. The indemnity set forth in this section shall not be limited by insurance requirements or by any other provision of this Agreement.

With the exception that this section shall in no event be construed to require indemnification, including the duty to defend, by FIRM to a greater extent than permitted under the laws of the State of California, the parties agree that FIRM'S duty to defend MPAD is immediate and arises upon the filing of any claim against MPAD for damages which arise out of or are in any way connected with the work performed, materials furnished, or services provided under this Agreement by FIRM or FIRM'S officers, agents, employees, volunteers or subcontractors. FIRM'S duties and obligations to defend MPAD shall apply regardless of whether or not the issue of MPAD'S liability, breach of this Agreement, or other obligation or fault has been determined. FIRM shall be immediately obligated to pay for MPAD'S defense costs of the claim, including, but not limited to, court costs, attorney's fees and costs, expert FIRM and witness fees and costs, other witness fees, document reproduction costs, arbitration fees, and, if after final judgment an appeal is pursued, all of such costs for the appeal. At the conclusion of the claim, if there is any determination or finding of sole active negligence or willful misconduct on the part of the MPAD, MPAD will then reimburse FIRM for amounts paid in excess of FIRM'S proportionate share of

responsibility for the damages within 30 days after FIRM provides MPAD with copies of all bills and expenses incurred in the defense of the claim(s). It is agreed between the parties that this reimbursement provision assures FIRM is not obligated to defend or indemnify MPAD in an amount greater than provided for under California law, including, without limitation, California Civil Code sections 2782, 2782.6, and 2782.8.

With the exception that this section shall in no event be construed to require indemnification by FIRM to a greater extent than permitted under the laws of the State of California, and in addition to the other indemnity obligations in this Agreement, FIRM shall indemnify, defend, and hold harmless MPAD, its Board of Directors, officials, representatives, agents employees and volunteers from and against all claims, losses, expenses, and costs including but not limited to attorneys' fees, arising out of any claim brought against MPAD by an employee, office, agent, or volunteer of FIRM, regardless of whether such claim may be covered by any applicable workers compensation insurance. FIRM'S indemnification obligation is not limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for FIRM under workers' compensation acts, disability acts, or other employee benefit acts.

MPAD shall indemnify, protect, defend, and hold harmless FIRM against any and all actions described in the first paragraph of this section, which arise out of the sole negligence of MPAD's officers, agents, employees, volunteers, or subcontractors, under the same terms and conditions of the previous paragraphs of this section.

9. Standard of Performance: FIRM shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession. All services and/or products of whatever nature that FIRM delivers to MPAD pursuant to this Agreement shall be prepared in a professional manner and conform to the standards of quality normally observed by a person practicing the profession of FIRM and its agents, employees, and subcontractors assigned to perform the services contemplated by this Agreement.

10. Ownership and Use of Documents and Electronic Media Deliverables: The audit documentation and/or working papers for this engagement are the property of FIRM and constitutes confidential information. The FIRM will adopt reasonable procedures to maintain the confidentiality of audit documentation. Copies of the audit documentation may be made available to MPAD or parties designated by MPAD upon formal request, at FIRM's discretion. Final deliverables are the property of MPAD.

11. Resolutions of Disputes, Forum, and Attorneys' Fees: The laws of the State of California shall govern the interpretation of and the resolution of disputes under this Agreement. Any dispute arising from this Agreement shall be adjudicated in the courts of Monterey County in the State of California. If any claim, at law or otherwise is made by either party to this Agreement, the prevailing party shall be entitled to its costs and reasonable attorneys' fees.

12. Termination: This Agreement shall continue until terminated as provided for herein. MPAD may terminate this Agreement at any time by providing written notice to FIRM. FIRM may terminate this Agreement by providing thirty (30) days written notice to MPAD.

In the event MPAD shall give such notice of termination, FIRM shall immediately cease rendering services pursuant to this Agreement.

In the event MPAD shall terminate this Agreement: (a) MPAD shall have full ownership and control of all final reports which have been delivered by FIRM pursuant to this Agreement.

(b) MPAD shall pay FIRM the reasonable value of services rendered by FIRM pursuant to this Agreement; provided, however, MPAD shall not in any manner be liable for lost profits which might have been made by FIRM had FIRM completed the services required by this Agreement. In this regard, FIRM shall furnish the MPAD such financial information as in the judgment of the MPAD representative is necessary to determine the reasonable value of the services rendered by FIRM.

13. Notices: All communications relating to the day to day activities of the project shall be exchanged between MPAD Executive Director or his/her designee and the FIRM's Project Manager All notices, requests, demands and other communications hereunder shall be deemed given only if in writing signed by an authorized representative of the sender, and delivered by facsimile with a hard copy mailed first class, postage prepaid, or when sent by a courier or express services guaranteeing overnight delivery to the receiving party, and addressed to the respective party as follows:

To MPAD: **Michael La Pier, Executive Director**
Monterey Peninsula Airport District
200 Fred Kane Dr., #200
Monterey, CA 93940

To FIRM: **Ryan Domino, CPA and Partner**
Lance, Soll and Lunghard, LLP
203 B, Brea Blvd., Suite 203
Brea, CA 95833

14. Entire Agreement: This document, including all exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement.

15. Severability: If any portion of this Agreement or its application to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

16. Headings, Assignment and Waiver: The headings in this Agreement are inserted for convenience only and shall not constitute a part of it. Neither party to this Agreement shall assign its duties and obligations hereunder without the prior written consent of the other party. A waiver of any part or any provision of this Agreement, or a waiver of any breach of this Agreement, must be provided in writing and shall not be construed as a waiver of any other provision or any succeeding breach of the same or any other provisions herein.

17. Auditing: MPAD reserves the right to periodically audit all charges made by FIRM to MPAD for services under this Agreement. Upon request, FIRM agrees to furnish MPAD, or a designated representative, with necessary information and assistance.

FIRM agrees that MPAD or its delegate will have the right to review, obtain, and copy all records pertaining to the performance of this Agreement. FIRM agrees to provide MPAD or its delegate with any relevant information requested and shall permit MPAD or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspection and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. FIRM further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

18. Integration and Modification: This Agreement represents the entire integrated agreement between FIRM and MPAD; supersedes all prior negotiations, representations, or agreements, either written or oral, between the parties; and may be amended only by written instrument signed by FIRM and MPAD.

19. Authority: The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

IN WITNESS WHEREOF, MPAD and FIRM have executed this Agreement as of the date first above written.

MONTEREY
PENINSULA AIRPORT
DISTRICT

LANCE, SOLL AND LUNGHARD,
LLP

By _____
MARY ANN LEFFEL
CHAIR

By _____
RYAN DOMINO

ATTEST:

APPROVED AS TO FORM AND
CONTENT:

MICHAEL LA PIER
SECRETARY OF THE
DISTRICT

SCOTT E. HUBER
DISTRICT COUNSEL



PREPARED BY

Lance, Soll & Lunghard, LLP
Certified Public Accountants
License Number 2584

BEST AND FINAL OFFER

**Monterey Peninsula Airport
District**

Auditing Services

Date of Submission: March 27, 2024

Authorized by

Ryan Domino, CPA, Partner

Ryan.Domino@lslcpas.com

203 N. Brea Blvd., Suite 203

Brea, CA 92821

(714) 672-0022

March 27, 2024

Mark Wilson, Controller
Monterey Regional Airport, Finance Department
200 Fred Kane Dr., Suite 200
Monterey, CA 93940

Dear Mr. Wilson,

LANCE, SOLL & LUNGHARD, LLP (“LSL”) is pleased to present our best and final offer for professional auditing services to the Monterey Peninsula Airport District (“District”).

We understand that the District is seeking a qualified firm to provide financial audit services for a term of six (6) years, covering the period from the 2023-24 fiscal year through 2029.

Ryan Domino is the assigned Engagement Partner for this proposal. He is authorized to make representations on behalf of our firm and can be reached by phone at (714) 672-0022 or by email at Ryan.Domino@lslcpas.com. Please contact Ryan for any clarification or contract negotiations regarding this proposal. We welcome the opportunity to discuss any aspect of our proposal to ensure your complete satisfaction.

Sincerely,



Ryan Domino, CPA, Partner
Lance, Soll & Lunghard, LLP
203 N. Brea Blvd., Suite 203
Brea, CA 92821

ALL-INCLUSIVE MAXIMUM PRICE

All-Inclusive Maximum Price by Report						
Report	2023-24	2024-25	2025-26	2026-27	2027-28	2027-29
District Audit and Related Reports	\$52,230	\$52,230	\$52,230	\$53,800	\$55,410	\$57,070
State Controller's Report	\$1,350	\$1,350	\$1,350	\$1,390	\$1,430	\$1,470
Single Audit Report *	\$6,520	\$6,520	\$6,520	\$6,720	\$6,920	\$7,130
Passenger Facility Charge Program	\$2,640	\$2,640	\$2,640	\$2,720	\$2,800	\$2,880
Out-of-Pocket Expenses (Meals, Travel, Lodging)	\$1,000	\$1,000	\$1,000	\$1,030	\$1,060	\$1,090
SUBTOTAL FOR FISCAL YEAR	\$63,740	\$63,740	\$63,740	\$65,660	\$67,620	\$69,640
Current Client Discount (20%)	(\$12,750)	(\$12,750)	(\$12,750)	(\$13,130)	(\$13,520)	(\$13,930)
Total for Fiscal Year (Not-to-Exceed)	\$50,990	\$50,990	\$50,990	\$52,530	\$54,100	\$55,710

*Price includes one (1) major program. Each additional program is \$4,000.

DISCOUNTED HOURLY BILLING RATES

LSL'S DISCOUNTED HOURLY BILLING RATES						
Position	2023-24	2024-25	2025-26	2026-27	2027-28	2027-29
Partner	\$288	\$288	\$288	\$297	\$306	\$315
Senior Manager	\$216	\$216	\$216	\$222	\$229	\$236
Manager	\$184	\$184	\$184	\$190	\$196	\$202
Supervisor	\$160	\$160	\$160	\$165	\$170	\$175
Senior	\$144	\$144	\$144	\$148	\$152	\$157
Experienced Staff	\$120	\$120	\$120	\$124	\$128	\$132
Staff	\$104	\$104	\$104	\$107	\$110	\$113
Clerical	\$88	\$88	\$88	\$91	\$94	\$97

We will apply a current client discount of 20% to all the services provided for the duration of the contract. Additionally, the quoted fees above reflect no escalation for the first three years and include a standard 3% increase year-over-year after the third year.

MANNER OF PAYMENT

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billings shall cover a period of not less than a calendar month. The final ten percent (10%) of the total all-inclusive maximum price will be paid upon delivery of the firm's final reports.

COMPARISON OF FEES TO FINAL YEAR OF PRIOR CONTRACT

For comparison purposes, the following chart is provided to show the proposed fee in comparison to the final year of the prior contract. The proposed fee for 2024 is being presented net of the 20% current client discount.

Report	FY 2022-23	FY 2024-25
District Audit and Related Reports	\$34,605	\$41,780
State Controller's Report	\$0	\$1,080
Single Audit Report *	\$5,174	\$5,220
Passenger Facility Charge Program	\$2,208	\$2,110
Out-of-Pocket Expenses (If Needed) (Meals, Travel, Lodging)	\$0	\$800
Total for Fiscal Year (Not-to-Exceed)	\$41,987	\$50,990

EXHIBIT C

Insurance Requirements for Professional Services

FIRM shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the FIRM, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if FIRM has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease. ***(Not required if FIRM provides written verification it has no employees)***
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the FIRM's profession, with limit no less than **\$1,000,000** per occurrence or claim, \$1,000,000 aggregate. (If Claims-made, see below.)

If the FIRM maintains higher limits than the minimums shown above, MPAD requires and shall be entitled to coverage for the higher limits maintained by the FIRM. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to MPAD.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Monterey Peninsula Airport District, its Board of Directors, officers, representatives, agents, employees and volunteers are to be covered as **additional insureds** on the CGL policy and AL policy with respect to liability arising out of work or operations performed by or on behalf of the FIRM including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the FIRM's insurance (**at least as broad as** ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **FIRM's insurance coverage shall be primary** insurance as respects the Monterey Peninsula Airport District, its Board of Directors, officers, representatives, agents, employees and volunteers. Any insurance or self-insurance maintained by MPAD, its Board of Directors, officers, representatives, agents, employees and volunteers shall be excess of the FIRM's insurance and shall not contribute with it. The Monterey Peninsula Airport District does not accept primary endorsements limiting the FIRM's insurance coverage to sole negligence.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the Monterey Peninsula Airport District.**

Waiver of Subrogation

FIRM hereby grants to MPAD a waiver of any right to subrogation which any insurer of said FIRM may acquire against the MPAD by virtue of the payment of any loss under such insurance. FIRM agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not MPAD has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Monterey Peninsula Airport District. MPAD may require FIRM to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII if admitted to do business in the State of California; if not admitted to do business in the State of California, insurance is to be placed with insurers with a current A.M. Best's rating of no less than A+:X.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

2. If Claims Made policy form is used, a three (3) year discovery and reporting tail period of coverage is required after completion of work.

Verification of Coverage

FIRM shall furnish MPAD with original certificates and amendatory endorsements required by this clause. All certificates and endorsements are to be received and approved by MPAD before work commences. Failure to obtain the required documents prior to the work beginning shall not waive the FIRM's obligation to provide them. MPAD reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time, for any reason or no reason.

FIRM shall, prior to the commencement of work under this Agreement, provide MPAD with a copy of its Declarations Page and Endorsement Page for each of the required policies.

Certificate Holder Address

Proper address for mailing certificates, endorsements and notices shall be:

Monterey Peninsula Airport District
Attn: Executive Director
200 Fred Kane Dr., #200
Monterey, CA 93940

MPAD Phone: 831-648-7000

Maintenance of Insurance

If at any time during the life of the Contract or any extension, FIRM fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for MPAD to terminate this Contract.

Subcontractors

FIRM shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and FIRM shall ensure that MPAD is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances

MPAD reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Exhibit D

Technical Proposal **Monterey Peninsula Airport District**

Professional Services: Financial Statement Auditor
Lance, Soll, and Lunghard, LLP
Date of Submission: February 29, 2024

Attached Below



PREPARED BY

Lance, Soll & Lunghard, LLP
Certified Public Accountants
License Number 2584

TECHNICAL PROPOSAL

**MONTEREY PENINSULA AIRPORT DISTRICT
Professional Services: Financial Statement Auditor**

Date of Submission: February 29, 2024

Valid for 90 Days

Authorized by

Ryan Domino, CPA, Partner
Ryan.Domino@lslcpas.com
203 N. Brea Blvd., Suite 203
Brea, CA 92821
(714) 672-0022



**REQUEST FOR QUALIFICATIONS
PROFESSIONAL SERVICES
FINANCIAL STATEMENT AUDITOR**

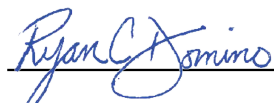
RFQ Submission Deadline: February 29, 2024 5:00 PM PST

RFQ Submission Address: Finance Department
Monterey Regional Airport
200 Fred Kane Dr., Suite 200
Monterey, CA 93940
MWilson@MontereyAirport.com

RETURN THIS SHEET WITH YOUR RESPONSE

I HAVE READ, UNDERSTAND AND AGREE TO ALL STATEMENTS IN THIS REQUEST FOR QUALIFICATIONS, AND TO THE TERMS, CONDITIONS AND ATTACHMENTS REFERENCED HEREIN.

Date: February 29, 2024 Company Legal Name: Lance, Soll & Lunghard, LLP



Authorized Signature

Ryan Domino, CPA

Name

Partner

Title

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TRANSMITTAL LETTER

February 29, 2024

Mark Wilson, Controller
Monterey Regional Airport, Finance Department
200 Fred Kane Dr., Suite 200
Monterey, CA 93940

Dear Mr. Wilson,

LANCE, SOLL & LUNGHARD, LLP (“LSL”, “LSL CPAs”) is pleased to present our proposal for financial audit services, and we value the opportunity to demonstrate our continued commitment to excellence to the Monterey Peninsula Airport District (“District”).

This proposal details our understanding of the scope of services outlined in the District’s RFP and showcases our firm’s experience, knowledge, and creative problem-solving capabilities in governmental auditing. With our extensive government experience and history with the Monterey Peninsula Airport District, we are confident that LSL remains the best-qualified accounting firm for the District.

We understand that the District is seeking a qualified firm to provide financial statement audit services for six years beginning with the fiscal year ending June 30, 2024, through 2029. At LSL, we specialize in high-quality governmental audits aligned with GAAS and current GASB pronouncements. With our extensive experience in local government audits, we prioritize accuracy and thoroughness while ensuring timely report delivery. Our commitment to effective collaboration and transparency with the District ensures the integrity of its financial reporting and compliance with all regulatory requirements.

Ryan Domino is the assigned Engagement Partner who will serve as the District’s primary point of contact. He is authorized to make representations on behalf of our firm and can be reached by phone at (714) 672-0022 or by email at Ryan.Domino@lslcpas.com. Please contact Ryan for any clarification or contract negotiations regarding this proposal.

We affirm that our proposal fully aligns with all terms, conditions, and requirements outlined in the District’s RFP. Our proposal is a firm and irrevocable offer for 90 calendar days following the closing date of the receipt of proposals. We welcome the opportunity to discuss any aspect of our proposal to ensure your complete satisfaction.

Sincerely,



Ryan Domino, CPA, Partner
Lance, Soll & Lunghard, LLP
203 N. Brea Blvd., Suite 203
Brea, CA 92821

FIRM QUALIFICATIONS & EXPERIENCE

FIRM HISTORY & SIZE

LSL was established in 1929 and has grown as a leader in the government sector. Our full-service accounting firm is headquartered in Brea, California, with a dynamic team of 16 partners and 145 employees. We provide auditing, accounting, and consulting services to over 100 municipal clients, including cities, counties, water and electric utilities, and special-purpose government agencies. Our government sector services encompass a broad range of specialties, including attestation, compliance, consulting, outsourced accounting and reporting, year-end close assistance, interim staffing, strategic planning, and tax services.

LOCATION

Our Offices



Brea, CA

203 N. Brea Blvd., Suite 203
Brea, CA 92821
Phone: (714) 672-0022

Laguna Hills, CA

24422 Avenida de la Carlota, Suite 275
Laguna Hills, CA 92653
Phone: (949) 829-8299

Sacramento, CA

2151 River Plaza Dr., Suite 150
Sacramento, CA 95833
Phone: (916) 503-9691

Santa Ana, CA

1611 E. Fourth Street, Suite 200
Santa Ana, CA 92701
Phone: (714) 569-1000

The Woodlands, TX

21 Waterway Avenue, Suite 30089
The Woodlands, TX 77380
Phone: (936) 828-4587

At LSL, we regularly share staff and resources across our offices, providing you with access to our entire governmental team. Additionally, the virtual footprint of our government team spans across the United States. This approach ensures that you receive the highest level of service and expertise possible, allowing us to deliver optimal results.

LICENSE TO PRACTICE IN CALIFORNIA

We are a Limited Liability Partnership, not a wholly owned subsidiary of a parent company. LSL is a public accounting firm licensed by the State of California Department of Consumer Affairs as a Public Accounting Partnership. Additionally, we are members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. All key members assigned to this engagement are licensed or are in the process of obtaining their license as Certified Public Accountants by the State of California.

INDEPENDENCE

LSL meets the independence requirements outlined in the *Government Auditing Standards* and has no conflicts of interest with the District, its component unit(s), or joint venture(s). Our partners have no ownership in any other business organization that currently or will potentially provide services, supplies, materials, or equipment to the District. Additionally, we annually distribute a listing of our firm's clients to all employees to ensure that any possible independence threats are properly documented and reviewed.

GOVERNMENT AUDITING STANDARDS

LSL understands its responsibilities to perform audits and issue opinions on the District's financial statements and its fair presentation. Our financial audits are performed in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, and Single Audits are performed in accordance with the requirements of the Uniform Guidance. We will also evaluate the District's internal control system and provide recommendations for growth and improvement.

CURRENT LIST OF MUNICIPAL CLIENTS

A current list of municipal clients can be found in **Appendix A**, listing some of LSL's most significant engagements performed within the last five (5) years that are similar to the engagement described in this request for proposal.

SUBCONTRACTING SERVICES

LSL will not be subcontracting any portion of the District's audit. All staff assigned to the audit engagement will be employed by LSL on a full-time basis and have extensive experience providing auditing services for cities, counties, and special-purpose government agencies. However, LSL does collaborate with a third-party for the preparation of the State Controller's Office (SCO) reports to ensure that the reports are prepared and filed correctly and timely by experts in those reports.

GUIDANCE & SUPPORT FOR THE DISTRICT

LSL regularly leads seminars and training courses on introductory governmental accounting, preliminary views on financial reporting, internal control risk assessments, and all GASB updates and best practices, which are made available to our clients for additional information and continued support. These will be opportunities made available through our firm to the District for training or continuing professional education credits on current issues or governmental auditing and accounting in general.

GFOA AWARD PROGRAM

LSL understands the significance of obtaining and maintaining the Certificate of Excellence in Financial Reporting from the GFOA. We have prepared financial statements and footnote disclosures for many of our local government clients who have received this award. Our governmental partners, managers, and seniors are closely involved in the preparation of these reports. Clients currently receiving the GFOA award are noted in Appendix A.

SINGLE AUDIT EXPERIENCE

Our firm has extensive experience in performing Single Audits for local government agencies under the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements of Federal Awards (Uniform Guidance), and the United States Office of Management and Budget (OMB). Appendix A also includes a list of government audit clients for which a Single Audit has been performed in the last fiscal year. Additionally, the table below highlights recent examples of federal programs audited by LSL.

Federal Granting Agency	AL #	Name of Program
U.S. Department of Agriculture	10.557	Special Supplemental Nutrition Program for Women, Infant, and Children
U.S. Department of Housing & Urban Development	14.195	Section 8 Housing Assistance Payment Program
U.S. Department of Housing & Urban Development	14.218	Community Development Block Grants/Entitlement Grants
U.S. Department of Housing & Urban Development	14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
U.S. Department of Housing & Urban Development	14.239	HOME Investment Partnerships Program
U.S. Department of Housing & Urban Development	14.856	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation
U.S. Department of Housing & Urban Development	14.871	Section 8 Housing Choice Vouchers
U.S. Department of Transportation	20.106	Airport Improvement Program
U.S. Department of Transportation	20.205	Highway Planning and Construction
U.S. Department of Transportation	20.507	Federal Transit Formula Grants
U.S. Department of Treasury	21.019	Coronavirus Relief Fund (CRF)
U.S. Department of Treasury	21.027	Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
U.S. Environmental Protection Agency	66.458	Capitalization Grants for Clean Water State Revolving Funds
U.S. Department of Health and Human Services	93.563	Child Support Enforcement
U.S. Department of Health and Human Services	93.667	Social Services Block Grant
U.S. Department of Health and Human Services	93.676	Unaccompanied Alien Children Program
U.S. Department of Health and Human Services	93.778	Medical Assistant Program - Medicaid Cluster
U.S. Department of Homeland Security	97.036	Disaster Grants- Public Assistance (Presidentially Declared Disasters)
U.S. Department of Homeland Security	97.067	Homeland Security Grant Program

DESK REVIEW / DISCIPLINARY ACTION

There have been no disciplinary actions against our organization since its inception. There have been no litigations against our firm in the past three years. Our Single Audit reports are desk reviewed either by the federal cognizant agency or the State Controller's Office acting as the Oversight Agency. LSL has never had a report rejected by any of these agencies and is highly regarded and recognized by the staff of the State Controller's Office for top-quality reports.

