

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

February 7, 2023 – 9:00 AM

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

Due to the expiration of certain directives contained in the Governor’s Declaration of Emergency for the State of California (Executive Order N-29-20), the Board of Directors of the Monterey Peninsula Airport District will return to hold meetings at the Airport Board Room, with in-person attendance.

Due to recent increase in the transmission of the Omicron variant of the Coronavirus, and, as a result of the directives issued by the State of California and the Monterey County Public Health Officer intended to prevent the transmission of the coronavirus, the Airport may utilize the procedures outlined in AB361 to utilize alternative measures related to the conduct of remote meetings and remote comments by members of the public.

Members of the public may participate in the Board meeting via Zoom video conference. To view the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: **862 5585 1868**. The password for this meeting is: **20230207**. If you do not have access to the internet, you may also participate telephonically by calling (253) 215-8782 and entering the same Meeting ID and password.

REMOTE PUBLIC COMMENTS

To make a public comment, the following options are available:

1. Before the Meeting via Email: Written comments can be emailed to info@montereyairport.com. 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.
2. During the Meeting via Oral Comments: When the Chair calls for public comment, attendees can queue to speak with the “Raise Hand” feature. On the Zoom application, click the “Raise Hand” button. On the phone, press *9. The Secretary to the Board will call speaker names and unmute speaker microphones. You will have up to 3 minutes to provide your oral comments, pursuant to Board policy.

Public comments may also be made in person. 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.

A. CALL TO ORDER

The meeting of the Budget & Finance Committee of the Monterey Peninsula Airport District was called to order at 9:02 AM. Directors Sabo and Leffel, Executive Director La Pier, Deputy Executive Director Morello, Controller Wilson, and Acting Board Secretary Adams were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

Director Sabo announced he intended for the topics he emailed, to Executive Director La Pier, to be placed on the Agenda. Executive Director La Pier stated that we are prepared to address those items during General Discussion, which is on the Agenda.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

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| Review | 1. Resolution No. 18XX, A Resolution Authorizing and Approving the Service Agreement between the Monterey Peninsula Airport District and R&S Erection of Monterey Bay, Inc. |
|--------|---|

Deputy Executive Director Morello stated this project was on the FY23 CIP Budget when it was approved. She noted some of the security gates are very old and have components that are beyond repair. The Airport has an annual solicitation for those interested in being on our vendor list and we used that list to invite proposals. R&S Erection is in Castroville and has maintained the gates for the last 10 years. They provided a proposal of \$45,236.45 but it excludes tax and possible shipping charges, so we are asking for approval of a not to exceed of \$50,000. This is a PFC funded project and was budgeted at \$100,000.

Director Leffel suggested we change the not to exceed to \$55,000 to give ourselves some cushion. Executive Director La Pier stated we would make sure that \$50,000 is enough or we will change it prior to bringing to the Board.

Director Sabo asked if the work included a warranty. Deputy Executive Director Morello answered yes, a one-year warranty. Director Sabo asked the age of the existing gates. Deputy Executive Director Morello answered mostly 40 years; some are original. Director Sabo asked if this type of project could be AIP eligible. Executive Director La Pier answered yes but we don't have a grant that allows for this type of enhancement right now.

Review 2. FYTD 2023 Statements

Director Sabo asked that we review his questions prior to reviewing the FYTD 2023 Financial Statements.

Director Sabo asked if we knew the Cal Trans Loan covenants yet. Executive Director La Pier stated that the covenants will come out of their loan committee. The Board can vote no on the actual loan if they are not happy with the covenants. The application is non-binding. Controller Wilson added we are on their Loan Committee agenda tomorrow.

Director Sabo asked to discuss the short-term cash strategy. He believes short term treasury bills would be preferable to what we are investing in now. Controller Wilson stated he is analyzing options. There are other avenues we can explore, and we are still working through the mechanics. There was a discussion about CD placement. Controller Wilson stated ideally you want to lock in for a higher yield, so we need to evaluate that. There was a discussion about cash needs and commitments going forward. Controller Wilson stated he and Executive Director La Pier have done a broad review of cash needs in addition to reviewing a daily cash flow report.

Director Sabo stated he is getting questions from aircraft owners about the reason for building box hangars vs. T-hangars. He asked Executive Director La Pier if he had responded to the Public Comment during last month's special board meeting. Executive Director La Pier stated he has exchanged emails with Mr. Dickins and spoken to AOPA, who was happy to hear that the Airport is underwriting \$3 million of the cost of construction. He stated the buy down to the debt service can be considered subsidizing the new hangars. Deputy Executive Director Morello reviewed the cost of the box and T-hangars per square foot and in total. Controller Wilson reviewed the terms of finance. Executive Director La Pier stated there could be reductions in construction costs based on scope of work. Directors discussed possible changes to the scope of work and what might be eliminated.

Director Sabo stated he didn't understand why we would build the planned 100' x 100' "corporate" hangar. Executive Director La Pier reviewed the reasoning and what we have now. He stated the current "corporate" hangar is not marketable. We've had board approval to move forward, and we've already engaged a commercial real estate agent to begin to market it.

Controller Wilson then reviewed Item D.2 - FYTD 2023 Statements, saying there is nothing remarkable to report and the statements are favorable to budget. He noted there is no need for a budget amendment this year.

Director Sabo stated the cost per enplanement chart shows those costs are up. He asked why. Controller Wilson answered the driver is enplanements being down.

Director Sabo asked what would drive a budget amendment. Executive Director La Pier stated overall we are better than budget. Individual forecasted activities were budgeted with the best information available at the time. If there were a catastrophic event that required a reforecast of revenue and severe cost cutting we would amend the budget.

Review 3. Variance Analysis - MTD and YTD

Director Sabo questioned the variance on PR expenses. Executive Director La Pier stated it was the addition of the monthly fee for our PR consultant agreement which was not budgeted for that line item. The budget was for a salaried position.

Review 4. Accounts Receivable Aged Invoice Report

Director Sabo asked for explanations on two of the items. Executive Director La Pier answered that we have sent a notice of abandonment to the RV tenant. Controller Wilson answered the other has already been paid.

Review 5. Grant Funds Balance

There were no questions or discussion.

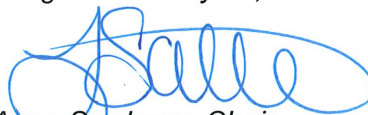
Discuss 6. General Discussion

Director Sabo asked if there was a calendar plan for the budgeting process. Controller Wilson stated he would start to develop departmental budgets with the departments and he and Executive Director La Pier would determine the top line assumptions. Executive Director La Pier stated the goal is a first draft budget ready for the April or May Finance Committee meeting. If necessary, we will schedule a special meeting.

E. ADJOURNMENT

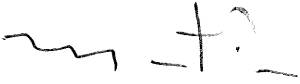
The meeting adjourned at 11:07 AM.

Approved at the
Meeting of February 15, 2023



LisAnne Sawhney, Chair

ATTEST

A handwritten signature in black ink, appearing to read "Michael La Pier". The signature is stylized with a prominent vertical stroke and a horizontal line extending to the right.

Michael La Pier, AAE
District Secretary