

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

November 12, 2024 – 11:00 AM Pacific Time

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 was called to order at 11:01 AM. Director Leffel, Director Gaglioti, Executive Director La Pier, Deputy Executive Director Morello, Controller Wilson, and Acting Board Secretary Adams were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. REGULAR AGENDA – ACTION ITEMS

Review 1. Annual Financial and Compliance Report for the Fiscal Years Ended June 30, 2024 and 2023 (Audit Report from LSL)

Ryan Domino, Lance, Soll & Lunghard, LLP (LSL) joined the meeting by videoconference and presented an overview of the Annual Financial and Compliance Report for the Fiscal Years Ended June 30, 2024, and 2023.

Mr. Domino highlighted the Independent Auditors' Report Letter that delivers an unmodified opinion that the financial statements are correctly stated and can be relied upon, and that this is the highest and best level of assurance. Mr. Domino explained the three levels of audit standards required due to operating in California and being subject to Government Audit Standards. He reviewed the responsibilities of management and the auditor's responsibilities. He reviewed the Airport's Net Position and the Schedule of Proportionate of the Net Pension Liability.

Mr. Domino answered questions from Directors, particularly regarding the pension liability allocation and if there was any way to manage that. Executive Director La Pier explained the district investigated an IRS 115 Trust a few years ago but did not find it to be advantageous. He noted that PFM did the analysis.

Mr. Domino reviewed the Report on Internal Control over Financial Reporting, the Schedule of Expenditures of Federal Awards, and the Financial Statement Schedule of Findings.

Controller Wilson answered questions regarding the schedules and the CalPERS Cost Sharing Multiple-Employer Plan.

Mr. Domino excused himself from the meeting.

- Review 2. Resolution No. 1890, A Resolution Approving the FY 2025-2030 Airport Capital Improvement Plan (ACIP) and Authorize the Executive Director to Execute All Supporting Grant Documents

Deputy Executive Director Morello explained the Airport Capital Improvement Plan (ACIP) is a five-year planning document submitted to the FAA that must include new grants. She reviewed the proposed ACIP through 2030.

Deputy Executive Director Morello answered questions from Directors. She explained the Taxiway B extension and rehabilitation is to connect Taxiway Bravo to Runway 28L so there are not multiple runway crossings for light general aviation.

Mr. Uwe Grobecker, a member of the Public, asked if the runway had ever been extended. Deputy Executive Director Morello answered no; it was shortened 600 feet in the last ten years.

- Review 3. Resolution No. 1892, A Resolution Amending the FY 2025 Capital Improvement Budget

Deputy Executive Director Morello explained that the Capital Improvement Program (CIP) Budget approved at the June 20, 2024 Board meeting was developed with some estimates. Now that bids and grants have been received the CIP Budget needs to be amended. She reviewed the projects that are being amended and the FY 25 Capital Budget Summary.

Executive Director La Pier answered questions from Director Gaglioti regarding grant funding and timing.

The Finance Committee agreed to recommend Resolution No. 1892 for approval.

- Review 4. FYTD Financial Statements

Controller Wilson reviewed the FYTD Financial Statements for September 2024 and reported net income is essentially on track; interest income, parking, and rental cars continue to trend over budget.

There was a discussion about T-Bill yields. Controller Wilson reminded Directors the Airport can't take a risk, so T-Bills are the only investment opportunity. Corporate bonds or equity markets are not an option.

Director Leffel asked if there is a lag in the PFC (Passenger Facilities Charge) collection. Controller Wilson answered they are booked to cash upon receipt but there is a one to two month lag to receive them.

No Public Comment.

D. ADJOURNMENT

The meeting adjourned at 12:05 PM.

Approved at the
Meeting of November 20, 2024



Mary Ann Leffel, Chair

ATTEST

A handwritten signature in black ink, appearing to read "Michael La Pier". The signature is stylized with a prominent horizontal stroke at the beginning and a loop at the end.

Michael La Pier
District Secretary