PEER REVIEW

Our firm has participated in the AICPA Peer Review Program since its inception. All our peer reviews have covered governmental engagements and have received *pass* ratings. Our most recent peer review, conducted by Spafford and Landry CPAs, is provided on the following pages.



Patrick D. Spafford, CPA
Todd C. Landry, CPA

HERE TO MAKE THE COMPLEX SIMPLE.

Licensed by the California Board of Accountancy
Member: American Institute of Certified Public Accountants

Report on the Firm's System of Quality Control

To Lance, Soll & Lunghard, LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP (the firm) in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of the applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and employee benefit plan audits.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)*, or *fail*. Lance, Soll & Lunghard, LLP has received a peer review rating of *pass*.

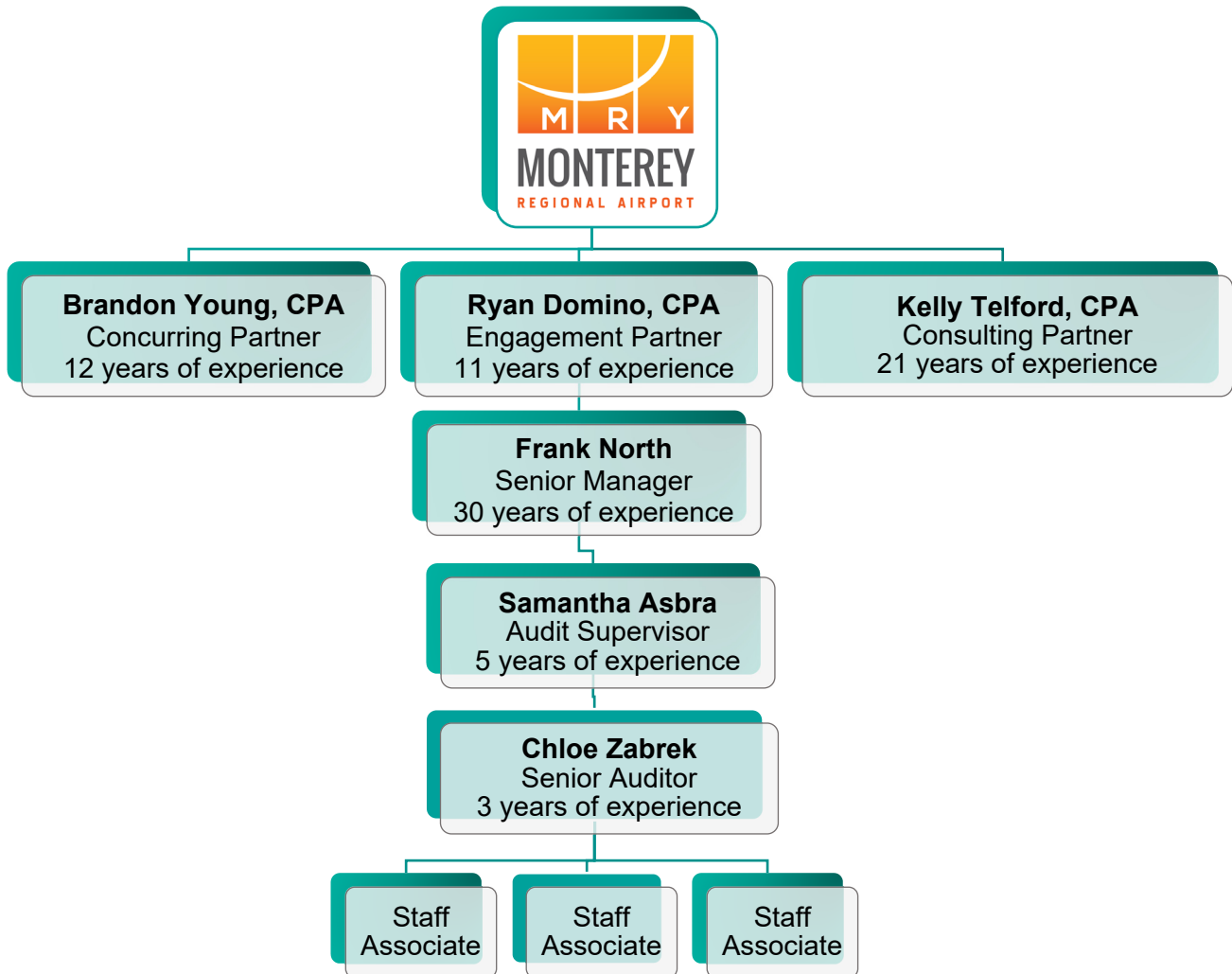
Spafford & Landry, Inc.

March 30, 2023

PROPOSED STAFFING & PROJECT MANAGEMENT

ORGANIZATIONAL CHART

The chart below outlines the controls for ensuring timely response and cost-effectiveness, along with our proposed lines of responsibility, authority, and communication between the District and the LSL team assigned to this engagement.





**Ryan Domino, CPA
Engagement Partner**

Ryan Domino has a strong technical focus and specializes in governmental accounting and auditing. He currently serves as a technical reviewer for the Government Finance Officers Association (GFOA) and regularly presents at our firm's annual GASB Update and at CSMFO's chapter meetings where he presents and trains on the latest GASB pronouncements. Ryan is an expert on Single Audit planning and execution and holds advanced certification from the AICPA. Ryan provides our clients with a competitive advantage as a member of GFOA's Special Review Committee for the Award for Excellence in Financial Reporting and able to provide valuable insights and recommendations to help organizations achieve excellence in financial reporting.



**Brandon Young, CPA
Concurring Partner**

Brandon is an expert in governmental accounting and auditing and trains our government team on the proper implementation of new GASB pronouncements, ensuring that our clients receive the highest level of service and expertise. Brandon was recently appointed to the AICPA State and Local Government Expert Panel, further demonstrating his expertise in the field. Brandon also serves on the CalCPA Governmental Accounting and Auditing Committee, specific to the State of California, and he is responsible for numerous white papers and technical clarifications, including those for GASB 68, 75, and 87. His contributions to this committee have helped to shape the accounting and auditing practices of government organizations in California.

ENGAGEMENT TEAM RESUMES

Team resumes are available in **Appendix B**, which detail the position of each team member in the firm, their educational background, and their years and types of experience. The resumes also provide information on any continuing education courses taken by the team members over the past three years.

LSL TEAM RESOURCES

Our governmental staff consists of three (3) Partners, two (2) Senior Managers, three (3) Managers, three (3) Supervisors, and nineteen (19) Professional Staff. Proposed team members will be available for ninety (90) days from the proposal due date. LSL will promptly notify the District of any changes in key personnel prior to award.

Staff Continuity

To ensure the quality of staffing, we have firm policies in place that prioritize maintaining continuity of engagement teams, except in instances where an employee has left the firm or has been promoted. In the event of any changes in staffing at the Manager position and above, LSL will first seek the District's expressed written permission.

Quality of Staff Assurance

LSL is committed to providing the District with a stable and experienced team that is dedicated to delivering a high-quality audit and exceptional service. We understand the importance of maintaining a strong and reliable team throughout the engagement, and we will work closely with the District to ensure that any staffing changes are handled with minimal disruption to the continuity of the engagement.

Continuing Education

At LSL, we place a strong emphasis on professional development and continuing education to ensure that our team members are up to date on the latest developments in governmental accounting and auditing. As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period.

Our educational programs are designed to provide our team members with the knowledge and skills necessary to deliver high-quality services to our clients. We offer a variety of training opportunities, including those provided by CalCPA, AICPA, Government Audit Quality Center, and GFOA.

ADDITIONAL RESOURCES

The LSL team is comprised of top talent within the industry with comprehensive experience beyond governmental audit, accounting, and advisory services. When you partner with LSL, you gain access to the experience, knowledge, and resources of our entire team, including our consulting and technology teams.

We are committed to helping finance departments thrive by providing the guidance, tools, and services that foster lifelong success for your finance team. We encourage our clients to tap into our full professional team of industry and product experts for your full-service consulting, staffing, and financial report automation solutions.



**Financial & Compliance
Audits**



**Consulting, Staffing &
Training**



Technology & RPA



Kelly Telford, CPA
Consulting Partner

Kelly brings a wealth of experience in both public accounting and local government to her role as a Partner in LSL's Consulting Services. Her practical recommendations are instrumental in helping our audit staff and clients achieve high-quality and efficient audits while providing valuable feedback for organizational improvements. With prior roles as Finance Director for the City of Costa Mesa and the City of Seal Beach, Kelly has a proven track record of conducting numerous presentations focusing on GASB 87 and 96 and assisting clients in implementing these standards. Beyond her expertise in GASB standards, Kelly excels in helping agencies overcome internal control challenges, completing year-end close procedures, and serving as an outsourced Finance Director.



Gail Gray, CPA
Technology Partner

Gail is a well-established expert in governmental accounting and finance technology. As a Partner in LSL's Technology Consulting Services, Gail has over 20 years of experience in training, mentoring, and automating finance teams. Gail specializes in process automation consulting, software implementation, customization, and robotic process automation (RPA), leveraging technology and automation for accounting, auditing, and financial reporting. With her extensive background in governmental accounting, Gail uniquely enables LSL to offer top-tier implementation services for government-specific financial management solutions. Gail and her team provide exceptional training and ongoing support, while ensuring that our software partners also uphold high standards and provide high-quality service.



UNDERSTANDING & SPECIFIC APPROACH

LSL'S UNDERSTANDING OF THE SCOPE OF WORK

LSL understands that the District is seeking a qualified firm to perform the District's financial audit and related services, consisting of the following financial and compliance reports:

1. District audit and related reports
2. Single Audit
3. State Controller's Special Districts Financial Transactions Report
4. Passenger Facility Charge Program

PROJECT MANAGEMENT METHODOLOGY

The LSL team holds itself to a high standard for timely delivery and effective communication of key milestones. We recognize the importance of being responsive and communicative with our clients, and we are committed to being available on a day-to-day basis to address any questions or concerns that

may arise throughout the engagement. Areas of concern and potential findings will be communicated to the District as soon as they are discovered to mitigate any surprises throughout the audit.

At the beginning of the engagement, we will hold a planning meeting with you to determine the timeline, expectations, and desired outcome of the agreement on the issuance of financial statements. Throughout the process, we will have periodic meetings with you to provide updates and discuss progress. Upon award of contract and per the District's requested timeline, LSL will work closely with the District to develop an audit plan and timeline to ensure compliance and timely deliverables.

As part of the Scope of Work and time requirements, we assume that the District will provide all necessary information needed to complete the financial statement and single audits. Under the time requirements requested by MNWD, the District will have closed its books no later than the last week of August and will present LSL with general ledger balances that are auditable prior to the start of fieldwork.

PROPOSED WORK PLAN

At LSL, we use a governmental audit program that will be tailored to the District's operations to accommodate its specific circumstances and organizational structure. LSL's audit programs are organized by financial statement category, which we believe is the most effective and efficient approach to substantially reduce the risk of omitting important procedures.

Our approach is designed to increase audit efficiency by linking financial statement assertions, audit objectives, and procedures that are basic to most governmental audit engagements.

Proposed Segmentation

Our audit services will be divided into the three succeeding segments, which are detailed on the following pages.

- Segment 1 – Planning and Obtaining an Understanding
- Segment 2 – Financial Audit Testing
- Segment 3 – Conclusion

Segment 1 – Planning and Obtaining an Understanding

LSL will provide an annual audit communication letter, engagement letter, and Government Audit Quality Center Information letter. The audit communication letter is to be provided to the District Council and/or Board of Directors and can be communicated orally to those charged with governance, if requested, where we will discuss planning stages, responsibilities of the District Council and/or Board of Directors, Auditors, and Management, and provide an opportunity to communicate with us as the auditors.

An entrance conference will be scheduled prior to the agreed-upon week of interim testing to ensure that the transition to new auditors is as seamless as possible. Discussions in this meeting include, but are not limited to, an understanding of reports and key milestones for deliverables, prior audit reportable conditions and issues, and "Prepared by Client" (PBC) schedules.

A trial balance is requested for our planning meeting to assist the LSL team in obtaining knowledge of economic conditions, industry elements, and new standards that may affect the District. We will compile a list of PBC items based on our review of the prior year's financial statements and the gathered information that will be provided to the District one month prior to testing or earlier if requested. We operate on a paperless software system and provide a secured cloud-based portal for all clients. The District will have a separate folder that can be customized to organize and upload requested schedules, support documents, etc.

After interim testing, we will hold an exit meeting to discuss potential weaknesses, if any, and provide feedback for improvements or valuable information gathered from any outside clientele that would benefit the District.

Segment 2 – Financial Audit Testing

Based on the information gathered thus far, we will utilize a customized audit program based on the risk assessment developed during our assessment of the District's internal controls and *Government Auditing Standards*. The primary benefit of a tailored program is a focused set of procedures to address relevant areas. We believe that this approach is both effective and efficient and is critical to compliance with other material laws and regulations.

We will annually compile another customized PBC list for the year-end testing provided at least one month prior or earlier if requested. We will request trial balances from the District for our analytical review to be provided one week before testing is scheduled to commence. Year-end testing will include testing of the balance sheet, revenue and expenditures accounts, confirmation of selected balances, analytical procedures, evaluation of the internal controls, and preparation of reports and letters.

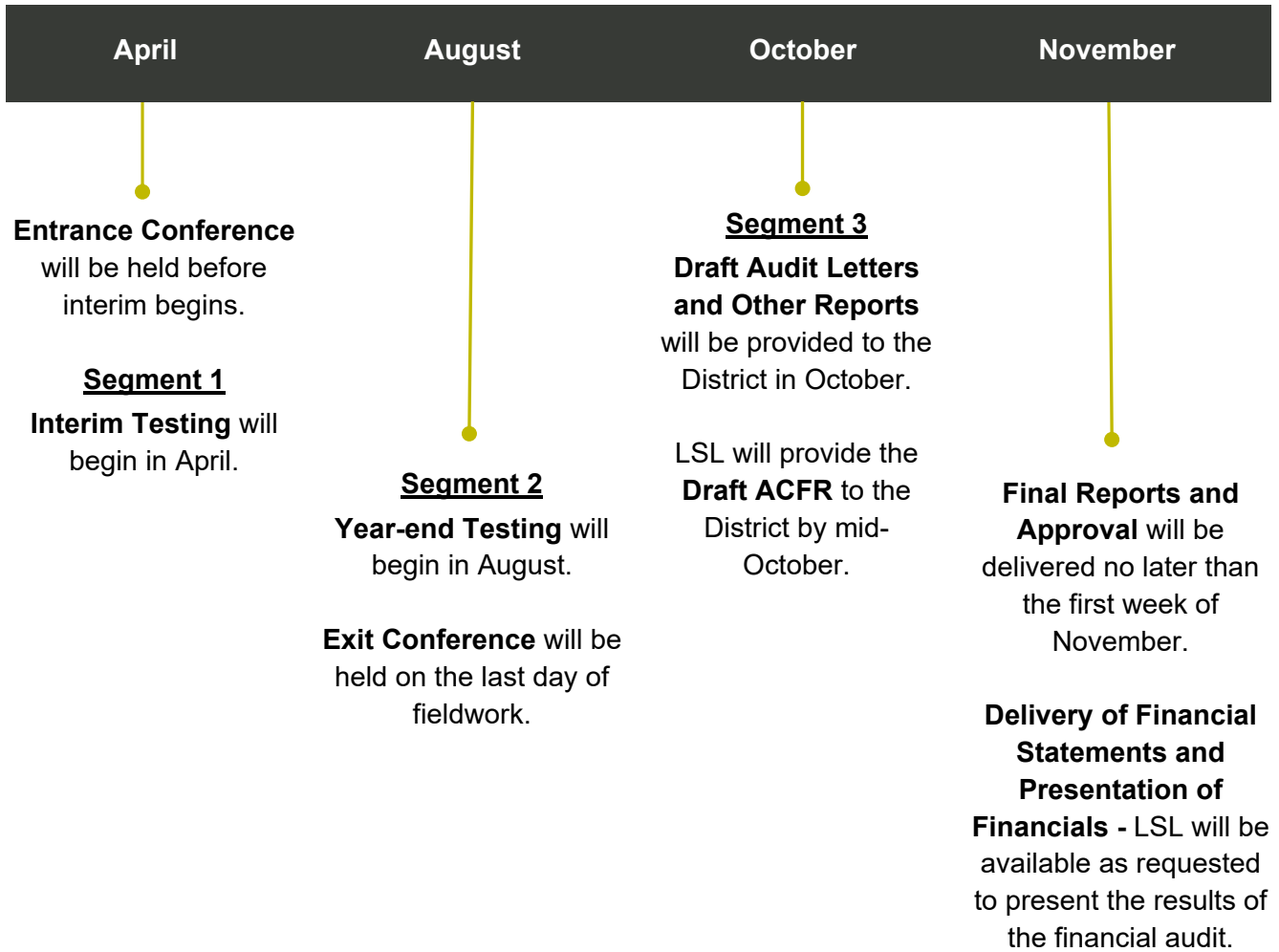
Segment 3 – Conclusion

Based on our year-end exit meeting we will discuss a plan to finalize the financial statements according to the timetable of the District. We will schedule dates for the initial and final drafts including time for LSL's and the District's review and approval of the financial statements. This period will also account for review by the engagement partner and quality assurance partner. After the review and receipt of the signed Representation Letter from the District, LSL will provide a final report.

PROJECT TIMELINE

The LSL team will proactively identify and communicate any pending information from the District that could hinder our ability to complete the objectives of the engagement in a timely manner and according to the project timeline on the following page. Furthermore, a more detailed audit plan will be discussed with the District for effective implementation moving forward.

A sample timeline is provided on the following page displaying the key stages of the audit and the deliverables.



APPROACH TO SELECTING SAMPLE SIZES

For tests of controls, we use audit sampling. Tests of controls are procedures directed towards determining the effectiveness of the design or operation of an internal structure policy or procedures. Audit sampling is typically used for tests of controls and compliance that involve the inspection of documents and reports indicating the performance of the applicable policy or procedures and compliance with the applicable laws and regulations. Sample sizes vary based on the population and risk-based calculations.

TYPE AND EXTENT OF ANALYTICAL PROCEDURES

For the audits of the financial statements, we will use analytical procedures as an overall review of the financial information in the preliminary and final stages of the audits. These procedures are designed to assist us in planning our audits and in assessing the propriety of the conclusions reached and evaluating the overall financial statement presentation.

The procedures to be utilized consist of determining expectations for changes to significant revenue, expenditure, and balance sheet accounts, reading the financial statements and related notes, reviewing the budget and related material, and focusing on overall relationships within the financial statements.

Once determined, these are reviewed to evaluate if the changes appear reasonable or require further analysis. For all significant differences, explanations are obtained as to why the situation occurred and additional substantive procedures may be applied, and related evidence is gathered to resolve concerns and questions.

DRAWING AUDIT SAMPLES FOR COMPLIANCE

The sampling procedures test the operating effectiveness of an internal control structure policy or procedure by determining how the policy or procedure was applied, the consistency with which it was applied during the audit period, and by whom it was applied. We will draw samples for disbursements, receipts, and payroll when applicable. Each document selected will be tested for various attributes that are designed to verify compliance with different aspects of internal controls and applicable laws and regulations. Additionally, each sample item will be tested for coding to the proper accounts and posting to the general ledger.

LSL'S APPROACH TO UNDERSTANDING THE DISTRICT'S INTERNAL CONTROL STRUCTURE

LSL will perform procedures as required by SAS 122-125 to obtain an understanding of the District's and its environment along with assessing the risks of material misstatements in order to gain insight into the internal control structure over the financial statements. Our review will encompass various areas such as financial reporting, cash, revenues and receivables, utility billing, expenses, accounts payable, payroll, capital assets, long-term debt, and grant reporting. We will issue a management letter (SAS 115 Letter) that identifies any significant deficiencies and/or material weaknesses found as required by the Government Auditing Standards.

Throughout the year, LSL will conduct interviews with the management of finance and responsible parties of each audit section to understand the processes and controls through observation and discussions. We will also perform sampling transactions as part of a "walk-through" process to verify that the system of control is functioning as per the policies and procedures.

DETERMINING LAWS AND REGULATIONS SUBJECT TO AUDIT TEST WORK

The Laws and Regulations that will be subject to audit test work are determined by the applicable laws, regulations, contracts, and grant agreements which we identify through the understanding we obtain of the District and our extensive experience with other governmental entities.

ANTICIPATION OF POTENTIAL AUDIT PROBLEMS

Outside of the complexities that arise with the implementation of GASB pronouncements, LSL does not anticipate any audit problems or conflicts in the performance of the services requested in this RFP. Our approach is to partner with our clients to provide information, training, and the resources necessary to successfully implement any new changes in accounting principles.

Under the Scope of Work, LSL assumes that the District will provide all necessary information to complete the financial statement and single audits. LSL will identify and communicate any pending information

from the District that may hinder the engagement's objectives and timely completion. Additionally, LSL assumes that the District will have closed its books and present auditable general ledger balances.

WORKING PAPER RETENTION AND ACCESS

All working papers and reports will be retained at LSL's expense for a minimum of three (3) years unless otherwise notified in writing by the District of the need to extend that retention period. Upon written request, we will make working papers available to parties designated by the District. Furthermore, we will respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

IRREGULARITIES AND ILLEGAL ACTS

LSL is responsible for making an immediate, written report of all irregularities and illegal acts, or indications of illegal acts, of which we become aware to the following parties:

- The Monterey Peninsula Airport District Board of Directors
- The Budget & Finance Committee of the Monterey Peninsula Airport District
- The Executive Director of the Monterey Regional Airport.

CLIENT REFERENCES

The client references on the following pages offer additional insight into our working relationships with clients of similar size and scope as those requested by Monterey Peninsula Airport District. We invite you to contact them to gain insight into our working relationships and the quality of our services.

City of Pasadena	
Contact	Matthew E. Hawkesworth, Director of Finance
Email Address	mhawkesworth@cityofpasadena.net
Address	100 N. Garfield Avenue Pasadena, CA 91101
Telephone	(626) 744-4355
Dates of Services	2015 – 2019; 2023 – present
Scope of Work	Audit of the City's ACFR which receives the GFOA award, in accordance with GASB. Audit and preparation of financial statements for the City's Discretely Presented Component Units, the Rose Bowl Operating Company, the Pasadena Center Operating Company, the Pasadena Community Access Corporation and Single Audit in accordance with OMB Uniform Guidance. Review and issue a report on the calculation of the City's Appropriations Limit (GANN), as required by Article XIII B Section 1.5 of the California Constitution.

City of Santa Monica	
Contact	Steve Gomez, MBA, CPA
Email Address	steve.gomez@santamonica.gov
Address	1685 Main Street, Mail Stop 09 Santa Monica, CA 90401
Telephone	(310) 458-8272
Dates of Service	2016 - present
Scope of Work	Audit of City's ACFR receiving the GFOA award; Single Audit; compliance audit of the City's Housing Successor; compliance audit of the City's Air Quality Management District revenues and expenditures; audit of the "Big Blue Bus" Enterprise Fund, National Transit Database (NTD) AUP; REAC submission, and application of AUP of City's GANN Limit calculation

City of Burbank	
Contact	Craig Wood, Deputy Finance Director
Email Address	cwood@burbankca.gov
Address	301 E Olive Ave Burbank, CA 91502
Telephone	(818) 238-5500
Dates of Service	2012 - present
Scope of Work	Audit of the City's ACFR; Housing Co Audit; Citywide Cash Handling Audit; EMS Membership Program; Burbank Airport; Tennis Center; AUP: Ambulance, BUSD, TPT; Burbank TOT; Feature Parking TPT Audit; Starlight Bowl AUP; Utility User's Tax; Golf Course Audit; Franchise Fees; Oracle; Burbank Housing Corp.

