

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

June 12, 2019 - 10:00 AM - Board Room

A. CALL TO ORDER/ROLL CALL

Chair Sabo called to order the Regular Meeting of the Board of Directors at 10:03 AM. Directors Cursio, Leffel, Miller and Sawhney were present. The following District Officers were present: Executive Director La Pier, Acting District Secretary Auker and Deputy Executive Director Bergholz. David G. Ritchie, Attorney, Cota Cole & Huber, was present in District Counsel Huber's absence.

B. PLEDGE OF ALLEGIANCE

Director Sawhney led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

La Pier noted that there was a typo in Resolution No. 1750 and an updated Resolution was placed at each of the Directors' chairs to replace the document that was included in their packets.

Chair Sabo mentioned that he did a radio interview with David Marzetti of Shag Bag Radio Show.

D. PUBLIC COMMENTS

None.

E. CONSENT AGENDA - ACTION ITEMS

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

- | | |
|---------|---|
| Approve | 1. Minutes of the Committee Meeting of the Airport Property Development and Leases Committee of May 9, 2019 |
| Approve | 2. Minutes of the Committee Meeting of the Air Carrier Service, Marketing and Community Relations Committee of May 13, 2019 |
| Approve | 3. Minutes of the Committee Meeting of the Budget and Finance Committee of May 14, 2019 |
| Approve | 4. Minutes of the Special Meeting of May 15, 2019 (9:00 AM) |
| Approve | 5. Minutes of the Special Meeting of May 15, 2019 (10:00 AM) |
| Approve | 6. Minutes of the Special Meeting of May 20, 2019 |
| Approve | 7. Minutes of the Special Meeting of May 23, 2019 |

Director Leffel moved to approve Consent Agenda Items E-1 through E-7. Director Miller seconded the motion. The motion passed unanimously by a vote of 5-0.

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

None.

G. REGULAR AGENDA - ACTION ITEMS

Adopt 1. Resolution No. 1750, A Resolution Amending Resolutions No. 1711, 1727 and 1739, and Approving the Amended Capital Budget of the Monterey Peninsula Airport District for Fiscal Year Ending 2019

Executive Director La Pier presented Item G.1, providing an overview of the Capital Budget amendment recommendations. The recommended amendments include an adjustment to the cost of purchasing an ARFF vehicle, transfer of the balance of the ARFF vehicle purchase to cover the modification of the ARFF building exhaust system, and adjustments to accommodate the acquisition of the Fenton and Keller property located at located at 2801 Monterey/Salinas Highway and the 4 Locals Asset Purchase Agreement.

Director Miller moved to adopt Resolution No. 1750. Director Leffel seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

RESOLUTION NO. 1750

A RESOLUTION AMENDING RESOLUTIONS NO. 1711, 1727 AND 1739, AND APPROVING THE AMENDED CAPITAL BUDGET OF THE MONTEREY PENINSULA AIRPORT DISTRICT FOR FISCAL YEAR ENDING 2019

WHEREAS, Executive Staff recommends the FY19 Operating and Capital Budgets be amended to reflect material financial changes in District expected operations; and

WHEREAS, it is the desire of the Board of Directors to amend the "Fiscal Year 2019 Capital Budget" to reflect the inclusion of changes impacting the Capital and Operating Budgets; and

WHEREAS, it is the desire of the Board of Directors to amend the "Fiscal Year 2019 Capital Budget" to update changes in capital expenditures identified since the approval of Resolution No. 1739 (approving ARFF vehicle purchase); and

WHEREAS, the revenues and expenditures of the District for the Fiscal Year 2019 are hereby appropriated as set forth and segregated in the amended Capital Budget; and

WHEREAS, all amended operating and capital expenditures for the Fiscal Year 2019 as set forth in the District Amended Capital Budget shall be payable in such time, form and manner as is prescribed by the Monterey Peninsula Airport District Act and by Resolution No. 1424, a Resolution Establishing Fiscal Control Policies and Procedures for the Monterey Peninsula Airport District; and

WHEREAS, all debt service expenditures, interest and principal, for the Fiscal Year 2019 are identified and shall be payable in such time, form and manner as prescribed by contract or covenant, are hereby approved.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT, that the Fiscal Year 2019 District Capital Budget is increased by \$7,642,895, to a total amount of \$12,906,289 effective immediately.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 12th day of June 2019 by the following roll call vote:

AYES:	DIRECTORS:	Cursio, Leffel, Miller, Sawhney, Chair Sabo
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	None
ABSENT:	DIRECTORS:	None

Adopt 2. Resolution No. 1751, A Resolution Authorizing and Approving the Adjustment of Rates and Charges at the Monterey Regional Airport for Fiscal Year 2020

Executive Director La Pier presented Item G.2, stating that the only change from what was adopted last year reflects the rate compression of parking fees in the long term parking lot, as previously decided by the Board.

Director Leffel noted that the increase in parking revenues is a direct reflection of an increase in flights.

Director Miller stated that that he had received a complaint that with the new rate compression structure, if a passenger arrives at the airport and their flight gets cancelled, they are still charged the full daily rate instead of just for the few hours that they are parked. He recommended that staff look into this issue and evaluate alternatives to address it.

Public Comment: Matthew Wright, General Manager, Monterey Fuel Company, asked if it would be possible just to validate parking of those who are experiencing the problem with cancelled flights and he also made rate recommendations for the following: general aviation hangar rates, fuel flowage fees and landing rates.

Chair Sabo recommended that he formalize his comments and suggestions to staff so they can look into evaluating options.

The Board discussed options regarding the rate compression structure.

Director Sabo moved to adopt Resolution No. 1751, amending the proposed Long-Term Parking Lot rates to \$1.00 per hour first three hours and \$13.00 per day after three hours. Director Leffel seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

RESOLUTION NO. 1751

A RESOLUTION AUTHORIZING AND APPROVING THE ADJUSTMENT OF RATES AND CHARGES AT THE MONTEREY REGIONAL AIRPORT FOR FISCAL YEAR 2020

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT, the following rate and fee schedule (SEE ANNEX A) shall be implemented effective July 1, 2019.

1.0 Aviation & Aviation Related Rates and Fees.

1.1 Landing Fees.

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

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

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

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

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

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

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

1.2 Remain-Over-Night (RON) Fee.

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

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

1.3 Apron Fee.

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

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

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

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

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

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

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

2.0 Terminal Area Rents.

2.1 Terminal Building and Adjacent Area Rentals. There shall be paid to the District rents for space in and around the Airport terminal (SEE ANNEX A). These rents are paid by square foot (sq.

ft.) or space basis (per month) except as may otherwise be provided in a contractual agreement between the District (lessor) and a lessee.

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

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

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

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

6.0 **Effective Date.** This Resolution shall take effect on July 1, 2019.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: this 12th day of June 2019, by the following roll call vote:

AYES:	DIRECTORS:	Cursio, Leffel, Miller, Sawhney, Chair Sabo
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	None
ABSENT:	DIRECTORS:	None

Adopt 3. Resolution No. 1752, A Resolution Authorizing and Approving the Fiscal Year 2020 Salary Schedule Listing Salary Ranges for the Monterey Peninsula Airport District

Executive Director La Pier presented Item G.3, stating that the proposed changes included creation of a new job description and position titled the Operations, Strategy, and Development Executive Assistant and moving the Part-Time Operations Supervisor to Full-Time.

Director Leffel moved to adopt Resolution No. 1752. Director Sawhney seconded the motion. The motion passed by a roll call vote of 5-0.

RESOLUTION NO. 1752

A RESOLUTION AUTHORIZING AND APPROVING THE FISCAL YEAR 2020 SALARY SCHEDULE LISTING SALARY RANGES FOR THE MONTEREY PENINSULA AIRPORT DISTRICT

WHEREAS, the Monterey Peninsula Airport District has contracted with the City of Del Rey Oaks to provide law enforcement services which resulted in the closure of the District police station and the layoff of existing full and part-time officers; and

WHEREAS, the Monterey Peninsula Airport District retired the Police Records & Operations Executive Assistant position; and

WHEREAS, the Monterey Peninsula Airport District created new job description and position titled the Operations, Strategy, and Development Executive Assistant to meet the current needs of the Airport; and

WHEREAS, the Monterey Peninsula Airport District adjusted the FY 2020 lower and upper salary ranges by one percent (1.0%) in accordance with the represented staff agreement (AAA MOU).

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: That the compensation of all employees of the Monterey Peninsula Airport District as set forth and prescribed in the 2020 Salary Schedule, Listing Salary Ranges is hereby approved and adopted. A copy of said schedule is attached hereto and made a part of by reference as though the same were set forth in full herein.

AND BE IT FURTHER RESOLVED: That there be filed in the office of said District, said Salary Schedule in accordance with and designated "Monterey Peninsula Airport District Fiscal Year 2020 Salary Schedule" listing salary ranges.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 12th day of June 2019 by the following roll call vote:

AYES:	DIRECTORS:	Cursio, Leffel, Miller, Sawhney, Chair Sabo
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	None
ABSENT:	DIRECTORS:	None

Adopt 4. Resolution No. 1753, A Resolution Authorizing and Approving the Operating Budget and Capital Budget of the Monterey Peninsula Airport District for Fiscal Year 2020

Executive Director La Pier introduced Item G.4, briefly recapping the budget philosophy of his last five years as Executive Director and noting that he takes a conservative approach to budgeting.

Deputy Executive Director Bergholz presented the financial review and the proposed budget for Fiscal Year 2020. He provided details on the Operating Budget, Capital Budget, expenses and revenues.

Director Cursio moved to adopt Resolution No. 1753. Director Leffel seconded the motion. The motion passed by a roll call vote of 4-0. Chair Sabo abstained from the vote.