[Cost bid on the following page]

COST PROPOSAL

ALL-INCLUSIVE MAXIMUM PRICE

All-Inclusive Maximum Price by Report						
Report	2023-24	2024-25	2025-26	2026-27	2027-28	2027-29
District Audit and Related Reports	\$52,230	\$53,800	\$55,410	\$57,070	\$58,780	\$60,540
State Controller's Report	\$1,350	\$1,390	\$1,430	\$1,470	\$1,510	\$1,560
Single Audit Report *	\$6,520	\$6,720	\$6,920	\$7,130	\$7,340	\$7,560
Passenger Facility Charge Program	\$2,640	\$2,720	\$2,800	\$2,880	\$2,970	\$3,060
Out-of-Pocket Expenses (Meals, Travel, Lodging)	\$1,000	\$1,030	\$1,060	\$1,090	\$1,120	\$1,150
SUBTOTAL FOR FISCAL YEAR	\$63,740	\$65,660	\$67,620	\$69,640	\$71,720	\$73,870
Current Client Discount (15%)	(\$9,560)	(\$9,850)	(\$10,140)	(\$10,450)	(\$10,760)	(\$11,080)
Total for Fiscal Year (Not-to-Exceed)	\$54,180	\$55,810	\$57,480	\$59,190	\$60,960	\$62,790

*Price includes one (1) major program. Each additional program is \$4,000.

LEVEL OF STAFF AND NUMBER OF HOURS TO BE ASSIGNED

Segment/Task	TOTAL PROPOSED HOURS						Total
	Partners	Senior Manager	Supervisor	Senior	Staff	Clerical	
District Audit and Related Reports							
Interim test work	0	0	0	30	60	0	90
Year-End test work	0	0	0	40	94	0	134
Report/Review/Supervision	5	14	45	18	0	4	86
Subtotal	5	14	45	88	154	4	310
State Controller's Report							
Test work	0	0	0	0	8	0	8
Report/Review/Supervision	0	0	1	0	0	1	2
Subtotal	0	0	1	0	8	1	10
Single Audit Report *							
Test work	0	0	0	5	20	0	25
Report/Review/Supervision	1	2	5	5	0	2	15
Subtotal	1	2	5	10	20	2	40
Passenger Facility Charge Program							
Test work	0	0	0	2	6	0	8
Report/Review/Supervision	1	1	2	2	0	1	7
Subtotal	1	1	2	4	6	1	15
TOTAL PROPOSED HOURS:	7	17	53	102	188	8	375

*Hours proposed are for one (1) major program.

LSL'S STANDARD HOURLY BILLING RATES

Position	2023-24	2024-25	2025-26	2026-27	2027-28	2027-29
Partner	\$360	\$371	\$383	\$395	\$407	\$420
Senior Manager	\$270	\$279	\$288	\$297	\$306	\$316
Manager	\$230	\$237	\$245	\$253	\$261	\$269
Supervisor	\$200	\$206	\$213	\$220	\$227	\$234
Senior	\$180	\$186	\$192	\$198	\$204	\$211
Experienced Staff	\$150	\$155	\$160	\$165	\$170	\$176
Staff	\$130	\$134	\$139	\$144	\$149	\$154
Clerical	\$110	\$114	\$118	\$122	\$126	\$130

ESCALATION FACTOR

The quoted fees above include a standard 3% increase year-over-year after the third year of engagement. However, this percentage increase will be compared to the CPI indicator and will be adjusted if the amount exceeds 3%. The higher of the 3% or CPI indicator will be used.

ADDITIONAL PROFESSIONAL SERVICES

If it should become necessary for the City of Concord to request LSL to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in a written addendum to the contract between the City and LSL. Any such additional work agreed to between the City and LSL shall be performed at the same rates set forth in LSL's Standard Hourly Rates provided in this cost bid.

MANNER OF PAYMENT

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billings shall cover a period of not less than a calendar month. The final ten percent (10%) of the total all-inclusive maximum price will be paid upon delivery of the firm's final reports.

BENEFITS OF WORKING WITH LSL

LSL is a multi-location firm with formidable resources that provides a personal feel and hands-on client experience.



Ranked # 14 on the Orange County Business Journal's CPA Firm Book of Lists



95 years young and the wisdom to go with it!



16 Partners who are dedicated to solving your issues



145 employees (and growing!)

ACCOUNTING TODAY REGIONAL LEADER

LSL CPAs has been recognized as an Accounting Today Regional Leader in 2023. The list ranks the top CPA firms that have shown exceptional growth, embraced technology, and who 'think outside the box' when providing solutions.



OUR CORE VALUES

As we continue to grow and evolve, we recognize our core values needed to grow and change with us. Our values weren't decided on by management and handed down, every member of the LSL team worked together to share what values matter most to us. From there, we came up with the following five core values that embody how we approach each other, our work, and our clients.



PURSUE EXCELLENCE



LOVE WHAT YOU DO



LEAD WITH INTEGRITY



ACCOMPLISH MORE TOGETHER



FORWARD THINKING

BEST OF ACCOUNTING AWARD

LSL CPAs delivers high-quality service and has consistently secured the ClearlyRated *Best of Accounting* award. This exclusive program awards accounting firms who demonstrate high-level service of excellence within the accounting industry and solely leverages statistically validated survey responses from our clients.



4.7 based on 646 ratings

APPENDIX A – CURRENT LIST OF MUNICIPAL CLIENTS

Current List of Municipal Clients

Client	Contact Person	Services	Phone
* Agoura Hills	Mr. D. Ibanez, Director of Finance	F, S	818-597-7312
* Barstow	Ms. H. Riley, Admin Services Manager	F, S	760-255-5115
* Big Bear Lake	Ms. K. Ent, Director of Government Services	F, S	909-866-5831
* Burbank	Mr. C. Wood, Deputy Finance Director	C, F, S	818-238-5487
Canyon Lake	Mr. C. Mann, City Manager	F	909-244-2955
* Carlsbad	Mr. Z. Korach, Finance Director	F, S	442-339-2127
* Cathedral City	Mr. K. Biersack, Financial Services Director	F, S	760-770-0378
* Chino Hills	Ms. C. Buhagiar, Finance Director	F, S	909-364-2600
* Chula Vista	Ms. S. Schoen, Director of Finance	F, S	619-409-3818
* Citrus Heights	Mr. A. Preciado, Accounting Manager	F, S	916-727-4705
* Citrus Heights Water District	Ms. A. Liu, Director of Admin Services	F, U	916-735-7703
* Cypress	Ms. D. Mullally, Assistant Finance Director	F, S	714-229-6700
* Diamond Bar	Mr. J. Jacobsen, Finance Director	F, S	909-839-7051
* Dixon	Ms. K. Zawadzki, Director of Finance	F, S	707-678-7000
* Downey	Mr. S. Hannah, Finance Director	F, S	562-904-7265
* East Bay Municipal Utility District	Ms. S. Skoda, Director of Finance	F, U	510-847-0018
* Eastern Municipal Water District	Ms. W. Garriz, Controller	F, S, U	951-928-3777
* Fullerton	Ms. T. Smart, Fiscal Services Manager	C, F, S	714-738-3139
* Galt	Mr. M. Boring, Finance Director	F, S	209-366-7140
Georgetown Divide Public Utility District	Ms. J. Buckle, Accounting Manager	C, F, S, U	530-333-4356
Grand Terrace	Ms. C. Clayton, Senior Accountant	F	909-824-6621
* Indio	Ms. S. Lopez, Finance Manager	F, S	760-541-4237
Inglewood	Ms. L. Gomez, Accounting Manager	F, S	310-412-5127
* Irwindale	Mr. K. Borhani, Finance Director/City Treasurer	F	626-430-2221
Livingston	Mr. H. Bains, Senior Accountant	F, S	209-394-5550
* Lodi	Ms. M. Munoz, Accounting Manager	F, S	209-333-6700
* Lompoc	Ms. C. Donnelly, Management Services Director	F, S	805-875-8283
* Malibu	Ms. R. Feldman, City Manager	F, S	310-456-2489
* Manhattan Beach	Mr. S. Charelian, Finance Director	F, S	310-802-5553
* Monrovia	Ms. B. Bullis, Director of Administrative Services	F, S	626-932-5510
* Monterey One Water	Mr. F. Marsh, Chief Financial Officer	F, S, U	831-645-4623
Monterey Peninsula Airport District	Mr. M. Wilson, Controller	F, S	831-648-7000x201
* Moorpark	Ms. Y. Cuning, Director of Finance	F, S	805-517-6213
* Newark	Ms. K. Lee, Finance Director	F	510-578-4288
* Oceanside	Ms. J. Moya, Financial Services Director	F, S	760-435-3887
Ontario International Airport	Ms. K. Snow, Finance Manager	F, S	714-415-9636
* Orange	Ms. T. Nguyen, Director of Finance	F, S	714-744-5500
* Orange County Fire Authority	Ms. G. Cheung, Accounting Manager	F, S	714-573-6000
* Orange County Water District	Mr. R. Fick, CFO/Treasurer	F, S, U	714-378-3200
Orchard Dale Water District	Mr. R. Richard, Finance Manager	F, U	562-941-0114
* Palm Desert	Ms. V. Chavez, Finance Director	F, S	760-346-0611
* Pasadena	Ms. A. Trashian, Controller	F	626-744-4000
* Pleasanton	Ms. D. Punzo, Financial Services Manager	F, S	925-931-5402
* Rainbow Municipal Water District	Ms. R. Poole, Accounting Supervisor	F, S, U	760-728-1178
* Rancho Cucamonga	Mr. N. Daniels, Finance Director	F, S	909-989-1851
* Redondo Beach	Ms. W. Collazo, Chief Deputy City Treasurer	F, S	310-372-1171x2428

Client	Contact Person	Services	Phone
* Rialto	Ms. K. Stevens, Deputy Director of Finance	F, S	909-421-7242
* Riverside	Ms. N. Garcia, Controller	F, S, U	951-826-5466
Rolling Hills	Mr. R. Samario, Interim Finance Director	F	310-377-1521
* Rosemead	Mr. B. Chua, Director of Finance	F, S	626-569-2146
* Roseville	Mr. D. Kaufman, Assistant City Manager/CFO	F, S	916-774-5314
* San Bernardino Municipal Water Dept.	Ms. C. Mouser, Director of Finance	F, S, U	909-453-6010
* San Clemente	Mr. J. Rahn, Finance Director	F, S	949-361-8360
* San Joaquin Council of Governments	Ms. G. Orosco, Manager of Finance	F, S	209-235-0454
* San Juan Capistrano	Mr. K. Al-Imam, Chief Financial Officer	F, S	949-443-6301
* San Marino	Mr. M. Siegfried, Controller	F	626-300-0700
* Santa Clarita Valley Water Agency	Ms. A. Aguer, Controller	F, U	661-513-1237
* Santa Monica	Mr. S. Gomez, Financial Operations Manager	F, S	310-458-8281
Shafter	Mr. R. Sanchez, Administrative Services Director	F, S	661-746-5043
Sonoma County Fair & Exposition, Inc.	Mr. M. Margetts, Fair Financial Officer	F	707-573-9342
Sutter County	Mr. N. Black, Auditor-Controller	F, S	530-822-7439
* Three Valleys Water District	Mr. J. Velasquez, Chief Financial Officer	F, U	909-621-5568
* United Water Conservation District	Mr. B. Zahn, Chief Financial Officer	F, S, U	805-695-3870
* Vacaville	Mr. K. Matsumiya, Director of Finance	F, S	707-449-5688
* Vallejo	Ms. F. Cruz, Assistant Director, Finance	F, S	707-648-5542
* West Sacramento	Ms. B. Robertson, Finance Manager	F, S	916-617-4584
* Yolo County	Mr. T. Haynes, Chief Financial Officer	F, S	530-666-8050
* Yorba Linda Water District	Ms. D. Lugo, Finance Manager	F	714-701-3040

Service Codes:

F - Financial Audit

S - Single Audit

I - Internal Audit

C - Consulting

U - Utility Agency

* Participated in the GFOA Award Programs and has received or anticipates receiving outstanding awards

APPENDIX B – ENGAGEMENT TEAM RESUMES



Ryan Domino, CPA

ENGAGEMENT PARTNER

ACHIEVEMENTS

Ryan currently serves as a technical reviewer for the Government Finance Officers Association (GFOA) and has been a presenter for CSMFO's annual conference and various chapter meetings. He has been involved in teaching current audit and accounting-related material at LSL's in-house training seminars and annual GASB Updates.

CONTINUING EDUCATION

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Ryan meets the requirements for Government Auditing Standards in governmental CPE.

EXPERIENCE

Ryan has over 11 years of experience in governmental auditing including financial statement audits, preparation of Annual Comprehensive Financial Reports, Housing Successor compliance audits, TDA compliance audits, Single Audits, Federal Student Financial Aid audits, and various consulting and agreed-upon procedures projects.

Ryan is one of the firm's leaders in ensuring audit quality control and Government Practice training for staff. He is a regular presenter at the firm's annual GASB Update where he has presented training to our clients on the latest GASB pronouncements and has been a presenter for CSMFO's chapter meetings and the annual CSFMO Conference.

Some of his presentations have covered:

- General auditing in accordance with GAGAS
- Accounting for capital assets
- GASB Statement Nos. 89, 90, 91, and 94

MEMBERSHIPS

AICPA, CalCPA, CSMFO, GFOA

EDUCATION

Bachelor of Arts Degree in Business Administration with an emphasis in Accounting – California State University, Fullerton, 2012

LICENSES

Certified Public Accountant:
California
Texas

AUDIT ENGAGEMENTS

City of Agoura Hills
City of Burbank
City of Carlsbad
City of Cathedral City
City of Chino Hills
City of Chula Vista
City of Fullerton
City of Indio
City of Lompoc
City of Monrovia
City of Moorpark
City of Oceanside
City of Orange
City of Palm Desert
City of Pleasanton
City of Rosemead
City of San Juan Capistrano
City of Santa Monica
Ontario International Airport
Orange County Fire Authority
Orange County Water District
Orchard Dale Water District
Rainbow Municipal Water District
San Bernardino Muni. Water Dept.
Three Valleys Muni. Water Dist.
United Water Conservation District
Yorba Linda Water District



Brandon Young, CPA

CONCURRING PARTNER

ACHIEVEMENTS

Brandon is an expert in Governmental Accounting and Auditing, with over 12 years of experience serving a wide range of clients. He was appointed to serve on the prestigious AICPA State and Local Government Expert Panel, with a three-year term beginning in May of 2023, and also has served on the CalCPA Governmental Accounting and Auditing Committee since 2018.

CONTINUING EDUCATION

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Brandon meets the requirements for Government Auditing Standards in governmental CPE.

EXPERIENCE

Brandon has performed all phases of governmental audits with numerous presentations to City Councils, Board of Supervisors, Board of Directors, and Audit Committees over the past twelve years. He routinely presents at CSMFO, local chapter meetings and CalSACA on current accounting and auditing material. He also regularly teaches current audit and accounting-related material at LSL training seminars, webinars, and client education workshops and training events.

His work has entailed:

- The preparation of the ACFR for entities involved in CSMFO and GFOA in the U.S.
- Audit review and technical assistance throughout the year to deliver the most up-to-date information with current GASB pronouncements
- Presentation of audit results to Audit Committees or others charged with governance
- Risk assessment and evaluation of internal controls with COSO and Federal Green Book
- Single Audits in accordance with new Uniform Guidance

Memberships

AICPA, AICPA SLG Expert Panel CalCPA, CalCPA State GAA, CSMFO, GFOA

EDUCATION

Bachelor of Arts Degree in Accounting, Magna Cum Laude – Vanguard University

LICENSE

Certified Public Accountant
California

ENGAGEMENTS

City of Chula Vista
City of Citrus Heights
City of Dixon
City of Lodi
City of Galt
City of Livingston
City of Menlo Park
City of Newark
City of Pasadena
City of Pleasanton
City of Riverside
City of Roseville
City of Santa Monica
City of Shafter
Coachella Valley Water District
County of Placer
County of Nevada
County of Sutter
County of Yolo
East Bay Municipal Utility District
GDPUD
Inland Empire Utilities Agency
Monterey Peninsula Airport District
Orange County Water District
San Joaquin Council of Gov.
Santa Clarita Valley Water Agency
Union Sanitary District



Kelly A. Telford, CPA

CONSULTING PARTNER

LICENSE

Certified Public Accountant:
California
Texas

CONSULTING ENGAGEMENTS

City of Manteca, CA
City of Marfa, TX
City of Moses Lake, WA
City of Rancho Cucamonga, CA
City of Redondo Beach, CA
City of Tustin, CA
City of Winters, CA
County of Hidalgo, TX
County of San Bernardino, CA
Georgetown Divide Public Utilities District, CA
Pomona Valley Transportation Authority, CA
Puente Hills Habitat Preservation Authority, CA
Yolo County Public Agency Risk Management Insurance Auth., CA

AUDIT ENGAGEMENTS

City of Barstow
City of Downey
City of Inglewood
City of Irwindale
City of Lake Elsinore
City of Manhattan Beach
City of Palm Desert
City of Redondo Beach
City of Shafter
Mesa Water District
Ontario International Airport Auth.

ACHIEVEMENTS

Kelly has developed her expertise in accounting and auditing, financial forecasting, budget development, public utilities, investment management, grant management, human resources, and information technology. She has taught classes for GFOA and has presented at annual conferences for CSMFO and GFOA. She is a respected leader in public finance and is known for being a change agent and thought leader in organizational strategy.

CONTINUING EDUCATION

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Kelly meets the requirements for Government Auditing Standards in governmental CPE.

EXPERIENCE

Kelly has over 20 years of experience working both in and with government agencies including counties, cities, successor agencies, special districts, and Native American tribes and tribal casinos. She served as a Director of Finance/City Treasurer for the cities of Seal Beach and Costa Mesa and has served as the Director of Financial Management for the Los Angeles County Community Development Agency. She has also been an auditor and consultant for 14 years specializing in the audits of government agencies.

Her work has entailed:

- Implementation of month-end and year-end close procedures, and preparation of the ACFR submissions for the GFOA award
- Implementation of new ERP systems, including PeopleSoft, Incode and QuickBooks.
- Audit review and technical assistance to deliver the most up-to-date information with current GASB pronouncements
- Presentations to City Councils, Board of Supervisors, Boards of Directors, and Audit Committees
- Technical reviewer for the Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting and the Distinguished Budget Presentation Award Program
- Serves on the CSMFO Professional Standards Committee

MEMBERSHIPS

AICPA, CalCPA, CSMFO, GFOA, TML (Texas Municipal League), GFOA-T (GFOA of Texas)

EDUCATION

Bachelor of Arts, Accounting – California State University, Fullerton



Frank North, CPA

SENIOR MANAGER

ACHIEVEMENTS

Frank currently serves as a technical reviewer for the Government Finance Officers Association (GFOA). He has earned the Advanced Single Audit Certification issued by the AICPA for planning, performing, and evaluating Single Audits in compliance with the Uniform Guidance.

CONTINUING EDUCATION

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Frank meets the requirements for Government Auditing Standards in governmental CPE.

EXPERIENCE

With 30 years of experience in governmental audits, Frank has established himself as an outstanding asset and resource at LSL. He has demonstrated his talents in the areas of municipal accounting and auditing. During his time with the firm, Frank has performed all phases of our municipal audits, including ACFR audits, successor agency audits, component units, municipal utilities, and single audits. He has been involved in the following municipal engagements.

His work entailed the preparation of the Comprehensive Annual Financial Report for those entities involved in the award programs of the California Society of Municipal Finance Officers and the Government Finance Officers Association of the United States and Canada.

MEMBERSHIPS

AICPA, CalCPA, GFOA

EDUCATION

Bachelor of Arts Degree in Business Administration, emphasis in Accounting – California State University, Fullerton

LICENSE

Certified Public Accountant:
California

ENGAGEMENTS

City of Barstow
City of Big Bear Lake
City of Canyon Lake
City of Chino Hills
City of Downey
City of Grand Terrace
City of Inglewood
City of Irwindale
City of Malibu
City of Manhattan Beach
City of Rancho Cucamonga
City of Redondo Beach
City of Riverside
City of Rialto
City of San Marino
Eastern Municipal Water District



Samantha Asbra, MSA

AUDIT SUPERVISOR

ACHIEVEMENTS

AICPA Intermediate Single Audit Certificate

CONTINUING EDUCATION

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Samantha meets the requirements for Government Auditing Standards in governmental CPE.

EXPERIENCE

During her time with the firm, Samantha has progressed in an outstanding manner. She has performed all phases of our government audits, including water districts, other special districts, ACFR audits, successor agency audits and Single Audits.

Her work has entailed:

- Assisting in the preparation of the Annual Comprehensive Financial Report (ACFR)
- Performing analytical and substantive audit procedures on account balances
- Planning the nature, timing and extent of procedures involved in the audit process
- Assisting clients with the preparation and review of GASB 68, 75, and 84 journal entries
- Review of capital asset, debt service, federal and state award schedules

EDUCATION

Master of Science Degree in Accountancy –
Saint Mary's College of California

Bachelor of Science in Business Administration, Accounting –
Drexel University

ENGAGEMENTS

City of Dixon
City of Livingston
City of Lodi
City of Menlo Park
City of Newark
City of Pleasanton
City of Roseville
City of Vacaville
City of Vallejo
City of Woodland
County of Sutter
County of Yolo
Covered California
Georgetown Divide Public Utility Dist.
Monterey One Water
Monterey Peninsula Airport District
San Joaquin Council of Governments
Union Sanitary District



Chloe Zabrek

SENIOR AUDITOR

ACHIEVEMENTS

Chloe is a skilled and dedicated senior auditor with a comprehensive understanding of all audit procedures and the ability to identify and resolve complex issues. As an experienced auditor, Chloe plays a crucial role in ensuring accuracy and compliance with both regulatory and professional standards, while focusing on the quality and effectiveness of the audit engagement.

CONTINUING EDUCATION

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Chloe meets the requirements for Government Auditing Standards in governmental CPE.

EXPERIENCE

With 3 years of experience in governmental auditing, Chloe has honed her expertise in all phases of government audits, including ACFR audits, housing authority audits, Transportation Development Act audits, Air Pollution Districts, State department audit, and Single Audits.

Her work has entailed:

- Assisting in the preparation of the Annual Comprehensive Financial Report (ACFR)
- Performing analytical and substantive audit procedures on account balances
- Planning the nature, timing and extent of procedures involved in the audit process
- Assisting clients with the preparation and review of GASB 68, 75, 87, and 96 journal entries
- Review of capital asset, debt service, federal and state award schedules

EDUCATION

Bachelor of Arts in Business Administration, Accounting –
Seattle University

Master of Professional Accountancy –
University of California, Davis

LICENSE

CPA: *In-Progress*

ENGAGEMENTS

California Housing Finance Agency
City of Benicia
City of Porterville
City of Redding
City of Roseville
County of Butte
County of Calaveras
County of El Dorado
County of Glenn
County of Humboldt
County of Kern
County of Lake
County of Mendocino
County of Monterey
County of Placer
County of San Bernadino
County of San Joaquin
County of San Luis Obispo
County of Shasta
County of Stanislaus
County of Tehama
County of Trinity
County of Yuba
Eastern Sierra Transit Authority
Sacramento Law Library

AGENDA ITEM: I-3
DATE: April 17, 2024

TO: Board of Directors
FROM: Michael La Pier, Executive Director
Scott E. Huber, District Counsel
SUBJ: Resolution No. 1869, A Resolution Ordering an Election, Requesting the Monterey County Elections Department to Conduct the Election, Requesting Consolidation of the Election and Stating the Determination of the Board of Directors of the Monterey Peninsula Airport District with Respect to Candidates' Statements of Qualifications

BACKGROUND. The Board may consider the adoption of Resolution No. 1869 to call for the election of Directors for the Monterey Peninsula Airport District.

DISCUSSION. Pursuant to California Elections Code section 1002, et seq., the Board must timely call for the election of Directors. The elections have traditionally been consolidated with the presidential and/or congressional election in November of even numbered years. Consolidation is the most cost-effective method of electing Directors to the Board of the Monterey Peninsula Airport District.

During this cycle, there are three (3) Director positions whose terms will expire at the end of 2024. As a result of the transition to by-division elections and the redistricting following the release of the Census, the divisions up for election will be Divisions 1, 2, and 3. Qualified candidates for election from each district must be residents of the district in which they run for election. By passage of the resolution, the Board will call for the election of three Director positions, one Director from each division.

BUDGET EFFECT. The estimated cost of the election is \$150,000, which will be placed in the Fiscal Year 2025 annual budget.

RECOMMENDATION. Adoption of Resolution No. 1869, A Resolution Ordering an Election, Requesting the Monterey County Elections Department to Conduct the Election, Requesting Consolidation of the Election and Stating the Determination of the Board of Directors of the Monterey Peninsula Airport District with Respect to Candidates' Statements of Qualifications.

ATTACHMENTS.

Resolution No. 1869

RESOLUTION NO. 1869

A RESOLUTION ORDERING AN ELECTION, REQUESTING THE MONTEREY COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION, REQUESTING CONSOLIDATION OF THE ELECTION AND STATING THE DETERMINATION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT WITH RESPECT TO CANDIDATES' STATEMENTS OF QUALIFICATIONS

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any district may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the district relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the district shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the district shall reimburse the county in full for the services performed upon presentation of a bill to the district; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district for any office to be filled is to be consolidated with a statewide election, and the office to be filled is to appear on the same ballot as that provided for the statewide election, the district shall, at least 88 days prior to the date of the election, file with the Board of Supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, pursuant to Elections Code section 13307, whenever an election called by a district has offices to be filled, it is required to fix and determine the number of words that a candidate may submit on the candidate's statement to be either 200 or 400 words and to determine if the candidate and/or the political subdivision will pay the cost of the statement; and

WHEREAS, Elections Code section 15651 requires the district to determine the means and manner in which a tie vote is to be resolved in the event that two or more persons receive an equal number of votes and the highest number of votes ("tie votes") for an office to be voted upon; and

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the resolution calling the election; and

WHEREAS, various city, district, county, state and other political subdivision elections may be or have been called to be held on November 5, 2024; and

WHEREAS, there will be a total of three four-year offices on the Board of Directors of this District, to be filled at said election, said offices now filled by the following Board Members:

LisAnne Sawhney	four-year term expiring 2024
John Gaglioti	four-year term expiring 2024
Mary Ann Leffel	four-year term expiring 2024

NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT the Board of Directors of the Monterey Peninsula Airport District hereby orders that an election be called and consolidated with any and all elections also called to be held on November 5, 2024 insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the Monterey Peninsula Airport District and requests that the Board of Supervisors of the County of Monterey order such consolidation under Elections Code Sections 10401 and 10403; and

BE IT FURTHER RESOLVED AND ORDERED THAT said governing body requests the Board of Supervisors to permit the Monterey County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services; and

BE IT FURTHER RESOLVED AND ORDERED THAT the Monterey County Elections Department conduct the election for the purpose of electing three Members to this Governing Board on the November 5, 2024 ballot:

<u>POSITION</u>	<u>SEATS OPEN</u>	<u>OFFICE</u>	<u>TERM</u>
Board Division One	One	Board of Directors	Four Years
Board Division Two	One	Board of Directors	Four Years
Board Division Three	One	Board of Directors	Four Years

BE IT FURTHER RESOLVED AND ORDERED THAT pursuant to Elections Code section 13307 the Monterey Peninsula Airport District has resolved that all costs of the Candidate's statement be paid by the candidate and that no candidate may submit a statement of over 200 words; and

BE IT FURTHER RESOLVED AND ORDERED THAT pursuant to Elections Code section 10551, a tie vote shall be resolved by lot.

BE IT FURTHER RESOLVED AND ORDERED THAT tie votes shall be determined by the governing body.

BE IT FURTHER RESOLVED AND ORDERED THAT the District Secretary is authorized and directed to prepare, sign, and submit or file any and all maps, forms, notices of election or other documents that may be required in connection with the conduct of this election by the Monterey County Elections Department and the county elections official.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 17th day of April 2024, by the following roll call vote:

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

Signed this 17th day of April 2024

Mary Ann Leffel, Chair

A T T E S T

Michael La Pier, AAE
District Secretary

AGENDA ITEM: J
DATE: April 17, 2024

TO: Michael La Pier, Executive Director, Monterey Regional Airport
FROM: Department Heads
SUBJECT: Monthly Department Reports

FINANCE AND ADMINISTRATION.

[Terminal Comment Card Log by Administration](#)
[Financial Summary by Mark Wilson, Controller](#)

FIRE.

[Monthly Fire Report by Monterey Fire Department](#)

OPERATIONS.

[Operations Report by Whitney Robare, Deputy Executive Director Operations and Maintenance](#)

PLANNING AND DEVELOPMENT.

[Planning and Environmental Monthly Project Report by Chris Morello, Deputy Executive Director](#)

POLICE.

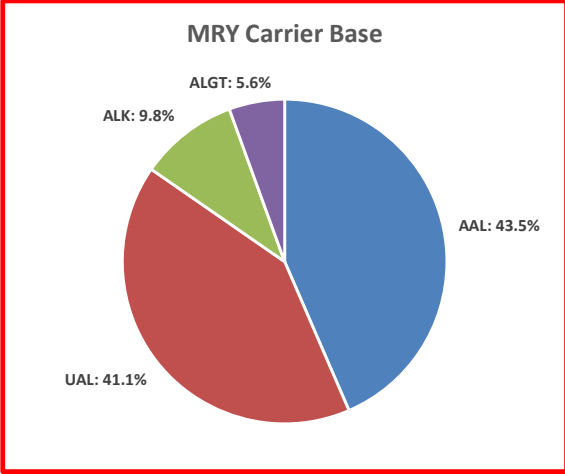
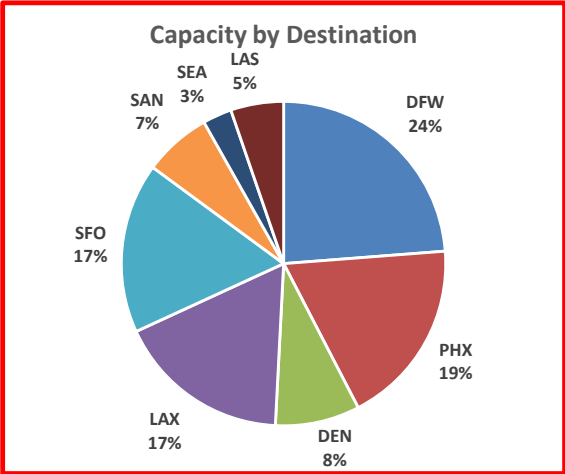
[Police Activity Report by Del Rey Oaks Police Department](#)

RATING	DATE OF VISIT	TIME OF VISIT	PURPOSE	FLIGHT	AIRLINE	COMMENT	CITY	STATE
EXCELLENT	3/2/2024	-	Departing	-	United	On March 2 I flew to LAX to connect to IAH followed by a 1.5 hour drive home. 4 days earlier I had fallen and broken my knee and was dreading the whole ordeal. But let me brag on the employees in your airport!! EVERY. SINGLE. PERSON that I came in contact with was just amazing. You know, TSA employees don't have a good reputation, but yours were the best I've ever seen in the country. They bent over backwards to make sure I was safe and as comfortable as I could be. So kind and caring! The lady at the gate coordinating my wheelchair travel asked questions we didn't know to ask- and set up details that made it so much easier. Door to door service! And my "handler" was great too. So friendly and concerned, and patient. Being careful and warning me about upcoming bumps! Cheers and many thanks to you!	Silsbee	TX
EXCELLENT	3/18/2024	6:00 AM	Departing	6277	American	We are so grateful to your staff person, Sergio, who seemed to be in three places at once doing multiple jobs and all the while remaining calm and professional through some very stressful situations, such as trying to get us seated on the plane. Please give this man a huge gold star - or better yet a raise or promotion!	Ben Lomond	CA

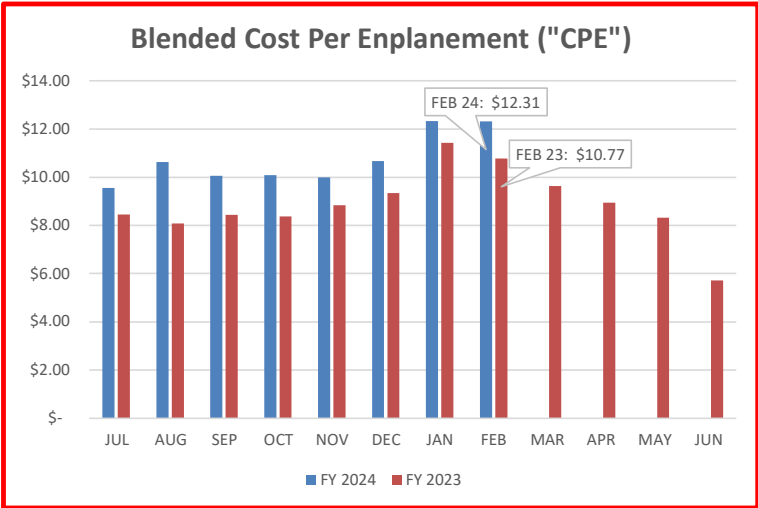
TO: Michael La Pier, Executive Director, Monterey Regional Airport
FROM: Mark Wilson, Controller
SUBJECT: Discussion and Analysis of the February 29, 2024 Financial Statements

KEY OPERATING STATISTICS. February enplanements were 17,582 (vs. 18,373 budgeted), up 11.3% from the 15,790 in the same period in 2023. February commercial airline landings were more than budgeted (302 actual vs. 287 budgeted). Total Passengers for the month of February were 34,943, up 12% from 31,203 in the same period in 2023. Total aircraft operations for February were 3,849, up from 3,687 in the same period in 2023, and Vehicle exit counts in the parking lots were 8,505, down 6.0% from the 9,048 exit counts in February of 2023.

In February 2024, American Airlines accounted for approximately 43.5% of the passenger enplanements. Monterey Regional Airport's enplaning passenger carrying capacity for February was 24,669 Seats, with an overall Passenger Load Factor of 71.3%.



In February, the Airport's blended CPE was \$12.31, compared to \$10.77 in the same period in 2023. The \$1.54 increase reflects the impact of the increased Rates & Charges implemented in FY24 (\$2.33) and partially offset by the favorable impact of increased enplanements.



LIQUIDITY AND CAPITAL RESOURCES. As of February 29, 2024 the Airport had unrestricted cash and investments of \$17.515M.

In 2022, the Airport received an FAA Grant Award of \$9.483M for the new ARFF building. In September 2023, the Airport received a \$23,053,049 Grant towards the \$43 Million Commercial Apron Project, and was awarded a \$3.0M Grant for Terminal design under the competitive BIL/ATP process. We are waiting on approval of the \$3,322,281 Grant for remaining Terminal Design costs under the BIL Entitlement program. In October 2023, the Airport was awarded a \$750,000 Grant from USDOT under the Small Community Air Service Development Program for a goal of non-stop service to Chicago.

As of February 29, 2024 the Airport had Restricted PFC cash and investments of \$1.599M and Restricted CFC cash and investments of \$1.376M.

The Current Ratio of unrestricted current assets to current liabilities is a very healthy 21.3X. This compares favorably to an overall Airport Industry Benchmark* of 5.39X. Days Cash on Hand (based on FY 24 Budgeted Operating Expenses), was 643, which is in line with the overall Airport Industry Benchmark* of 640 Days.

OPERATING INCOME. The Airport's higher than budgeted revenues and higher than budgeted operating expenses in February resulted in an operating income of \$103.2K, which is an unfavorable variance of \$5.5K to February's budgeted operating income of \$108.7K.

OPERATING INCOME				
	February 2024 ACTUAL	February 2024 BUDGET	VARIANCE Favorable (Unfavorable)	
			\$	%
Operating Revenues	\$ 1,003,583	\$ 947,878	\$ 55,706	6%
Operating Expenses	(900,337)	(839,137)	(61,200)	-7%
Operating Income	<u>\$ 103,247</u>	<u>\$ 108,741</u>	<u>\$ (5,494)</u>	<u>-5%</u>

REVENUES. February 2024 combined Operating Revenues were \$1,004K, which was \$55.7K/(6%) higher than budget (\$948K). This favorable variance was primarily due to higher Terminal Revenues and Interest Income, partially offset by lower General Aviation.

	February 2024 ACTUAL	February 2024 BUDGET	VARIANCE Favorable (Unfavorable)	
			\$	%
Terminal Revenues	\$ 551,625	\$ 518,778	\$ 32,847	6%
General Aviation	150,857	185,352	(34,495)	-19%
Non-Aviation	181,572	179,839	1,733	1%
Other Operating	38,183	27,869	10,314	37%
Interest Income	81,347	36,040	45,307	126%
Total Operating Revenues	<u>\$ 1,003,583</u>	<u>\$ 947,878</u>	<u>\$ 55,706</u>	<u>6%</u>

* Source: Merritt Research Services Benchmark Central - Airport Medians for 2022.

Terminal Revenues:

Commercial Aviation fees (\$102.7K) for February were lower than budget (\$106.4K) due primarily to lower American landing (\$14.K), Apron fees (\$3.3K) and fuel flowage fees (\$4.K), partially offset by higher United landing (\$13.4K), RON (\$3.4K) and Apron fees (\$3.2K). DMA reported fuel sales of 156,514 gallons to the airlines for the month (41% to American, 31% to United, 12% to Alaska, 1% to Allegiant).

Terminal Rents (\$169.8K) for February were materially on budget (\$166.3K).

TNC Permits, Trip Fees & Peer-to-Peer Rentals (\$20.4K) for February were higher than the budget (\$18.2K) by \$2.3K/13%. This favorable variance was primarily due to higher than budgeted TNC Trip Fees (\$3.6K).

Terminal Concessions (\$22.4K) for February were materially on budget (\$22.2K) with a favorable variance from Woody's (\$1.2K) and an unfavorable variance from Gifts & More (\$0.9K).

Rental Car Concessions (\$123.8K) for February were higher than the budget (\$112.4K) by \$11.4K/10%. This favorable variance was due primarily to higher than budgeted revenue from National, Hertz, Enterprise and GO Rentals, partially offset by lower than budgeted rental car activity for Avis/Budget.

Parking Concession (\$112.4K) for February was higher than the budget (\$93.2K) by \$19.2K/21%. Parking Concession revenues for February were budgeted at 9,048 parked cars with an average of \$10.30 net to MPAD. In February, the number of parked cars was less than budgeted at 8,505 but with an average of \$13.22 net to MPAD per car, resulting in a favorable variance.

General Aviation Revenues:

Heavy General Aviation revenues, including landing fees (\$118.1K) for February were lower than budget (\$139.4K) due primarily to lower landing fees (\$10.6K) and the timing of Special Event Fees (\$7.5K). MJC and DMA reported fuel sales of 100,416 and 122,224 gallons of Jet A, respectively, for the month. MJC and DMA reported 241 and 259 revenue landings, respectively, for the month.

Light General Aviation revenues (\$32.7K) for February were lower than budget (\$45.9K) due primarily to budgeted rent for the Northeast corporate hangar which was not leased in February (\$12.5K).

Non-Aviation Revenues:

Non-Aviation revenues (\$181.6K) for February were materially on budget (\$179.8K).

Other Operating Revenues:

Other Operating revenues (\$38.2K) for February were higher than budget (\$27.9K) due primarily to higher than budgeted Business License Fees (\$10.5K).

Interest Income:

Interest Income (\$81.3K) for February exceeded budget (\$36.0K) due to higher than budgeted interest income earned on T-Bills.

EXPENSES. Total operating expenses of (\$900.3K) for February were higher than the budget (\$839.1K) by \$61K/7%. Unfavorable variances include the unbudgeted increase in Property Liability Insurance (\$53.9K). Other significant unfavorable variances occurred in Outside Services and Utilities; detailed analyses follow:

OPERATING EXPENSES - BY MAJOR CATEGORY TYPE

	February 2024 ACTUAL	February 2024 BUDGET	VARIANCE Favorable (Unfavorable)	
			\$	%
Salaries & Taxes	\$ 222,424	\$ 222,775	\$ 351	0%
Employee Benefits	105,863	111,157	5,293	5%
Recruitment & Training	10,602	11,490	888	8%
Business Expenses	84,362	35,731	(48,631)	-136%
Supplies & Materials	9,178	11,375	2,197	19%
Repairs & Maintenance	64,703	38,914	(25,789)	-66%
Outside Services	268,229	269,161	932	0%
Professional Services	29,180	38,889	9,709	25%
Marketing, PR	40,323	48,550	8,227	17%
Utilities	48,650	33,262	(15,388)	-46%
Interest Expense	16,821	17,833	1,011	6%
Total Operating Expenses	\$ 900,337	\$ 839,137	\$ (61,200)	-7%

OPERATING EXPENSES - BY DEPARTMENT

	February 2024 ACTUAL	February 2024 BUDGET	VARIANCE Favorable (Unfavorable)	
			\$	%
Admin & Finance	\$ 243,095	\$ 175,773	\$ (67,322)	-38%
Planning & Marketing	82,588	114,969	32,382	28%
Maintenance	147,805	146,147	(1,658)	-1%
Operations	66,221	71,822	5,601	8%
Police	123,326	116,205	(7,121)	-6%
Fire	179,199	171,892	(7,307)	-4%
Board of Directors	16,811	18,590	1,779	10%
Rental Properties	24,471	5,905	(18,566)	-314%
Interest Expense	16,821	17,833	1,011	6%
Total Operating Expenses	\$ 900,337	\$ 839,137	\$ (61,200)	-7%

Salary & Taxes Expenses (\$222.4K) for February were materially on budget (\$222.8K).

Employee Benefit Expenses (\$105.9K) for February were lower than the budget (\$111.2K) by \$5.3K/4.8%. This favorable variance was primarily due to lower CalPERS Health Insurance (\$2.5K) and lower CalPERS Retirement (\$1.6K) due to non-elected benefits and unfilled positions.

Personnel Recruitment, Training & Pre-Employment and Related Expenses (\$10.6K) for February were materially on Budget (\$11.5K).

Business Expenses (\$84.4K) were higher than Budget (\$35.7K) by \$48.6K/136%. This unfavorable variance was primarily due to higher than budgeted Property Liability Insurance (\$53.9K) which was renewed on November 1st. We are transitioning to the PRISM program for Property Liability Insurance at an annual cost of \$213.8K effective 3/31/2024.

Supplies & Materials expenses (\$9.2K) for February were lower than Budget (\$11.4K) by \$2.2K/19%. This favorable variance was primarily due to lower than budgeted Custodial Supplies & Materials (\$4.2K).

Repair & Maintenance expenses (\$64.7K) for February were higher than Budget (\$38.9K) by \$25.8K/66% due primarily to higher District Vehicle R&M (\$3.4K), Terminal Space R&M (\$4.3K) and 2801 MSH R&M (\$15.0K).

Outside Services expenses (\$268.2K) for February were materially on Budget (\$269.2K).

Professional Service expenses (\$29.2K) for February were lower than Budget (\$38.9K) by \$9.7K/25% due primarily to lower than budgeted Environmental & HR (\$4.4K) and (\$4.3K), respectively.

Marketing and Public Relations expenses (\$40.3K) for February were lower than Budget (\$48.6K) by \$8.2K/17%. This favorable variance was primarily due to the timing of payments for sponsorships (\$22.1K), partially offset by higher Air Service Development (\$18.6K).

Utilities expenses, combined (\$48.7K) for February were higher than Budget (\$33.3K) by \$15.4K/46% due primarily to higher than budgeted water expense (\$2.9K), electricity (\$3.5K) and natural gas (\$6.2K).

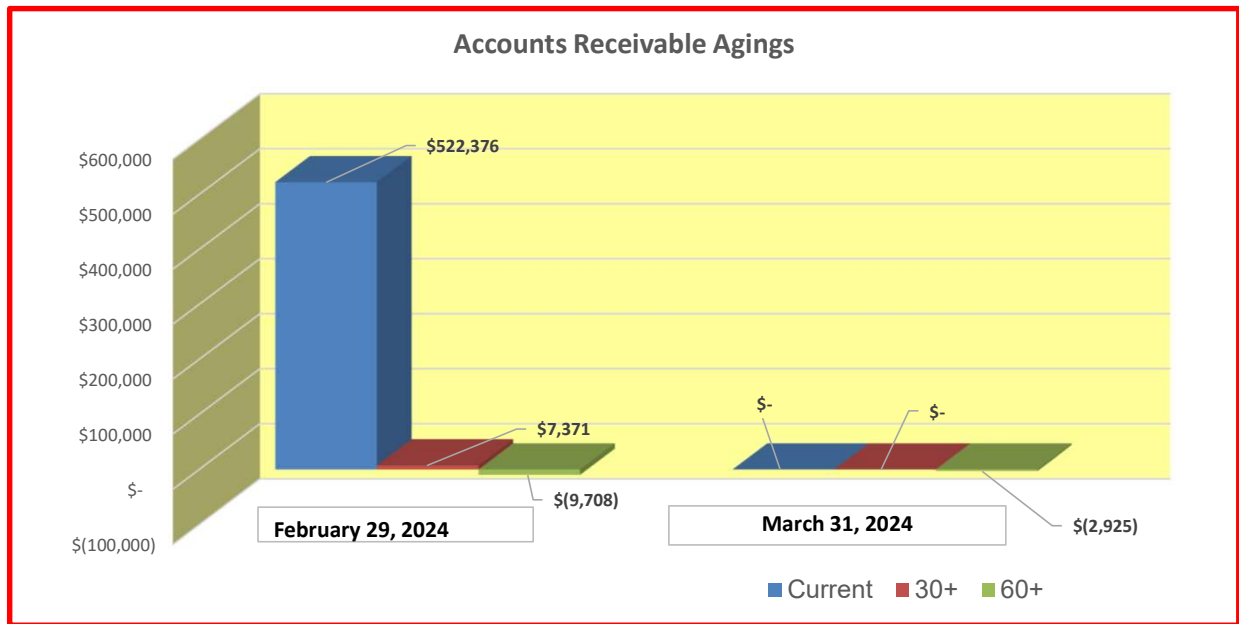
Interest expense (\$16.8K) for February was materially on budget (\$17.8K).

SELECTED BALANCE SHEET ANALYSES:

ACCOUNTS RECEIVABLE. The accounts receivable balance on February 29, 2024 was \$520.K. This balance is \$52.70K or 9% lower than the January 31, 2024 balance (\$572.8K), and \$7.6K/1% higher than the \$512.5K balance on February 28, 2023. The accounts receivable balance over 60 days old on February 29, 2024, was -\$9.7K.

Chart 2 below graphically presents the aging of accounts receivable (1) as of February 29, 2024 and (2) prior to the next billing cycle (March 31, 2024).