RESOLUTION NO. 1753

A RESOLUTION AUTHORIZING AND APPROVING THE OPERATING BUDGET AND CAPITAL BUDGET OF THE MONTEREY PENINSULA AIRPORT DISTRICT FOR FISCAL YEAR 2020

WHEREAS, the estimates submitted to the Board of Directors of the Monterey Peninsula Airport District entitled "Monterey Peninsula Airport District, County of Monterey, State of California, Budget - Fiscal Year 2020," and now on file in the offices of the District are hereby approved and adopted as the budget of the District for the Fiscal Year 2020; and

WHEREAS, the revenues of the District for the Fiscal Year 2020 are hereby appropriated as set forth and segregated in the operating budget and the capital budget; and

WHEREAS, all annual salaries, compensations, allowances and operating expenses for the Fiscal Year 2020 as set forth in the operating budget shall be payable in such time, form and manner as is prescribed by the Monterey Peninsula Airport District Act and by Resolution No. 1424, a Resolution Establishing Fiscal Control Policies and Procedures for the Monterey Peninsula Airport District, are hereby approved; and

WHEREAS, all capital expenditures for the Fiscal Year 2020 as set forth in the capital budget shall be payable in such time, form and manner as is prescribed by the Monterey Peninsula Airport District Act and by Resolution No. 1424, a Resolution Establishing Fiscal Control Policies and Procedures for the Monterey Peninsula Airport District, are hereby approved; and

WHEREAS, all debt service expenditures, interest and principal, for the Fiscal Year 2020 are identified and shall be payable in such time, form and manner as prescribed by contract or covenant, are hereby approved; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT, the operating plan and capital plan presented in the budget for Fiscal Year 2020 are hereby established and designated as in the budget and shall take effect on July 1, 2019.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 12th day of June 2019 by the following roll call vote:

AYES:	DIRECTORS:	Cursio, Leffel, Miller, Sawhney
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	Chair Sabo
ABSENT:	DIRECTORS:	None

A break was taken from 12:43 PM until 1:00 PM.

Discussion 5. State Aviation Fuel Tax Issue

Chair Sabo introduced Item G.5, stating that the issue regarding the state aviation fuel tax was brought to his attention during the last TAMC meeting he attended. Executive Director La Pier provided details about the issue, expressing the importance of local agencies opposing any support on this legislation.

The Board directed staff to have a presence at the next TAMC Board Meeting and to have early discussions with Congressman Panetta to inform them of the Airport's position.

H. ACCEPTANCE OF DEPARTMENT REPORTS

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

I. BOARD COMMITTEE REPORTS

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

- | | |
|---|------------------------------|
| a. <u>Standing Committees:</u> | |
| i. Budget and Finance | Directors Leffel & Sabo |
| ii. Air Service, Marketing, Community Relations | Directors Cursio & Nelson |
| iii. Airport Property Development and Leases | Directors Miller & Cursio |
| b. <u>Ad-Hoc Committees:</u> | |
| i. Local Jurisdiction Liaison | Directors Leffel & Miller |
| c. <u>Liaison/Representatives:</u> | |
| i. Local Agency Formation Commission | Director Leffel Alt: Sabo |
| ii. Regional Taxi Authority | Director Leffel Alt: La Pier |
| iii. Transportation Agency for Monterey County | Director Sabo Alt: Cursio |
| iv. Special Districts Association Liaison | Director Miller Alt: Cursio |
| v. Association of Monterey Bay Area Governments | Director Sabo Alt: Leffel |

J. CLOSED SESSION

The Board entered into Closed Session at 2:00 PM.

1. **REAL PROPERTY NEGOTIATIONS** (Government Code Section 54956.8) The Board will meet with Real Property Negotiators, Executive Director and District Counsel, regarding the property identified as 200 Fred Kane Drive, Suite 201, Monterey, CA 93940.

K. RECONVENE TO OPEN SESSION

The Board returned to Open Session at 4:14 PM.

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

Approve 1. Concession Operating Agreement

Agenda Item K.1 was tabled.

L. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

- *Fort Ord Reuse Authority Presentation on the Eastside Parkway Project (tabled until completion of EIR)*
- *AMBAG Ex-Officio Representation (planned to be discussed at AMBAG's August Executive Committee Meeting)*

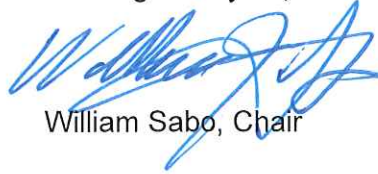
M. DISCUSSION OF FUTURE AGENDAS

- *Discussion to Evaluate Changing the Regular Meeting Time from 10:00 AM to 9:00 AM (Director Cursio)*
- *Presentation Regarding Internet/Cyber Security by Alvarez Technology Group (Director Miller)*
- *Annual Evaluation of Executive Director (Chair Sabo)*

N. ADJOURNMENT

The meeting adjourned at 4:21 PM.

Minutes Approved at the
Meeting of July 10, 2019



William Sabo, Chair

ATTEST



Michael La Pier, AAE
District Secretary