Chart 2



Total accounts receivable of \$520.K as of February 29, 2024 was comprised of \$130.1K/(25.0%) from Commercial Airlines, \$76.7K/(14.7%) from Rental Car companies, \$75.5K/(14.5%) from FBOs, \$105.2K/(20.2%) from Parking, \$29.4K/(5.6%) from the Monterey Hi-Way Self Storage, \$28.7K/(5.5%) from TNCs and Taxis, \$14.K/(2.7%) from Woody's and \$60.4K/(11.6%) from all other customer accounts.

The District carries a \$10K allowance for doubtful accounts. Prepaid accounts receivable as of February 29, 2024 of \$56.5K have been reclassified to deferred revenue.

Chart 3 below graphically presents the composition of accounts receivable by major customer/concessionaire/tenant.

Chart 3

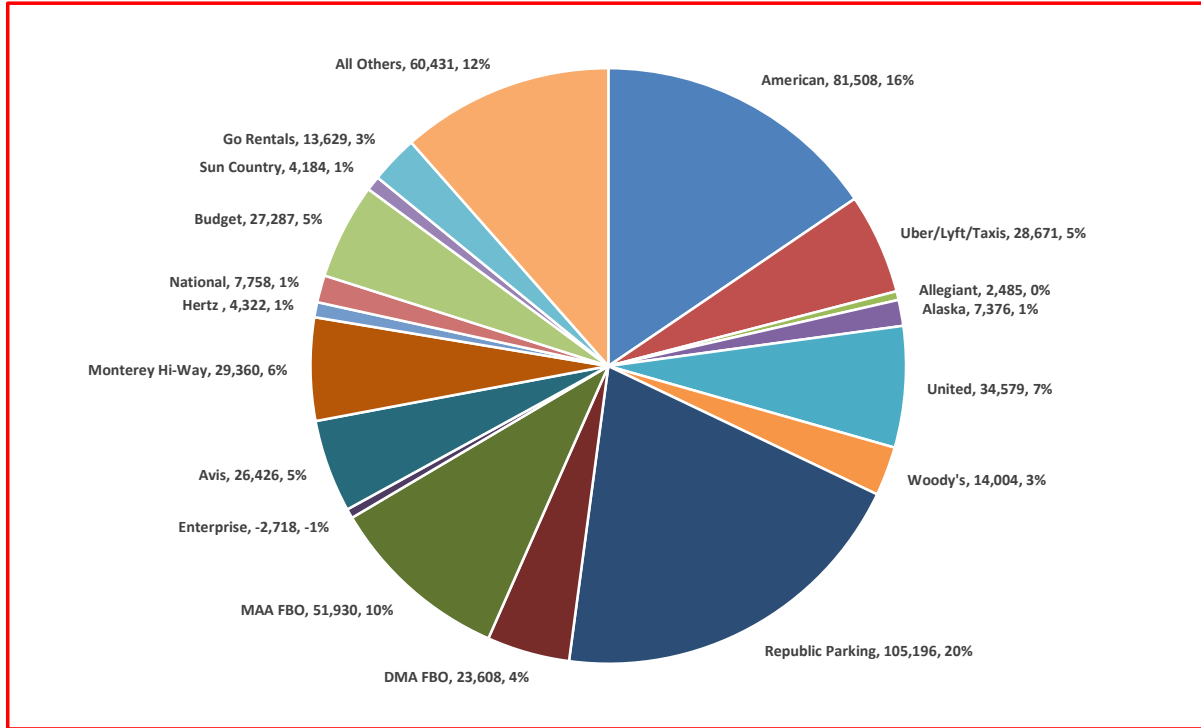
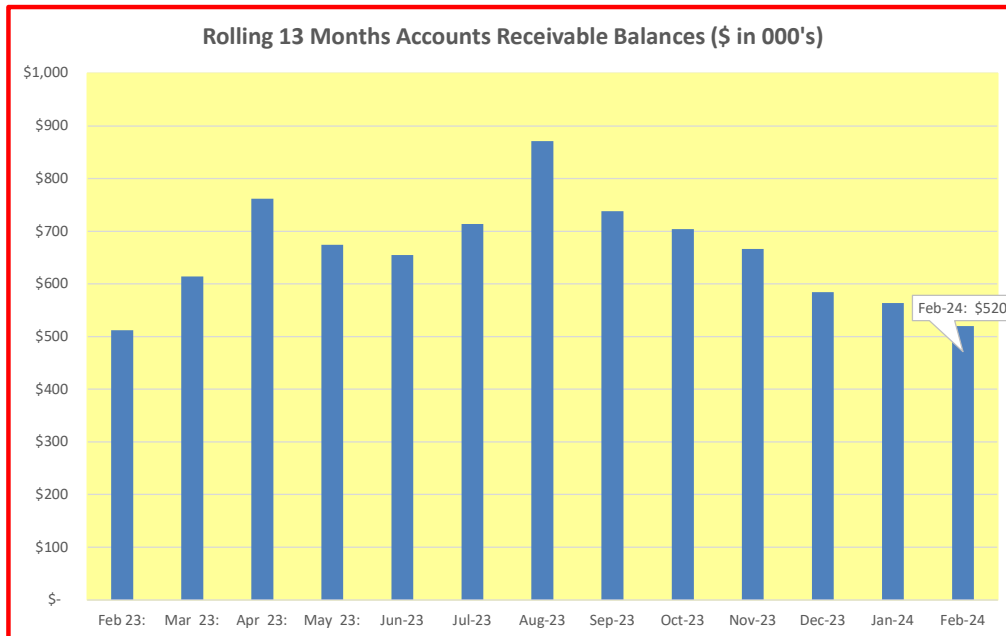


Chart 4 below depicts the total accounts receivable balances for the 13 months from February 2023 to February 2024.

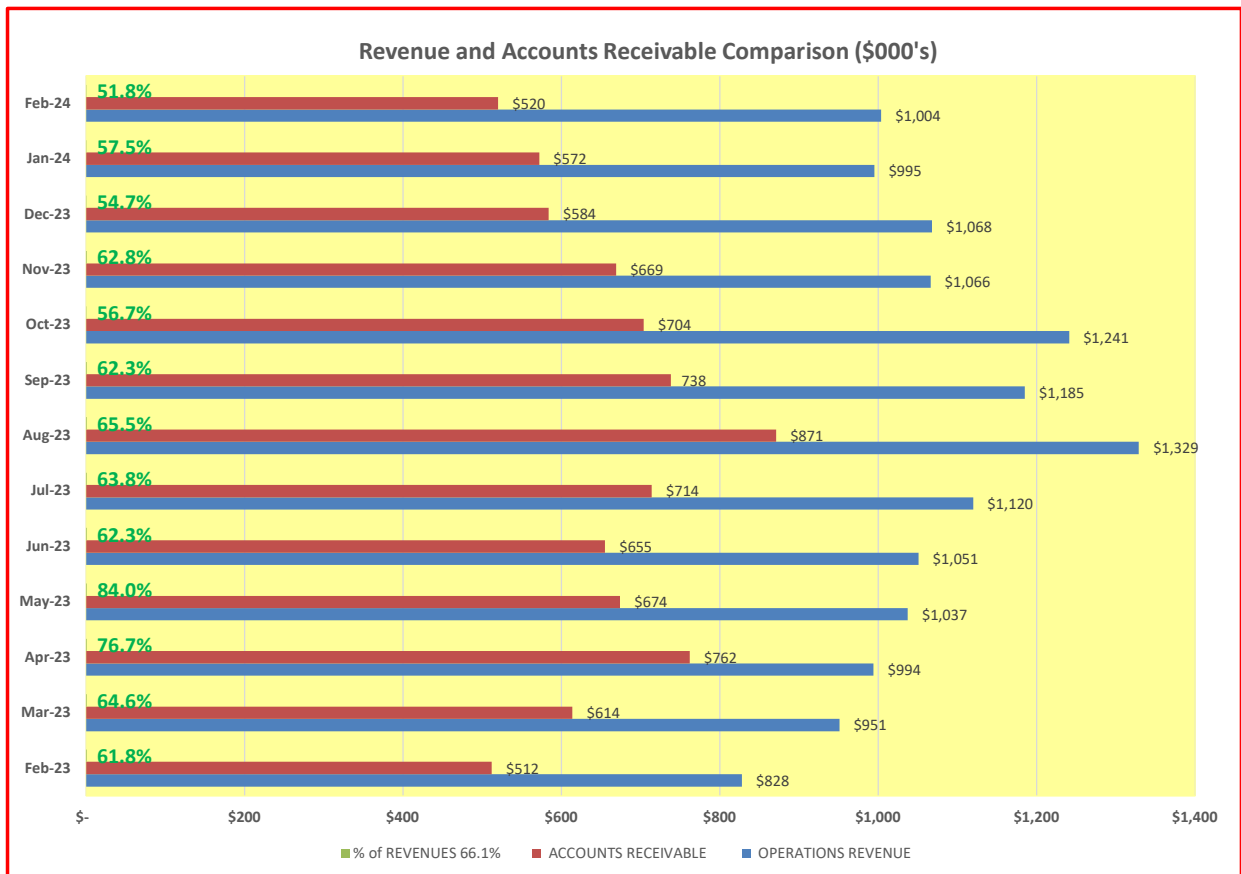
Chart 4



The balance of accounts receivable at month-end aligns with operating revenues in that month. On February 29, 2024, accounts receivable is 51.8% of revenues and the rolling thirteen-month average is 63.4%.

Chart 5 below graphically presents the monthly comparison of accounts receivable to operating revenues.

Chart 5

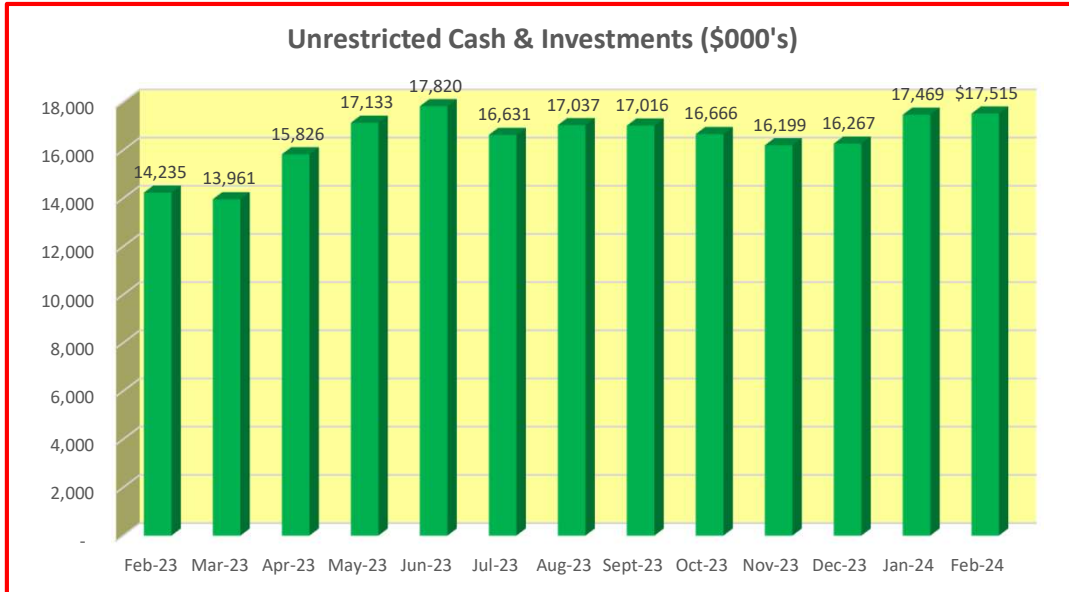


UNRESTRICTED CASH AND INVESTMENTS. The unrestricted cash and investments balance on February 29, 2024, was \$17.515M and the unrestricted cash and investments balance on January 31, 2024 was \$17.469M, an increase of \$.046M.

The increase in unrestricted cash and investments was primarily due to: (1) cash provided by Capital and Related Financing Activities of \$2,175K and cash provided by Investing Activities of \$333K partially offset by (2) cash used by Operating Activities of \$2,219K (see Statement of Cash Flows on Page 17 for more details).

Chart 6 graphically presents the monthly balances of unrestricted cash and investments.

Chart 6



SELECTED OPERATING STATISTICS:

ENPLANEMENTS AND LOAD FACTORS. The table below presents simple load factors for fiscal years 2018 to 2024. Load factors indicate the customer utilization of available airline seat capacity which generally correlates to customer use of TCP, Taxi and TNC services, parking, and other support services. Simple load factors do not include non-revenue enplanements. Historically, annual load factors range from approximately 70% to 77%; FY21 load factors reflect the impact of COVID-19. Commercial Airline aircraft types have a direct impact on capacity and potential changes in enplanements. As the mix of aircraft and destinations change, the goal is to have load factors sustained or increased, which indicates that customers are willing to use the services offered by the Airlines.

Fiscal Year	February 29, 2024				FYTD			
	Load Factors	Enplanements	Available Seats	Flights	Load Factors	Enplanements	Available Seats	Flights
2024	71.3%	17,582	24,669	302	75.4%	176,786	234,341	2,821
2023	71.1%	15,856	22,298	271	75.9%	152,871	201,493	2,843
2022	69.4%	14,721	21,200	328	73.1%	149,846	205,095	3,017
2021	35.6%	5,052	14,188	192	42.6%	47,795	112,182	1,537
2020	70.8%	16,222	22,924	352	74.7%	157,305	210,700	3,201
2019	68.6%	15,242	22,224	336	68.5%	126,378	184,615	2,786
2018	79.0%	13,758	17,406	276	77.2%	126,419	163,762	2,572

Airline/destination specific simple load factors for February 2024 were American/DFW 69.5%, American/PHX 67.3%, United/DEN 84.0%, United/LAX 74.5%, United/SFO 62.2% Alaska/SAN 74.3%, Alaska/SEA 78.8%, and Allegiant/LAS 78.3%.

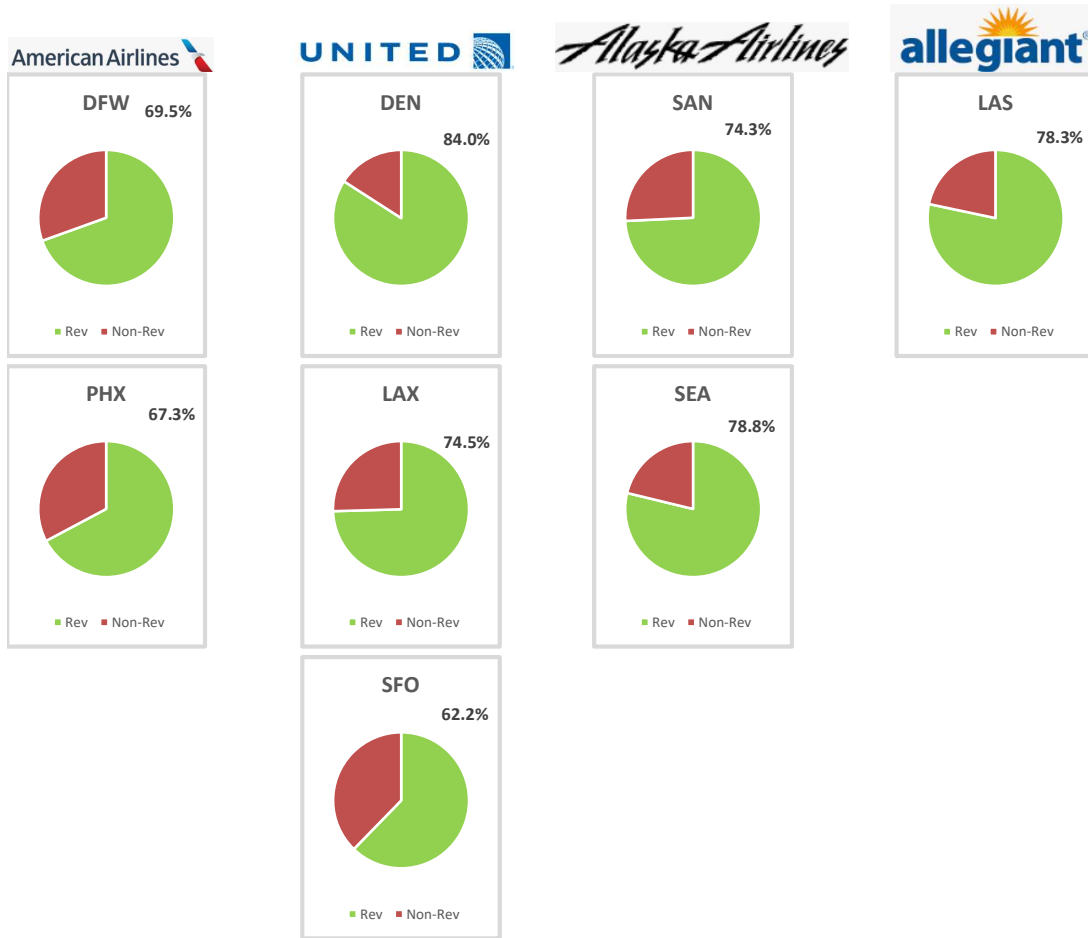
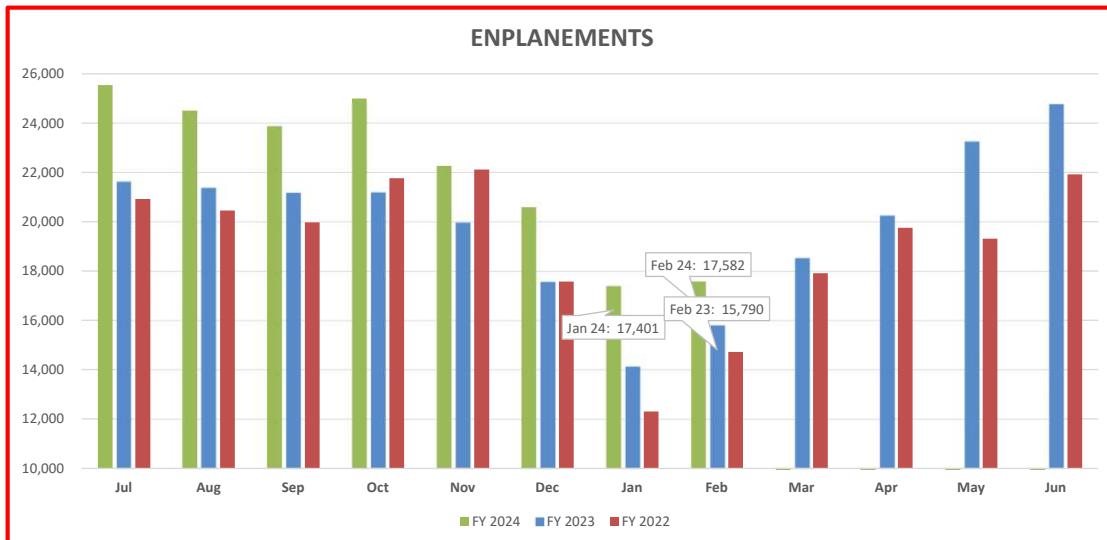


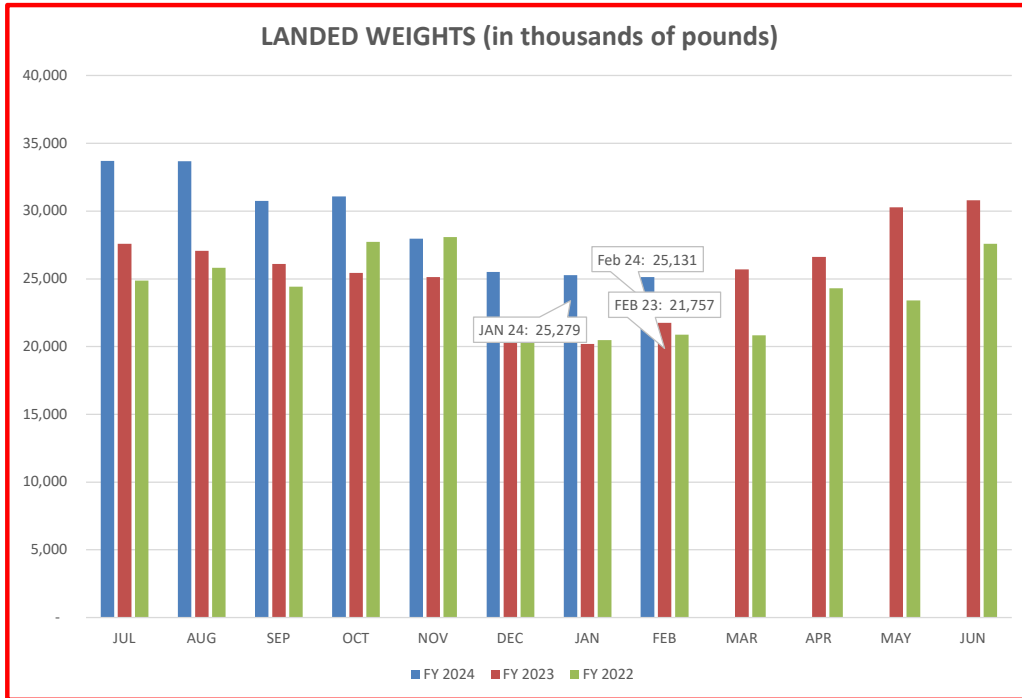
Chart 7 below presents a comparison of monthly enplanements for FY 2024 to all FY 2023 and FY 2022 enplanements (which reflect the seasonality of the Airport's business cycle). When comparing enplanements for February 2024 (17,582) and January 2024 (17,401), enplanements increase by 181, relatively flat month over month. When comparing February 2024 to February 2023, enplanements increased by 1,792/11.3%: (17,582) vs. (15,790).



LANDED WEIGHTS. Chart 8 compares the Airport's landed weights for FY 2024 to FY 2023. We anticipate landed weights for FY 2024 to increase as American continues up-gauging with heavier aircraft (the Mainline A319 has a MGLW of 137,788 pounds, as compared to a MGLW of 74,957 pounds for the Regional Embraer 175).

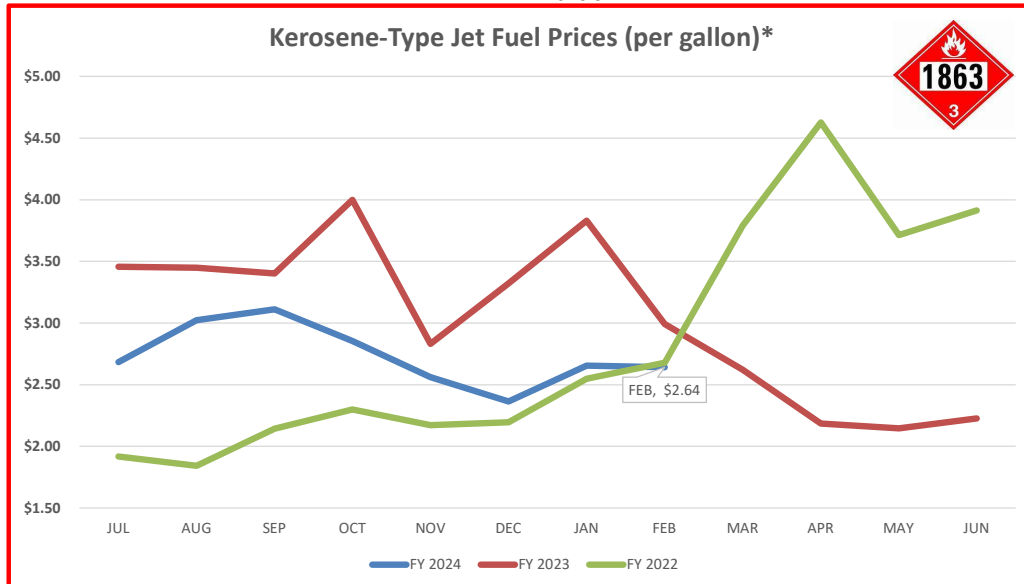
Total landed weights for February 2024 were 25,131K pounds, an increase of 3,374K pounds over the 21,757K pounds landed in the comparable period in 2023, and a decrease of 148K pounds over the 25,279K pounds landed in January 2024, due primarily to the anticipated reduction in seasonal demand and reduction of flights (302 in February vs. 305 in January).

Chart 8



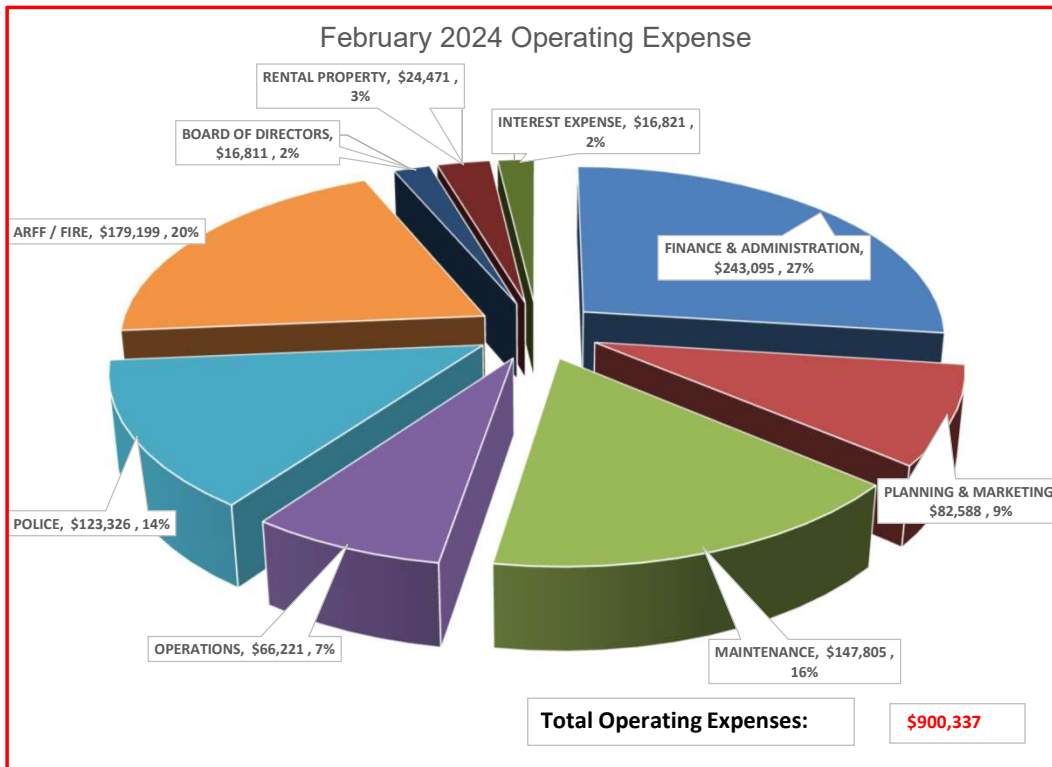
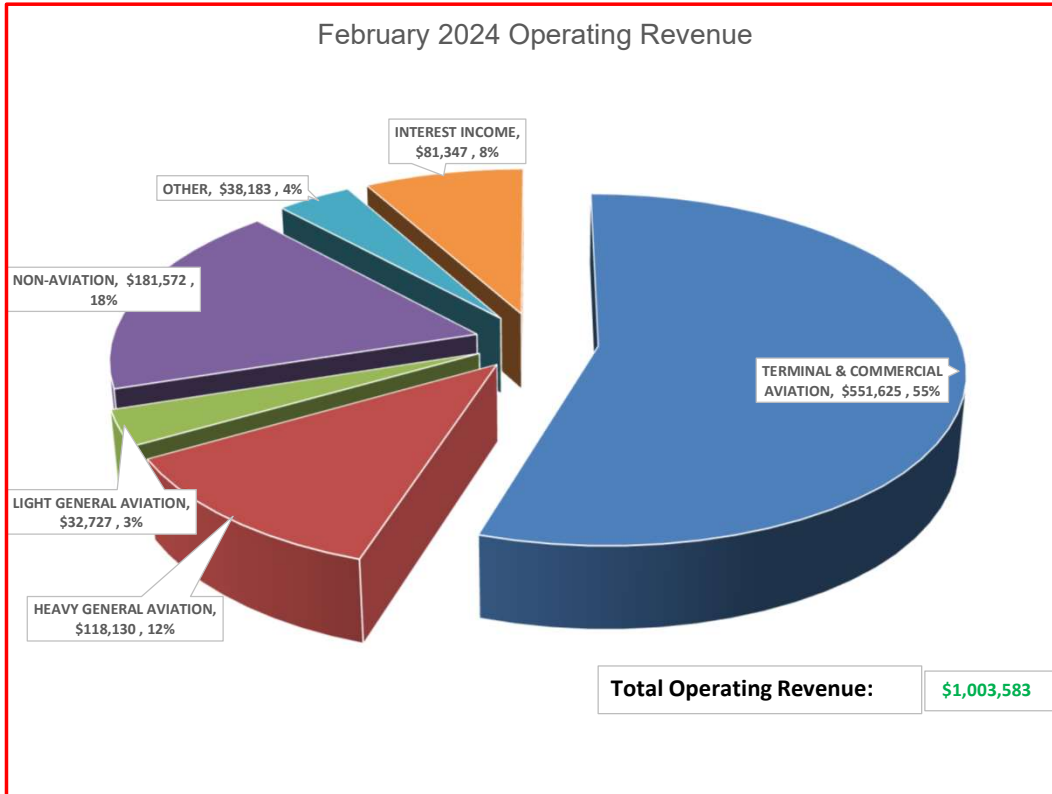
JET FUEL PRICES. Fuel (after crew costs) is an airline's largest operating cost, comprising as much as 29% of operating expenses. Rising fuel costs may put negative pressure on air carrier profitability, and as such it is an important macro indicator. Jet Fuel Prices are 100% correlated to fluctuations in crude oil spot prices, plus fluctuations in the Crack Spread (the Refinery's margin). **Chart 9** tracks the historical wholesale prices over the last 3 fiscal years.

Chart 9

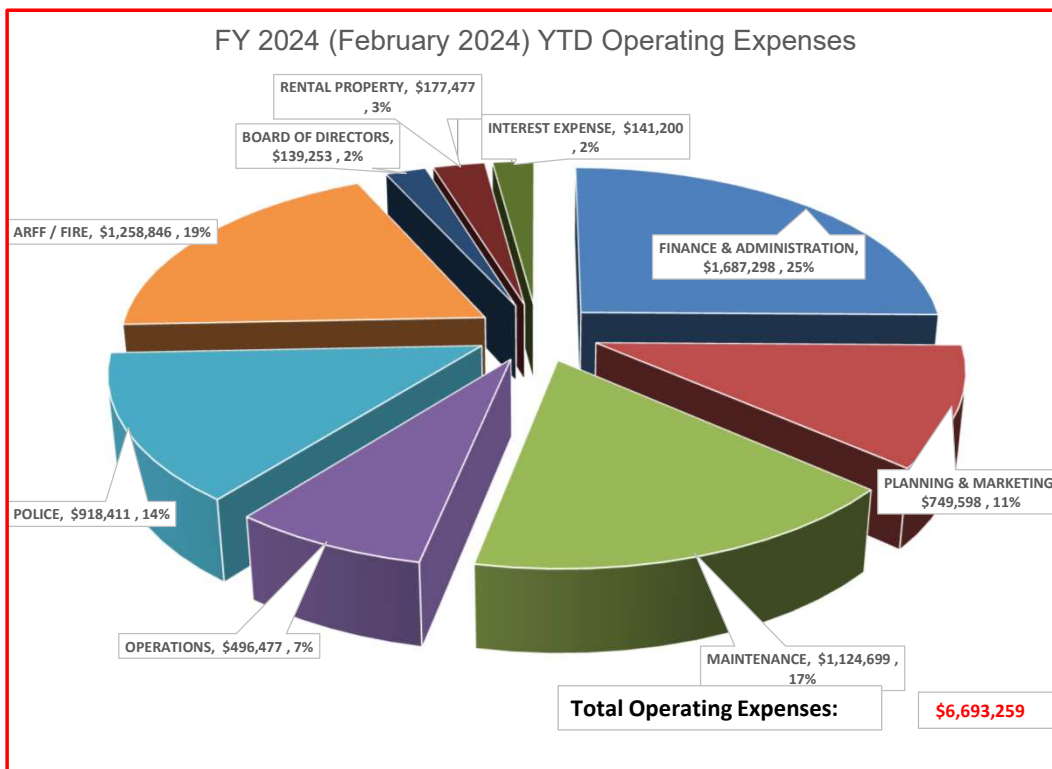
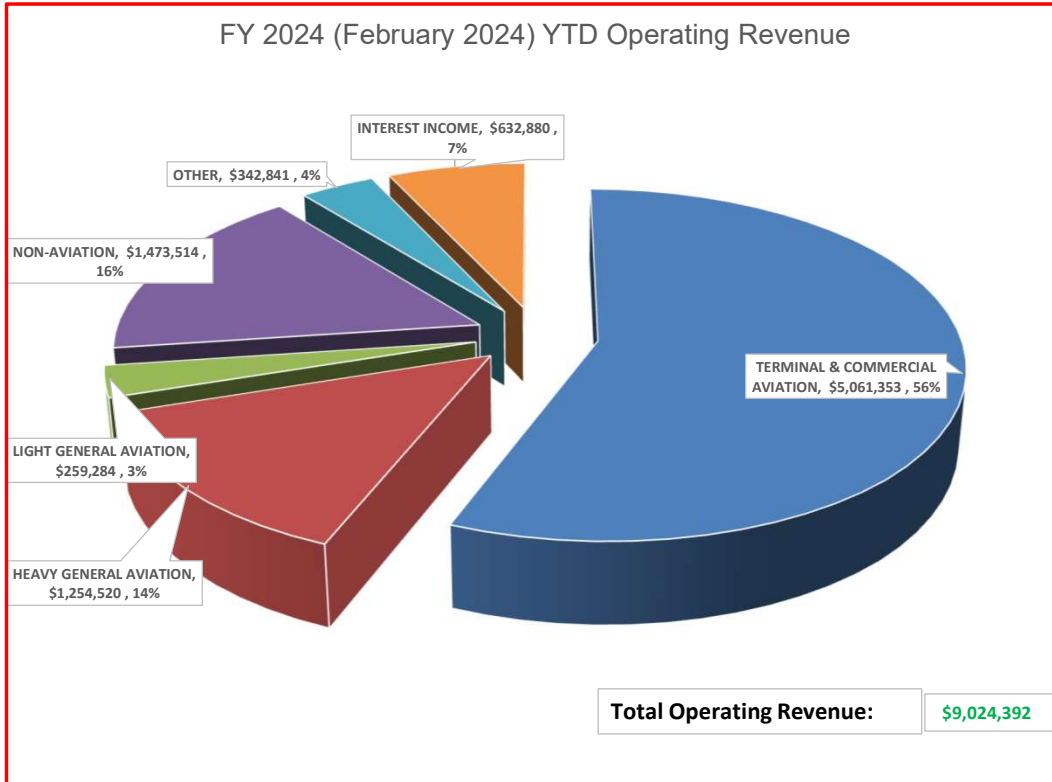


* Source: Federal Reserve Economic Data; Kerosene-Type Jet Fuel Prices: U.S. Gulf Coast.

Monterey Peninsula Airport District



Monterey Peninsula Airport District



AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY

February 2024

OPERATING STATISTICS	February 2024	Budget	%	February 2023	YTD FY 24	Budget	%	YTD FY 23
AIRPORT ACTIVITY								
Air Carrier Landings ¹	302	287	5%	271	2,821	2,656	6%	2,843
Landed Weight (in thousands of pounds)	25,131	25,707	-2%	21,757	233,102	223,719	4%	194,534
Enplanements	17,582	18,373	-4%	15,790	176,786	166,599	6%	152,755
Passengers (emp/dep)	34,943			31,203	354,594			303,059
Total Cargo (in pounds)	52,907			46,574	420,064			411,165
Commercial	1,086			1,142	11,539			11,526
General Aviation	2,641			2,368	24,642			23,693
Military	122			177	524			1,488
TOTAL AIRCRAFT OPERATIONS	3,849			3,687	36,705			36,707
VEHICLE EXIT COUNT								
Long Term (1) Lot	1,937	1,665	16%	2,071	21,228	14,996	42%	16,098
Upper Short Term (2) Lot	2,089	2,071	1%	1,665	19,305	16,314	18%	14,453
Lower Short Term (3) Premium Lot	4,479	5,312	-16%	5,312	46,333	46,222	0%	46,211
TOTAL VEHICLE EXIT COUNT	8,505	9,048	-6%	9,048	86,866	77,532	12%	76,762

1: Cancelled Flight Landings: Current Month =14 (0 - Alaska /0 - Allegiant /4 - American /10 - United) FYTD = 33 (1 - Alaska /0 - Allegiant /13 - American /19 - United)

	February 2024 ACTUAL	February 2024 Budget	\$ ▲ Favorable ▼ Unfavorable	February 2023 ACTUAL	YTD FY 24 ACTUAL	Budget	\$ ▲ Favorable ▼ Unfavorable	YTD FY 23 ACTUAL
OPERATING REVENUE								
TERMINAL								
CA Landing, RON, Apron, and Fuel Flowage Fees	\$ 102,729	\$ 106,434	(\$3,705) ▼	\$ 79,002	\$ 970,434	\$ 927,975	\$42,459 ▲	684,810
Rents	169,782	166,348	3,435 ▲	143,514	1,385,076	1,330,780	54,296 ▲	1,158,665
TCP, Taxi & TNC Operator Permits	208	433	(225) ▼	620	7,258	3,724	3,534 ▲	3,931
Taxi Trip Fees	1,986	3,150	(1,164) ▼	2,241	20,685	26,549	(5,864) ▼	25,399
TNC Trip Fees and Peer-to-Peer Rentals	18,243	14,567	3,676 ▲	14,567	179,286	136,772	42,514 ▲	133,687
Concessions	22,411	22,245	166 ▲	22,254	210,479	196,916	13,563 ▲	181,608
Rental Car	123,819	112,374	11,445 ▲	102,374	1,282,955	1,274,029	8,926 ▲	1,194,028
Parking	112,446	93,227	19,219 ▲	79,792	1,005,179	873,863	131,316 ▲	742,178
HEAVY GENERAL AVIATION								
GA Landing and Special Event Fees	27,489	45,564	(18,075) ▼	33,756	390,400	357,015	33,385 ▲	309,326
FBO Rent	54,089	53,199	890 ▲	58,677	478,460	452,304	26,156 ▲	469,416
Fuel Flowage Fees	36,552	40,676	(4,124) ▼	35,034	385,660	339,416	46,244 ▲	324,808
LIGHT GENERAL AVIATION								
NON-AVIATION	32,727	45,913	(13,186) ▼	33,083	259,284	315,984	(56,700) ▼	268,269
OTHER OPERATING REVENUE								
INTEREST INCOME	181,572	179,839	1,733 ▲	186,906	1,473,514	1,473,380	134 ▲	1,471,159
OTHER OPERATING REVENUE	38,183	27,869	10,314 ▲	33,552	342,841	273,919	68,922 ▲	430,125
INTEREST INCOME	81,347	36,040	45,307 ▲	4,151	632,880	337,841	295,039 ▲	86,991
TOTAL OPERATING REVENUE	\$ 1,003,583	\$ 947,878	\$55,706 ▲	\$ 829,525	\$ 9,024,392	\$ 8,320,467	\$703,926 ▲	\$ 7,484,398

OPERATING EXPENSE								
Finance & Administration	\$ 243,095	\$ 175,773	(\$67,322) ▼	\$ 230,332	\$ 1,687,298	\$ 1,717,640	\$30,342 ▲	1,559,100
Planning & Marketing	82,588	114,969	32,382 ▲	51,982	749,598	823,782	74,184 ▲	455,921
Maintenance & Custodial Services	147,805	146,147	(1,658) ▼	113,185	1,124,699	1,206,902	82,203 ▲	1,031,853
Airport Operations	66,221	71,822	5,601 ▲	46,449	496,477	570,187	73,710 ▲	363,485
Police Services	123,326	116,205	(7,121) ▼	97,773	918,411	923,471	5,060 ▲	789,428
ARFF/Fire Services	179,199	171,892	(7,307) ▼	137,539	1,258,846	1,265,921	7,076 ▲	1,104,921
Board of Directors	16,811	18,590	1,779 ▲	26,002	139,253	132,556	(6,697) ▼	155,550
Office Rentals	24,471	5,905	(18,566) ▼	6,132	177,477	98,539	(78,938) ▼	105,638
Interest Expense	16,821	17,833	1,011 ▲	1,881	141,200	143,058	1,859 ▲	15,530
TOTAL OPERATING EXPENSE	\$ 900,337	\$ 839,137	(\$61,200) ▼	\$ 711,275	\$ 6,693,259	\$ 6,882,057	\$188,797 ▲	\$ 5,581,424

OPERATING INCOME	\$ 103,247	\$ 108,741	(\$5,494) ▼	\$ 118,250	\$ 2,331,133	\$ 1,438,410	\$892,723 ▲	\$ 1,902,974
DISTRICT CAPITAL EXPENDITURES (See Page 20)	\$ (121,112)	\$ (222,428)	\$101,316 ▲	\$ (4,571,210)	\$ (2,998,545)	\$ (5,572,525)	\$2,573,980 ▲	\$ (6,922,603)

DEBT SERVICE - PRINCIPAL ONLY	\$ (4,442)			\$ (4,442)	\$ (114,428)			\$ (178,735)
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MONTEREY PENINSULA AIRPORT DISTRICT

Statements of Net Position

	Feb. 29, 2024 (Unaudited)	June 30, 2023 (Audited)
ASSETS:		
Current assets:		
Unrestricted:		
Cash	\$ 644,263	\$ 1,983,524
Investments - L.A.I.F.	66,964	492,500
Investments - T-Bills	15,914,735	14,470,883
Investments - Negotiable CDs	889,435	873,032
Accounts receivable, net of \$10,000 allowance	510,038	644,659
Accrued Interest receivable	25,615	159,451
Leases receivable (GASB 87), current portion ⁽¹⁾	1,073,014	1,073,013
FAA Grant Receivable	-	941,320
Prepaid and other assets	552,088	340,723
	<u>19,676,151</u>	<u>20,979,105</u>
Restricted:		
Cash	245,414	2,910,566
Investments - T-Bills	3,205,122	396,872
Investments - Negotiable CDs	295,411	290,389
Accrued Interest Receivable	4,975	1,517
Total restricted current assets	<u>3,750,922</u>	<u>3,599,344</u>
Total Current Assets	<u>23,427,073</u>	<u>24,578,449</u>
Noncurrent assets:		
Leases receivable (GASB 87), net of current portion ⁽¹⁾	9,578,299	9,574,583
Tenant receivable, net of current portion	15,035	40,260
Right-of-Use (GASB 96), net of current portion	11,581	11,581
Capital assets:		
Construction-in-Process	26,180,904	12,068,064
Non-depreciable land	4,206,755	4,206,755
Depreciable capital assets, net	71,408,913	75,504,376
Total Capital assets:	<u>101,796,571</u>	<u>91,779,195</u>
Total Noncurrent assets:	<u>111,401,486</u>	<u>101,405,619</u>
Total Current and Noncurrent assets:	<u>134,828,559</u>	<u>125,984,068</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Actuarial valuation of deferred outflows related to pensions ⁽²⁾	5,098,192	5,098,192
Actuarial valuation of deferred outflows related to OPEB ⁽⁴⁾	310,596	310,596
	<u>5,408,788</u>	<u>5,408,788</u>
LIABILITIES:		
Current liabilities:		
Accounts Payable	2,041,832	1,228,176
Accrued liabilities	129,588	87,174
Accrued Interest	168,251	38,008
Unearned revenues, current portion	73,648	53,024
Loans payable, current portion	346,678	346,678
SBITA (GASB 96) liability	11,581	11,581
Funds held in trust (CFCs)	1,411,908	1,055,030
Accrued compensated absences, current portion	54,421	30,689
Total Current Liabilities	<u>4,237,906</u>	<u>2,850,360</u>
Long-term liabilities:		
Security deposits	434,649	449,333
Unearned revenues, net of current portion	215,249	221,167
Accrued compensated absences, net of current portion	140,986	140,986
Actuarial valuation of net pension liability ⁽⁶⁾	5,802,890	5,802,890
Actuarial valuation of OPEB liability ⁽⁷⁾	1,560,497	1,560,497
Loans payable, net of current portion	5,518,472	5,632,900
Total Long-Term Liabilities	<u>13,672,743</u>	<u>13,807,773</u>
Total Liabilities	<u>17,910,649</u>	<u>16,658,133</u>
DEFERRED INFLOWS OF RESOURCES:		
Actuarial valuation of deferred inflows related to pensions ⁽³⁾	5,009,360	5,009,360
Actuarial valuation of deferred inflows related to OPEB ⁽⁵⁾	901,675	901,675
Deferred inflows related to leases (GASB 87) ⁽¹⁾	10,646,596	10,647,596
Total Deferred Inflows of Resources	<u>16,557,631</u>	<u>16,558,631</u>
NET POSITION:		
Net investment in capital assets	94,041,313	84,679,500
Restricted - unspent Passenger Facilities Charges	201,461	1,664,398
Restricted - Cash Assets	25,427	1,007,340
Unrestricted	11,500,867	10,824,852
	<u>\$ 105,769,067</u>	<u>\$ 98,176,090</u>

See Notes to Statements of Net Position.

Notes to Statement of Net Position
As of Feb. 29, 2024

	Lease Receivable	Lease Interest	Total Lease Payments
1. Lease Receivable (GASB 87)			
Current:			
FY 2024	\$ 1,073,014	\$ 419,353	\$ 1,492,367
Noncurrent:			
FY 2025	1,011,166	376,462	1,387,628
FY 2026	963,291	335,558	1,298,849
FY 2027	1,009,339	294,952	1,304,291
FY 2028	753,742	256,507	1,010,249
FY 2029-FY2033	2,273,229	930,468	3,203,697
FY 2034-FY2038	1,013,424	620,612	1,634,036
FY 2039-FY2043	990,675	429,584	1,420,259
FY 2044-FY2048	1,031,456	209,214	1,240,670
FY 2048-FY2053	528,260	48,723	576,983
	9,574,582	3,502,080	13,076,662
	\$ 10,647,596	\$ 3,921,433	\$ 14,569,029

The District recognizes lease revenues by category and three categories were impacted by the implementation of GASB 87: General Aviation, Terminal Concessions and Non-Aviation revenue categories.

GASB 87 specifically excludes Regulated leases for which the District is the lessor. Terminal space, aircraft hangars, and recreational vehicle parking space future lease revenue are excluded.

	Combined	Miscellaneous	Safety
2. Deferred Outflows of Resources related to Pensions			
Pension contributions subsequent to measurement date	\$ 627,970	\$ 163,779	\$ 464,191
Changes of Assumptions	588,906	237,316	351,590
Differences between expected and actual experience	190,821	46,509	144,312
Net Difference between Projected and Actual Earnings	974,857	424,218	550,639
Adjustments due to differences in proportions	57,913	41,834	16,079
Difference in actual to proportionate share contribution	2,657,725	616,663	2,041,062
	\$ 5,098,192	\$ 1,530,319	\$ 3,103,682

	Combined	Miscellaneous	Safety
3. Deferred Inflows of Resources related to Pensions			
Differences between expected and actual experience	\$ 69,015	\$ 31,149	\$ 37,866
Adjustments due to differences in proportions	4,510,691	954,611	3,556,080
Differences between actual contributions and the proportionate share of contributions	429,653	64,710	364,943
	\$ 5,009,359	\$ 1,050,470	\$ 3,958,889

The District's proportion of the net pension liability was based on the District's share of the actuarial accrued liability of the cost-sharing plan, less the District's share of the fiduciary net position.

4. Deferred Outflows of Resources related to OPEB	
Changes in assumptions	\$ 131,614
Differences between expected and actual experience	106,767
Contributions made subsequent to the Measurement Date	72,215
	\$ 310,596

5. Deferred Inflows of Resources related to OPEB	
Changes in assumptions	\$ 419,478
Differences between expected and actual experience	482,197
	\$ 901,675

6. Net Pension Liability	
CalPERS - Miscellaneous Plan (6/30/2022 Measurement Date)	\$ 2,315,936
CalPERS - Safety Plan (6/30/2022 Measurement Date)	3,486,953
	\$ 5,802,889

7. Total OPEB Liability	
Police	\$ 695,401
Fire	338,285
Miscellaneous Plan	526,811
	\$ 1,560,497

MONTEREY PENINSULA AIRPORT DISTRICT

Statement of Cash Flows

	February 2024 (Unaudited)	FYTD 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 1,001,754	\$ 8,882,499
Payments to vendors for goods and services	(2,904,224)	(9,703,550)
Payments for employees pension and OPEB benefits	(46,125)	(346,061)
Payments to employees for services	(269,975)	(1,963,181)
Net Cash Provided (Used) by Operating Activities	(2,218,570)	(3,130,293)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from FAA Grants and Passenger Facilities Charges	2,174,933	10,326,672
Proceeds from Customer Facilities Charges	898	26,834
Acquisition and construction of capital assets	3,472	(8,107,592)
Interest paid on loans	-	(10,957)
Principal paid on loans	(4,442)	(114,428)
Net cash provided (used) by capital and related financing activities	2,174,861	2,120,528
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income received	89,579	764,196
Investments matured (purchased)	(413,093)	(3,840,594)
Net cash (used) by investing activities	(323,514)	(3,076,398)
CASH FLOWS FROM NON-OPERATING ACTIVITIES:		
	-	81,750
Net Change in Cash and Cash equivalents	(367,223)	(4,004,412)
Cash and Cash Equivalents at Beginning of Period	1,256,901	4,894,090
Cash and Cash Equivalents at End of Period	\$ 889,678	\$ 889,678
STATEMENT OF NET POSITION		
CLASSIFICATION OF CASH AND CASH EQUIVALENTS:		
Unrestricted	\$ 644,263	\$ 644,263
Restricted	245,414	245,414
Total cash and cash equivalents	\$ 889,678	\$ 889,678
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating Loss after Depreciation and Amortization	\$ (485,291)	\$ (2,322,150)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	524,012	4,159,962
(Increase) decrease in:		
Accounts receivable	53,522	134,712
Prepaid and other current assets	(46,477)	(202,015)
Increase (decrease) in:		
Accounts payable	(2,306,605)	(5,311,080)
Accrued liabilities	13,584	25,783
Interest Payable	-	-
Security deposits	2,775	(19,725)
Unearned revenues	23,221	371,583
Accrued compensated absences	2,689	32,635
Total Adjustments	(1,733,279)	(808,144)
Net cash provided (used) by operating activities	\$ (2,218,570)	\$ (3,130,294)
Non-cash capital and related financing activities:		
Acquisition of capital assets in accounts payable	\$ 1,890,109	\$ 1,890,109
Accrued interest on CEC and CalTrans loans	\$ 16,821	\$ 141,200

MONTEREY PENINSULA AIRPORT DISTRICT
FINANCIAL STATEMENTS UNAUDITED

	FY 2024 February ACTUAL	FY 2024 YEAR-TO-DATE ACTUAL
SOURCES AND USES OF CASH -- OPERATIONS		
SOURCES OF CASH:		
CASH RECEIVED - OPERATING REVENUE	\$ 922,237	\$ 8,391,512
CASH RECEIVED - INTEREST INCOME	81,347	632,880
CASH RECEIVED	<u>1,003,583</u>	<u>9,024,392</u>
USES OF CASH -- OPERATIONS:		
CASH (DISBURSED) - OPERATING EXPENSE	(883,515)	(6,552,059)
CASH (DISBURSED) - DEBT SERVICE (INTEREST EXPENSE)	(16,821)	(141,200)
CASH (DISBURSED) - DEBT SERVICE (PRINCIPAL REDUCTION)	<u>(4,442)</u>	<u>(114,428)</u>
CASH (DISBURSED)	<u>(904,778)</u>	<u>(6,807,687)</u>
CHANGE IN CASH POSITION FROM OPERATIONS & DEBT SERVICE	<u>98,805</u>	<u>2,216,705</u>
USES OF CASH -- CAPITAL PROGRAM:		
CASH (DISBURSED) - ALL CAPITAL PROJECTS (See Page 20)	(1,886,637)	(14,182,050)
CASH REIMBURSED - ALL CAPITAL PROJECTS (See Page 21)	<u>2,191,678</u>	<u>10,333,490</u>
CHANGE IN CASH POSITION FROM CAPITAL PROGRAM	<u>305,041</u>	<u>(3,848,561)</u>
CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL & DEBT SERVICE	<u>\$ 403,846</u>	<u>\$ (1,631,855)</u>

FISCAL YEAR 2024
FINANCIAL STATEMENTS UNAUDITED
Construction-In-Progress
February 29, 2024

Project Number/AIP #	Project Name	Balance at 30-Jun-23	FYTD Additions	FYTD Placed in Service	Balance at February 29, 2024	Total Spent And/Or Committed	Total Project Budget	Percentage Physically Complete
CFC Funded:								
2019-03	Water Distribution System	\$ 937,761	\$ 16,719		\$ 954,480	\$ 3,198,144	\$ 2,828,058	34%
FAA/PFC Funded:								
2022-01/AIP 79	SEP Phase B1/B2/B3 - ARFF D & C	5,279,526	5,066,541		10,346,068	11,161,991	11,209,740	92%
2024-01	SEP Phase D1 - Terminal Design (BIL ATP)	0	1,304,227		1,304,227	4,989,039	3,150,000	41%
2023-03	Commercial Apron	0	4,796,018		4,796,018	41,226,842	44,707,180	11%
		5,279,526	11,166,787	0	16,446,313	57,377,871	59,066,920	
District Only Funded:								
2020-14	Northwest Building Abatement	203,879	-		203,879	203,879	350,000	58%
2023-01	SEP Phase D1 - Terminal Design ¹	195,858	815,054		1,010,911	1,010,911	3,664,550	28%
2023-03	Commercial Apron ²	-	83,334		83,334	81,834	81,834	0%
2023-04	2801 Property Repairs	40,871	338,384		379,255	415,932	440,000	86%
2023-05	Fred Kane to Skypark Paving	31,661	257,016		288,677	288,677	350,000	82%
2023-08	SE Hangar Relocation - \$7M	5,309,298	1,334,817		6,644,115	7,080,527	7,100,000	94%
2024-03	Airfield and Property Maintenance	-	149,465		149,465	100,493	225,000	66%
2024-04	Terminal Area Improvements	-	20,475		20,475	41,000	55,000	37%
		5,781,566	2,998,545	-	8,780,111	9,223,254	12,266,384	
		\$ 11,998,854	\$ 14,182,050	\$ -	\$ 26,180,904	\$ 69,799,269	\$ 74,161,362	
FY 2024 Closed Projects:								
2023-07	West Hold Room Passenger flow upgrades	\$ 69,210	\$ 58,004	\$ (127,214)	\$ -		\$ 165,000	100%

¹Funds advanced by District as authorized by Resolution #1855.

FISCAL YEAR 2024
Airport Capital Improvements / Capital Expenditures
FINANCIAL STATEMENTS UNAUDITED
February 29, 2024

Airport Improvement Programs

District Expenditures	
AIP -- FAA Funded Expenditures	
AIP -- PFC Funded Expenditures	
AIP -- CFC Funded Expenditures	
Total Capital Improvement Expenditures	

Actual FY 2024	
Current Period	
\$	121,112.47
	6%
	1,695,569.11
	90%
	72,455.56
	4%
	(2,500.00)
	0%
\$	1,886,637.14
	100%

Actual FY 2024	
Year-To-Date	
\$	2,998,544.86
	21%
	10,245,624.11
	72%
	921,162.60
	6%
	16,718.78
	0%
\$	14,182,050.35
	100%

FY 2024 District Capital Expenses/Budget:

	<u>February 2024</u>	<u>Budget</u>	<u>Actual FYTD</u>	<u>Budget FYTD</u>
CFC Funded:				
2019-03 Water Distribution System	\$ (2,500.00)	-	\$ 16,718.78	\$ 1,975,532.00
FAA/PFC Funded:				
2022-01 SEP Phase B1/B2/B3-ARFF Design	-	-	5,066,541.47	6,400,216.00
2023-03 Commercial Apron Construction	1,135,141.27	2,120,000.00	4,796,018.13	12,357,180.00
2024-01 Terminal Design (BIL ATP)	632,883.40	262,500.00	1,304,227.11	2,100,000.00
	<u>1,768,024.67</u>	<u>2,382,500.00</u>	<u>11,166,786.71</u>	<u>20,857,396.00</u>
District Funded:				
2020-14 Northwest Building Abatement		-	-	146,000.00
2023-01 SEP Phase D1 Terminal Design ¹	34,139.97	222,428.00	815,053.81	2,120,197.00
2023-03 Commercial Apron Construction ²	-	-	83,333.86	400,000.00
2023-04 2801 Property Repairs	38,000.00	-	338,383.94	415,000.00
2023-05 Fred Kane to Skypark Pavement Improvements	-	-	257,016.00	320,000.00
2023-08 Southeast Hangar Relocation	-	-	1,334,817.04	1,791,328.00
2024-02 Vehicle Replacement	-	-	-	100,000.00
2024-03 Airfield and Property Maintenance	48,972.50	-	149,465.21	225,000.00
2024-04 Terminal Area Improvements	-	-	20,475.00	55,000.00
	<u>121,112.47</u>	<u>222,428.00</u>	<u>2,998,544.86</u>	<u>5,572,525.00</u>
	\$ 1,886,637.14	\$ 2,604,928.00	\$ 14,182,050.35	\$ 28,405,453.00

¹Funds advanced by District pending approval of BIL Entitlement Grant of \$3,322,281.

²Funds advanced by District as authorized by Resolution #1855.

FISCAL YEAR 2024
FINANCIAL STATEMENTS UNAUDITED
Non-District Funding and Reimbursements of Construction-In-Progress
Feb. 29, 2024

Project Number/AIP #	Project Name	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Totals
Reimbursements & Transfers from Restricted Cash										
CFC Funded:										
2019-03	Water Distribution System	\$ 10,513	\$ 3,123	\$ 4,273	\$ 6,582	\$ 747	\$ 700	\$ -	\$ 898	\$ 26,836
FAA Reimbursed:										
2020-12/AIP 73	Northeast GA Apron Construction		\$ 120,167							\$ 120,167
2021-04/AIP 76	SEP Phase 1 A1- Commercial Apron Design	52,501								52,501
2022-01/AIP 79	SEP Phase B1/B2/B3 - ARFF		768,652	2,706,796		1,038,720		833,760		5,347,928
2023-03/AIP 80	Commercial Apron Construction					71,555		1,521,233	1,600,077	3,192,865
2024-01/AIP 81	Terminal Design (BIL ATP)					8,622	195,608	210,394	404,567	819,191
		\$ 52,501	\$ 888,819	\$ 2,706,796	\$ -	\$ 1,118,897	\$ 195,608	\$ 2,565,387	\$ 2,004,644	\$ 9,532,652
PFC Funded:										
2020-04	CCTV and Perimeter Camera System	\$ 4,158								\$ 4,158
2020-12/AIP 73	Northeast GA Apron Construction		9,544							9,544
2022-01/AIP 79	SEP Phase B1/B2/B3 - ARFF	79,189	64,222	148,338	72,361		14,399	290		378,799
2023-03/AIP 80	Commercial Apron Construction				280	18	25,764	157,030	164,844	347,935
2024-01/AIP 81	Terminal Design (BIL ATP)						1,201	11,073	21,292	33,567
		\$ 83,347	\$ 73,766	\$ 148,338	\$ 72,641	\$ 18	\$ 41,364	\$ 168,393	\$ 186,136	\$ 774,002
	Grand Totals	\$ 146,361	\$ 965,708	\$ 2,859,407	\$ 79,223	\$ 1,119,662	\$ 237,672	\$ 2,733,780	\$ 2,191,678	\$ 10,333,490

FISCAL YEAR 2024
Schedule Of Cash and Investments
FINANCIAL STATEMENTS UNAUDITED

	<u>Par Value</u>	<u>Settle Date</u>	<u>Maturity Date</u>	<u>Value At Feb. 29, 2024</u>	<u>Yield/ Interest Rate</u>
UNRESTRICTED:					
U.S. Treasury Bills - MPAD (JP Morgan custodian):					
U.S. Treasury Bill - \$14,273,000 - 1 Month	\$ 14,273,000.00	2/22/24	3/21/24	14,215,595.58	5.28%
U.S. Treasury Bill - \$1,706,000 - 1 Month	<u>1,706,000.00</u>	2/29/24	3/28/24	<u>1,699,139.32</u>	5.28%
	<u>15,979,000.00</u>			<u>15,914,734.90</u>	
Pooled Money Investment Account - MPAD					
State of California - Local Agency Investment Fund		Various	Various	<u>67,403.19</u>	4.00%
Money Market Account - MPAD					
JP Morgan Chase - District Reserve - Money Market Account				<u>2,132.09</u>	0.01%
Royal Alliance - Certificates of Deposits and Cash Equivalents - MPAD					
American Express NATL BK		04/13/22	04/15/24	200,000.00	2.25%
Goldman Sachs Bk USA New York CTF DEP ACT/365		04/13/22	04/15/24	200,000.00	2.25%
Sallie Mae BK Salt Lake City UT CTF DEP ACT/365		06/28/22	07/08/24	250,000.00	3.30%
Capital One Bank USA New York CFT DEP ACT/365		04/13/22	04/15/25	<u>250,000.00</u>	2.60%
				900,000.00	
Cash And Cash Equivalents		Various	Various	<u>16,021.22</u>	Variable
				<u>916,021.22</u>	
General Accounts - MPAD					
JP Morgan Chase - various checking accounts				<u>626,110.11</u>	
				17,526,401.51	
MPAD Cash and Investments - Unrestricted				(439.57)	
Less: L.A.I.F. 12/31/2023 Fair Value Adjustment				(10,565.50)	
Less: CDs Feb. 29, 2024 matrix pricing adjustment				<u> </u>	
Unrestricted Cash and Investments				<u>\$ 17,515,396.44</u>	
				<u> </u>	
Unrestricted Cash				\$ 644,263.42	
Unrestricted Investments				16,871,133.02	
				<u>\$ 17,515,396.44</u>	

FISCAL YEAR 2024
Schedule Of Cash and Investments
FINANCIAL STATEMENTS UNAUDITED

	Par Value	Purchase Date	Maturity Date	Value At Feb. 29, 2024	Yield/ Interest Rate
RESTRICTED:					
Tenant's Security Deposits - RESTRICTED:					
U.S. Treasury Bills - MPAD (JP Morgan custodian):					
U.S. Treasury Bill - \$428,000 - 2 Months	\$ 428,000.00	2/1/24	3/26/24	<u>\$ 424,692.10</u>	5.28%
Passenger Facility Charges (PFCs) - RESTRICTED:					
Chase Bank - Passenger Facility Charges (PFCs)				\$ 201,124.70	0.01%
U.S. Treasury Bill - \$1,097,000 - 1 Month	\$ 1,097,000.00	2/22/24	3/21/24	<u>1,092,587.13</u>	5.28%
Royal Alliance - Certificates of Deposits and Cash Equivalents:					
American Express NATL BK		04/13/22	04/15/24	100,000.00	2.60%
Goldman Sachs Bk USA New York CTF DEP ACT/365		04/13/22	04/15/24	100,000.00	2.25%
Capital One Bank USA New York CFT DEP ACT/365		04/13/22	04/15/25	100,000.00	3.15%
Cash and Cash Equivalents		Various	Various	<u>4,925.00</u>	Variable
				<u>304,925.00</u>	
				<u>\$ 1,598,636.83</u>	
Customer Facility Charges (CFCs) - RESTRICTED:					
U.S. Treasury Bill - \$1,121,000 - 1 Month	\$ 1,121,000.00	2/22/24	3/21/24	\$ 1,116,490.59	5.28%
U.S. Treasury Bill - \$140,000 - 1 Month	\$ 140,000.00	2/26/24	3/21/24	139,517.47	5.27%
U.S. Treasury Bill - \$100,000 - 1 Month	\$ 100,000.00	2/29/24	3/28/24	99,597.85	5.28%
Chase Bank - Customer Facility Charges (CFCs)				<u>20,427.02</u>	0.01%
				<u>\$ 1,376,032.93</u>	
Tenant's Security Deposits - RESTRICTED:					
Chase Bank - Money Market Account				<u>\$ 12,255.75</u>	0.01%
Airport Improvement Program - RESTRICTED:					
Chase Bank - AIP Checking Account				<u>\$ 5,000.00</u>	
CalTrans Annual Debt Service - RESTRICTED:					
U.S. Treasury Bill - \$341,000 - 6 Months	\$ 341,000.00	09/25/23	3/21/24	\$ 332,236.73	5.42%
Chase Bank - Checking Account				<u>1,682.00</u>	
				<u>\$ 333,918.73</u>	
Sub-Total: MPAD Cash and Investments - Restricted				3,750,536.34	
Less: CDs Feb. 29, 2024 matrix pricing adjustment				<u>(4,589.00)</u>	
Restricted Cash and Investments				<u>\$ 3,745,947.34</u>	
Restricted Cash				\$ 245,414.47	
Restricted Investments				<u>3,500,532.87</u>	
				<u>\$ 3,745,947.34</u>	



MONTEREY FIRE DEPARTMENT

Report to Airport Board of Directors

March 2024

1. Incident Responses

Engine assigned to Fire Station 16 (Airport) responded to a total of 43 incidents during the month as follows:

- MPAD property – 3
- City of Monterey – 30
- Other Cities in Monterey Fire Jurisdiction – 6
- Auto / Mutual Aid – 4

2. Training

Personnel completed a total of 230.0 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): 76
- Operational (qualified to work at Airport, but live fire training not current): 34
- Technician (fully qualified to be the designated ARFF fire engineer): 13

3. Other

- Completed ARFF Part 139 Live Fire Training for 16 personnel.

4. Incident List – on Airport property incidents

Alarm Date / Time	Response Time	Location	Incident Type
3/9/2024 1:24 PM	0:00:29	200 Fred Kane DR	Aircraft standby
3/23/2024 8:22 PM	0:08:33	200 Fred Kane DR	EMS call, excluding vehicle accident with injury
3/27/2024 3:51 PM	0:03:12	200 Fred Kane DR	Gasoline or other flammable liquid spill

TO: Michael La Pier, Executive Director
FROM: Operations Department
DATE: April 3, 2024
SUBJ: Operations Report

The following is a summary of activity of general Airport Operations for March 2024 and planned airline activities for April 2024.

1. The following reports are attached:

- March 2024 Noise Comment Report
- Operating and Expense Reports for the Taxi (through March 2024) and TNC ground transportation systems (through February 2024)
- Commercial Flight Cancellations & Delays Report for March 2024
- Commercial Flight Schedule for April 2024

2. Below is the summary of scheduled airline activity for April 2024:

Alaska Air operated by SkyWest / Horizon

- SAN operates one flight a day until April 17th when a second service begins with a late arrival followed by an early morning next day departure using the E175
- SEA operates 4 days a week using the E175.
- Scheduled to operate a monthly total of 124 flights (Arrivals and Departures)

Allegiant Air

- Continues to operate twice weekly to LAS using the Airbus 319/320 series.
- Scheduled to operate a total of 16 flights (Arrivals and Departures)

United operated by SkyWest

- SFO operates daily using the E175.
- LAX operates twice daily using the E175.
- DEN operates daily until April 9th when a second service begins arriving in the evening with an early morning departure the next day. Aircraft will be the E175
- Scheduled to operate a monthly total of 283 flights (Arrivals and Departures)

American operated by AA / Envoy

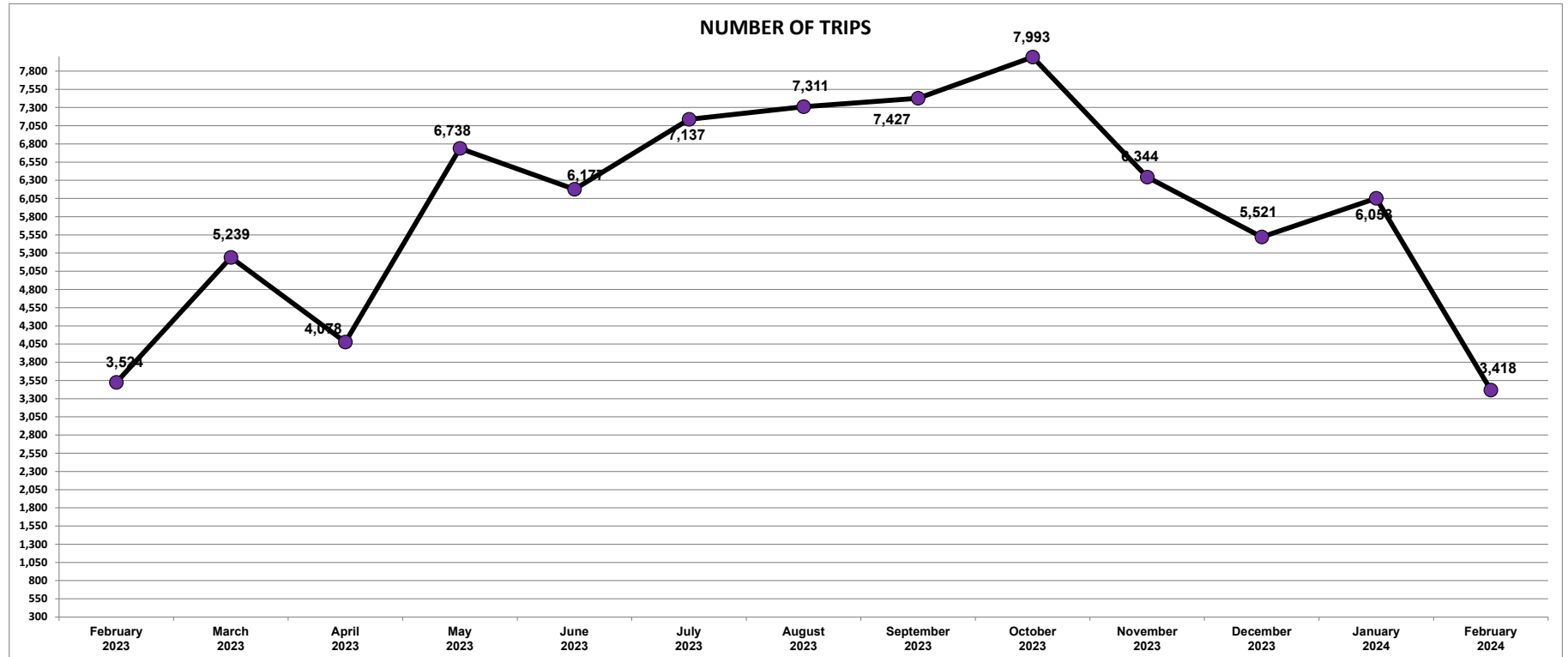
- PHX is scheduled to operate four flights a day using a mix of E175, CRJ7 and A319 aircraft.
- DFW operates once daily using the A319.
- Scheduled to operate a monthly total of 294 flights (Arrivals and Departures)

Cumulatively speaking, the airlines have increased flights by 75 (719 vs 644) compared to April 2023, an increase of 11%. The number of available seats has increased by approximately 13% (57,846 vs 51,124).

MONTHLY TOTALS and COMPARISONS

	Mar-24	Mar-23	% Change	Other Airport	UNKNOWN ORIGINS
Number of Complaints:	4	2	100%		
Number of Operations:	4,872	3,986	22%		
Annual Total	9	17	-47%	0	0

Transportation Network Companies (TNCs)



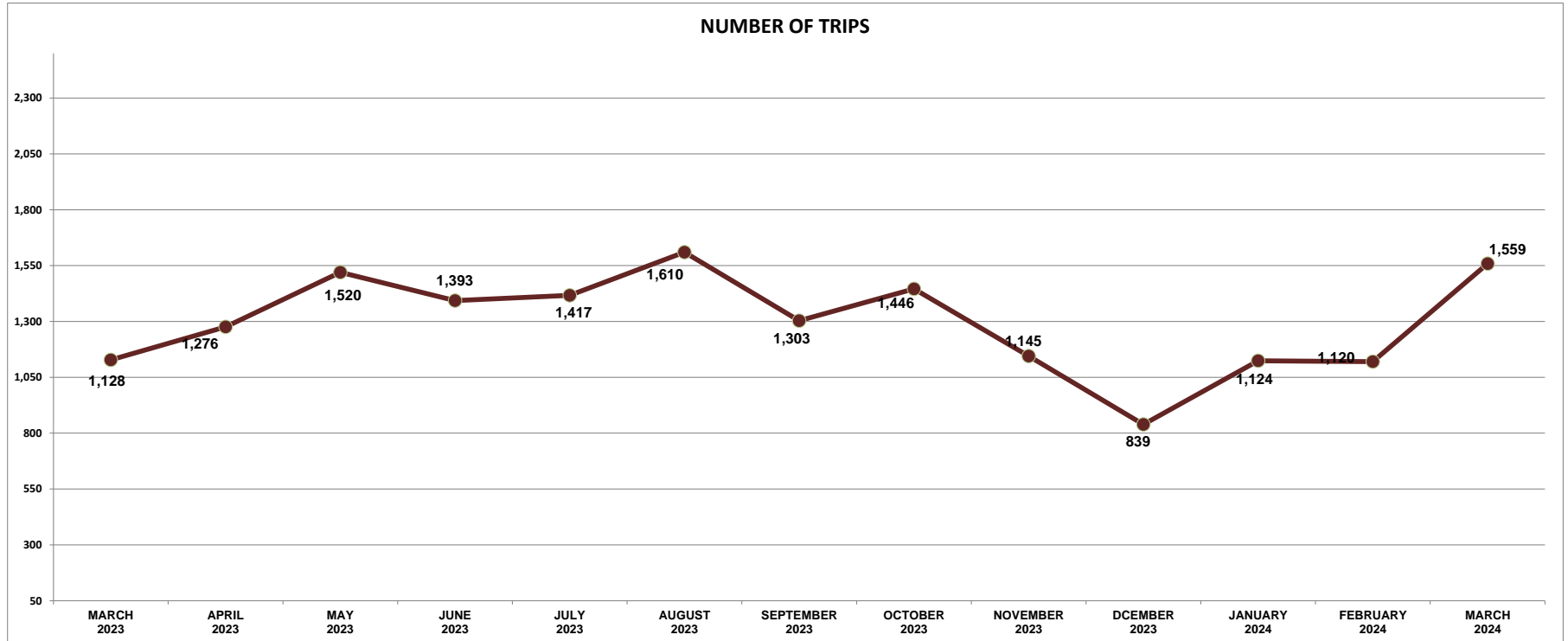
	2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	2023 October	2023 November	2023 December	2024 January	2024 February
NUMBER OF TRIPS	3,524	5,239	4,078	6,738	6,177	7,137	7,311	7,427	7,993	6,344	5,521	6,053	3,418
NUMBER OF TNCs	2	2	2	2	2	2	2	2	2	2	2	2	2
TNC TRIP FEES	\$ 10,572	\$ 15,717	\$ 12,234	\$ 20,214	\$ 18,531	\$ 21,411	\$ 21,933	\$ 22,281	\$ 23,979	\$ 19,032	\$ 16,563	\$ 18,159	\$ 10,254
TNC PAYMENT PENALTIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TNC - TOTAL REVENUE	<u>\$ 10,572</u>	<u>\$ 15,717</u>	<u>\$ 12,234</u>	<u>\$ 20,214</u>	<u>\$ 18,531</u>	<u>\$ 21,411</u>	<u>\$ 21,933</u>	<u>\$ 22,281</u>	<u>\$ 23,979</u>	<u>\$ 19,032</u>	<u>\$ 16,563</u>	<u>\$ 18,159</u>	<u>\$ 10,254</u>

Cumulative 12-Month Operating Income: \$ 220,308

Fiscal Year To Date (July 2023 - June 2024) Operating Income: \$ 132,201

13-MONTH ROLLING COMPARISON

Taxis

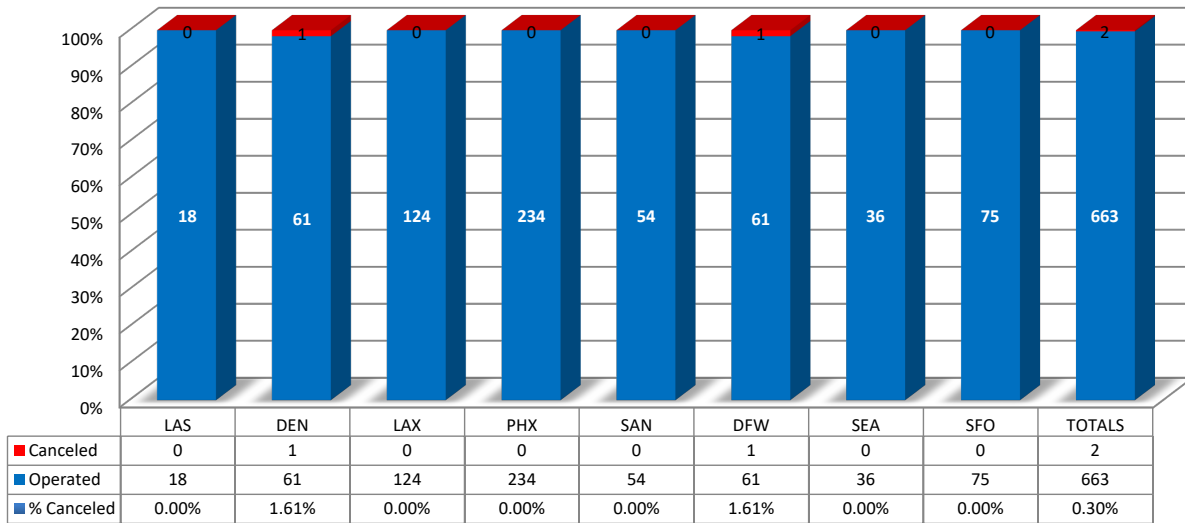


	2023 MARCH	2023 APRIL	2023 MAY	2023 JUNE	2023 JULY	2023 AUGUST	2023 SEPTEMBER	2023 OCTOBER	2023 NOVEMBER	2023 DECEMBER	2024 JANUARY	2024 FEBRUARY	2024 MARCH
NUMBER OF TRIPS	1,128	1,276	1,520	1,393	1,417	1,610	1,303	1,446	1,145	839	1,124	1,120	1,559
PERMITS SOLD	1	0	0	12	14	0	1	2	0	0	0	1	1
TAXI TRIP FEES	\$ 3,384	\$ 3,828	\$ 4,560	\$ 4,179	\$ 4,251	\$ 4,830	\$ 3,909	\$ 4,338	\$ 3,435	\$ 2,517	\$ 3,372	\$ 3,360	\$ 4,677
TAXI PERMIT FEES	\$25	\$0	\$0	\$1,200	\$100	\$100	\$100	\$1,200	\$0	\$0	\$100	\$200	\$50
TAXI - TOTAL REVENUE	<u>\$ 3,409</u>	<u>\$ 3,828</u>	<u>\$ 4,560</u>	<u>\$ 5,379</u>	<u>\$ 4,351</u>	<u>\$ 4,930</u>	<u>\$ 4,009</u>	<u>\$ 5,538</u>	<u>\$ 3,435</u>	<u>\$ 2,517</u>	<u>\$ 3,472</u>	<u>\$ 3,560</u>	<u>\$ 4,727</u>
CURB MGMT CONTRACT													
OBD LICENSING	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,916	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004
TAXI - TOTAL EXPENSE	<u>\$ 2,083</u>	<u>\$ 2,083</u>	<u>\$ 2,083</u>	<u>\$ 2,083</u>	<u>\$ 2,083</u>	<u>\$ 2,083</u>	<u>\$ 2,083</u>	<u>\$ 2,916</u>	<u>\$ 3,004</u>	<u>\$ 3,004</u>	<u>\$ 3,004</u>	<u>\$ 3,004</u>	<u>\$ 3,004</u>
OPERATING INCOME / (LOSS)	\$ 1,326	\$ 1,745	\$ 2,477	\$ 3,296	\$ 2,268	\$ 2,847	\$ 1,926	\$ 2,622	\$ 431	\$ (487)	\$ 468	\$ 556	\$ 1,723
FYTD 2024 (July 2023 - June 2024) OPERATING INCOME / (LOSS)													\$ 12,353
CUMULATIVE (12-MONTH) OPERATING INCOME / (LOSS)													\$ 21,197

* February 1st swap to "OBD" system

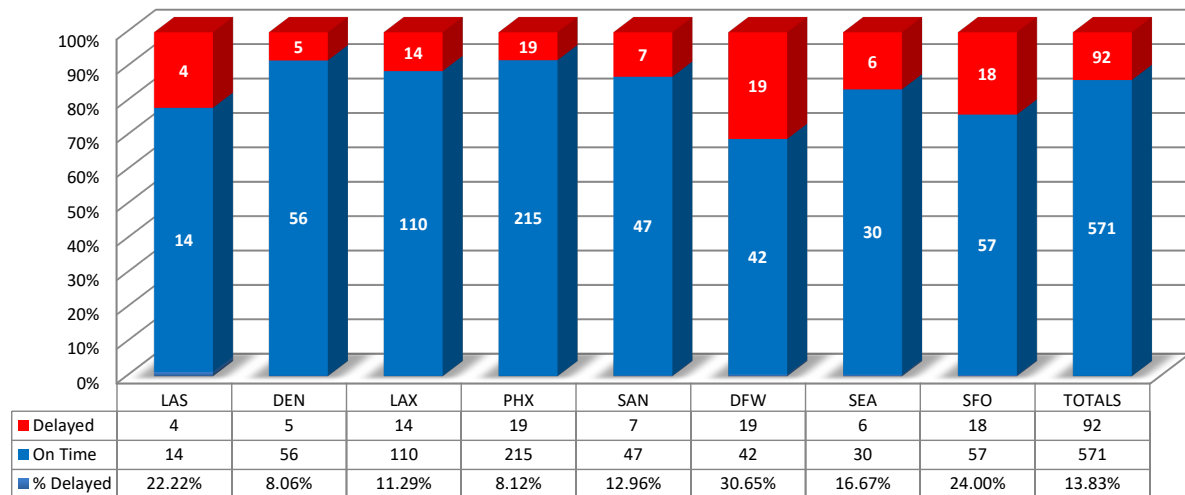
MARCH 2024

March Commercial Flights Operated vs. Canceled



TOTAL CANCELED FLIGHTS: 2

March Commercial Flights On Time vs. Delayed



TOTAL DELAYED FLIGHTS: 92



Monterey Regional Airport April 2024 Flight Schedule



		ARRIVALS					DEPARTURES						
Aircraft Type (Seats)	FROM	AIRLINE	FLIGHT	TIME	SCHD	TO	AIRLINE	FLIGHT	TIME	SCHD	Aircraft Type (Seats)		
CRJ700 (66)	PHX		4834	9:26	4 - 30	DFW		1770	5:00 AM	DAILY	A319 (128)		
EMB175 (76)	LAX		5310	9:45 AM	DAILY	DEN		5475	5:15 AM	10 - 30	EMB175 (76)		
EMB175 (76)	SAN		3346	11:48 AM 15:13 PM	1 - 15 16 - 30	PHX		6277	6:10 AM	DAILY	CRJ700 (66)		
EMB175 (76)	PHX		3477	12:15 PM	DAILY	SAN		3474	6:10 AM	17 - 30	EMB175 (76)		
EMB175 (76)	SFO		5479	12:20 PM	DAILY	PHX		4834	9:56 AM	4 - 30	CRJ700 (66)		
EMB175 (76)	SEA		3467	1:00 PM	THU, FRI, SUN, MON	LAX		5658	10:35 AM	DAILY	EMB175 (76)		
EMB175 (76)	DEN		5438	1:20 PM	DAILY	SAN		3346	12:30 PM 3:55 PM	1 - 15 16 - 30	EMB175 (76)		
CRJ700 (66)	PHX		6277	3:45 PM	DAILY	PHX		3347	12:40PM	DAILY	EMB175 (76)		
CRJ700 (66)	PHX		3140	6:30 PM 7:30 PM 7:30 PM	9,16,23,30 1-9, 10-16,17-23,24-29	DEN		5620	1:00 PM	DAILY	EMB175 (76)		
EMB175 (76)	LAX		5398	7:40 PM	DAILY	SEA		3467	1:00 PM	THU, FRI, SUN, MON	EMB175 (76)		
A319 (128)	DFW		1563	8:30PM 9:30 PM 9:30 PM	6,13,20,27 1-5,7-12,14-19,21-26,28-30	SFO		4729	2:00 PM	DAILY	EMB175 (76)		
EMB175 (76)	DEN		4701	8:50 PM	9 - 30	PHX		4828 4853	4:20 PM	DAILY	CRJ700 (66)		
EMB175 (76)	SAN		3392	10:06 PM	18 - 30	LAX		5482	8:25 PM	DAILY	EMB175 (76)		
A319 (156)	LAS		55	3:10 PM 4:10 PM 4:30 PM 8:15 PM	1 12, 15, 22, 29 5,8 19, 26	LAS		53	4:00 PM 5:00 PM 5:22 PM 9:00 PM	1 12, 15, 22, 29 5,8 19, 26	A319 (156)		

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

TO: Michael La Pier, Executive Director
FROM: Chris Morello, Deputy Executive Director
DATE: April 3, 2024
SUBJ: Planning/Marketing and Capital Projects Monthly Report

Attached is the current monthly Project Report for the Planning and Marketing Departments with the following highlights for March 2024:

➤ **2024 Youth Art at the Airport Exhibit**

- As Youth Art Month wrapped up, an incredible new exhibit was installed in our Youth Art Gallery. This new exhibit showcases the fiber arts of Monte Vista School students (grades 1-8).
- An Opening Reception is scheduled for April 11 from 5:30 pm. – 7:00 pm.

➤ **Airport Improvement Magazine**

- The May/June edition of Airport Improvement Magazine will have an article titled *New ARFF Facility Boosts Efficiency, Paves Way for New Terminal at Monterey Regional*

➤ **Commercial Apron Construction**

- Construction continues to move forward, although the weather has caused some delays for relocation of the long-term parking lot. It is currently anticipated that the long-term parking lot will be available to open around May 10, 2024. The final move out of vehicles from the existing long-term parking lot will be June 2, 2024.

➤ **Joint Chamber California Rodeo Mixer**

- Together with the CA Rodeo, the Monterey Peninsula Chamber of Commerce and the Salinas Valley Chamber of Commerce have scheduled the Annual Joint Chamber Rodeo Mixer that is held at MRY on the observation deck for June 27, 2024, from 5:30- 7:00 pm.

FUNDING				EXPENDITURES				STATUS			
PROJECT #	AIP #	PFC	Total Project Budget	Spent in Prior Fiscal Years	FY 2024 Expenditures to Date	3/31/2024	% Physical Complete	Project Name	Current Status	4 Week Look Ahead	
<u>ACTIVE FEDERALLY-FUNDED PROJECTS:</u>											
1	2022-01	79	18-22-C-00-MRY	\$11,209,740	\$5,279,526	\$5,066,541	\$10,346,067	99%	SEP Phase C1/C2/C3 ARFF Design/Construction Demo/Airfield Access	The fire personnel moved into the new location on October 18, 2023. Hazardous abatement was completed on the southside location on October 27, 2023. Demolition began on November 28, 2023 after PG&E disconnected the utilities.	Demolition of the building, building pad and the utilities was completed in January 2024. Project close out documents are being compiled.
2	2023-01	TBD	18-22-C-00-MRY	\$3,664,550	\$195,858	\$815,054	\$1,010,911	15%	SEP Phase D1 Terminal Design	The contract for Terminal Design was approved at the April 5, 2023 meeting. Staff are working with HOK on the phase 1 schedule of activities.	MRY is still awaiting the BIL entitlement grant that will fund 47% of the HOK design and 100% of KHA and PFM contracts. FAA has indicated that we will receive that grant agreement in the first quarter of FY2024.
3	2024-01	81	18-22-C-00-MRY	\$3,157,895	\$0	\$1,304,227	\$1,304,227	20%	SEP Phase D1 Terminal Design	The BIL ATP grant application was executed on September 13, 2023 which funds 53% of the HOK design services. HOK made a presentation to the BOD on 11/30/23 and a design concept was chosen.	An update on Schematic Design was provided at the February Board meeting. HOK will begin to move into Design Development.
4	2023-02	TBD	18-22-C-00-MRY	\$2,170,000	\$0	\$0	\$0	0%	RUNWAY 28L-10R TREATMENT		No work has started at this time.
5	2023-03	80	18-22-C-00-MRY	\$44,707,180	\$0	\$4,879,352	\$4,879,352	20%	SEP Phase B2 Commercial Apron Construction	A notice to proceed was executed on 11/30/2023 and GRV JV began mobilization.	Grading and soil removal of the southeast ramp area continues. It is anticipated that the temporary long term parking lot will be ready in early May 2024.

FUNDING				EXPENDITURES				STATUS			
PROJECT #	AIP #	PFC	Total Project Budget	Spent in Prior Fiscal Years	FY 2024 Expenditures to Date	3/31/2024	% Physical Complete	Project Name	Current Status	4 Week Look Ahead	
<u>OUTSIDE FUNDED PROJECTS:</u>											
8	2019-03	N/A	N/A	\$2,828,058	\$937,761	\$16,719	\$954,480	45%	WATER DISTRIBUTION SYSTEM	After CEQA MND Certification, the project bid notification was provided to contractors. A contract was approved at the October, 24, 2023 BOD meeting.	The Contractor is in the process of scheduling the construction activities. It is anticipated that construction will begin in May 2024.
9	2023-08	N/A	N/A	\$7,100,000	\$5,309,298	\$1,334,817	\$6,644,115	80%	SOUTHEAST HANGAR PURCHASE	A construction permit for full construction was provided to Avila Construction in May 2023.	MFC completed the project and all tenants moved to the new location by 11/26/2023. Staff are working with MFC to complete the punchlist items and provide final purchase payment.
<u>DISTRICT ONLY FUNDED PROJECTS</u>											
11	2020-14	N/A	N/A	\$350,000	\$203,879	\$0	\$203,879	0%	NORTHWEST BUILDING ABATEMENT		Staff are evaluating building 1105 Airport Way.
12	2024-02	N/A	N/A	\$100,000	\$0	\$60,985	\$60,985	100%	VEHICLE REPLACEMENT		The new EV Ford Lightning purchase was completed and the truck has been added to the fleet. The \$10,000 reimbursement request from MBARD will be submitted in early April.
13	2023-04	N/A	N/A	\$440,000	\$40,871	\$372,630	\$413,501	95%	2801 PROPERTY REPAIRS	Coastal Paving completed the paving and first coat of striping in September of 2023. The 2nd coat of striping was completed on October 28, 2023.	Building C hazmat abatement was approved at the BOD meeting on 12/13/2023. The contractor began the end of January 2024. Due to the rain the project has gone slower than expected, but it should be completed in April 2024.
14	2023-05	N/A	N/A	\$350,000	\$31,661	\$257,016	\$288,677	100%	FRED KANE-SKYPARK PAVEMENT IMPROVEMENTS		Pavement improvements were completed on 10/28/2023.
15	2024-03	N/A	N/A	\$225,000		\$149,465	\$149,465	100%	AIRFIELD AND PROPERTY MAINTENANCE	Runway Safe completed the inspection and testing in August 2023 and a report was provided in the Planning Department cover report in the October Board package. No issues were found with the EMAS.	The northeast RV lot fencing was completed in March 2024. Tenants began moving in to the new location on March 20, 2024.

FUNDING				EXPENDITURES				STATUS			
	PROJECT #	AIP #	PFC	Total Project Budget	Spent in Prior Fiscal Years	FY 2024 Expenditures to Date	3/31/2024	% Physical Complete	Project Name	Current Status	4 Week Look Ahead
16	2024-04	N/A	N/A	\$55,000		\$38,569	\$38,569	100%	TERMINAL AREA IMPROVEMENTS	A contract for the Gate 1 Courtyard wall height increase was approved at the 9/20/2023 meeting.	Coast Counties Glass completed the installation in March 2024.



POLICE

DEL REY OAKS

MONTHLY POLICE ACTIVITY REPORT

March 2024

TO: Michael La Pier, Executive Director
FROM: Commander Roger Guzman
DATE: April 2, 2024
SUBJECT: Police Activity Report for MARCH 2024

The following is a summary of significant activity in the Police Department in MARCH, 2024:

Highlights

Del Rey Oaks Police Officers responded to approx 12 **door and gate alarms** in MARCH.

Training

Officer Dowson provided updated training regarding MRY OPS. Officers conducted annual drivers training. Meeting with Mark Curtis and Monterey Fire about individual responsibilities during Emergency Responses to MRY.

Calls for Service

1. 03/04/2024 3:20 PM Ofcr Dowson
TSA Checkpoint/Prohibited Item
Officer responded for the report of a prohibited item in a carry-on bag. A replica grenade was located in a bag. TSA San Jose Explosives Expert cleared the item.
2. 03/13/2024 8:30 AM Ofcr J Andoy
Monterey Regional Airport/Fred Kane Dr at the Rental Car Return Lot
Several new tire friction marks located leaving the Rental Car Return Lot. The marks were indicative of a vehicle doing "burnouts." Camera Footage was reviewed, a vehicle was identified and the driver was cited. (CR-24-065)
3. 03/17/2024 5:06 PM Ofcr Dowson
Gate Malfunction/V-22B
Gate V-22B was reported to be not closing properly. Gate found to be open approximately 3 ft. Gate was reset and the guide rail was cleaned, gate began to function properly. Airport Operations notified.
4. 03/28/2024 3:40 PM Sgt Perez
Terminal/Commercial Ramp
Officers responded with Airport Operations for the report of Unauthorized Access to Commercial Ramp/SIDA area. 2 pilots were contacted. They had parked their aircraft on the Del Monte Ramp and were attempting to walk to "Woody's" for a meal. CR 24-074

END OF REPORT.