

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

**September 17, 2014 10:00 AM
Board Room, Terminal Building - Monterey Regional Airport**

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

A. CALL TO ORDER/ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

D. PUBLIC COMMENTS

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

E. CONSENT AGENDA – ACTION ITEMS

(10:20AM – 10:30AM Estimated)

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

Approve 1. Minutes of the Regular Meeting of August 13, 2014

Approve 2. Minutes of the Special Meeting of August 20, 2014

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

G. REGULAR AGENDA – ACTION ITEMS

(10:30AM-11:30AM Estimated)

Presentation 1. Update on the Runway Safety Area (RSA) Project by Kimley-Horn and Associates.

Approve 2. Amendment to the Retirement Incentive Agreement between Monterey Peninsula Airport District and Tom Greer, General Manager.

Approve 3. Agreement for Executive Search Services

H. ACCEPTANCE OF DEPARTMENT REPORTS (11:30AM – 12:00PM Estimated)

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

LUNCH BREAK (12:00PM – 1:00PM Estimated)

I. BOARD COMMITTEE REPORTS (1:00PM – 1:30PM Estimated)

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

a. Standing Committees:

- | | |
|--|---------------------------|
| i. Air Carrier Service/Marketing/Community Relations | Directors Nelson & Leffel |
| ii. Finance | Directors Miller & Sabo |
| iii. Local Jurisdiction Liaison | Directors Miller & Searle |

b. Ad-Hoc Committees:

- | | |
|--------------|---------------------------|
| i. Personnel | Directors Miller & Nelson |
|--------------|---------------------------|

c. Liaison/Representatives:

- | | |
|--|--------------------------------|
| i. Local Agency Formation Commission | Directors Leffel & Searle |
| ii. Transportation Agency for Monterey County | Directors Sabo/Nelson (alt) |
| iii. Water Management District (Policy Advisory) | Directors Leffel/Searle (alt) |
| iiii. Regional Taxi Authority | Director Leffel/GM Greer (alt) |

J. CLOSED SESSION (1:30PM – 2:30PM Estimated)

- 1. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION** (Pursuant to Government Code section 54956.9(b), the Board of Directors will meet with District Counsel, General Manager, Deputy General Manager, Planning & Development and District Consultants regarding potential litigation – one case)
- 2. CONFERENCE WITH LABOR NEGOTIATORS** (Pursuant to Government Code Section 54957.6) Police Officers Association (POA)

Agency designated representatives: David Prentice, Cota-Cole LLP and Tonja Posey

K. RECONVENE TO OPEN SESSION

L. DISCUSSION OF FUTURE AGENDAS

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

M. ADJOURNMENT

AGENDA DEADLINE

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

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

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

August 13, 2014, 10:00AM, BOARD

A. CALL TO ORDER/ROLL CALL

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

B. PLEDGE OF ALLEGIANCE

Director Leffel led the Pledge of Allegiance

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

1. Recognition of 15 Years of Service

<u>Name</u>	<u>Position</u>	<u>Department</u>
Jennifer Hickerson	Executive Assistant	Finance & Administration

General Manager Greer, and Sr. Deputy General Manager Hayes, presented this item to the Board and also recognized Jennifer Hickerson as the Employee of the 2nd Quarter in FY11.

2. Recognition of 15 Years of Service

<u>Name</u>	<u>Position</u>	<u>Department</u>
Ester Sera	Custodian	Maintenance

General Manager Greer, and Deputy General Manager Bautista, presented this item to the Board and also recognized Ester Sera as the Employee of the 2nd Quarter in FY09.

3. Recognition of 33 Years of Service

<u>Name</u>	<u>Position</u>	<u>Department</u>
John Trenner	Fire Chief	Public Safety

General Manager Greer presented John Trenner to the Board and thanked him for 33 years of loyal and dedicated service to the Airport District.

General Manager Greer announced that the Board each had a copy of a letter from Michael Klein, M.D. regarding a reservation he and his wife had made through Allegiant and concerns with his interactions with customer service representatives of Allegiant.

D. PUBLIC COMMENTS

None

E. CONSENT AGENDA – ACTION ITEMS

(10:20AM – 10:30AM Estimated)

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

Approve 1. Minutes of the Regular Meeting of July 9, 2014

Director Sabo moved to approve Item E.1. Director Leffel seconded the motion. The motion passed unanimously.

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

G. REGULAR AGENDA – ACTION ITEMS

(10:30AM-11:30AM Estimated)

Presentation 1. Update on the Runway Safety Area (RSA) Project by Kimley-Horn and Associates.

This item was moved to the second action item.

Kevin Flynn, Kimley-Horn and Associates, Inc. presented Item G.1.

Adopt 2. Resolution No. 1625, a Resolution Amending Resolution No. 1601, a Resolution Authorizing and Approving The Operating Budget and Capital Budget of the Monterey Peninsula Airport District for Fiscal Year 2014.

This item was moved to the third action item.

Director Leffel moved to approve Item G.2. Director Sabo seconded the motion. The motion passed by a roll call vote of 4-0.

RESOLUTION NO. 1625

**A RESOLUTION AMENDING RESOLUTION NO. 1601
AUTHORIZING AND APPROVING THE OPERATING AND CAPITAL BUDGETS OF THE
MONTEREY PENINSULA AIRPORT DISTRICT FOR FISCAL YEAR 2014**

WHEREAS, all operating expenditures and capital expenditures for the Fiscal Year 2014 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, were approved by Resolution No. 1549, 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, that operating expenditures in the "Operating Expense Budget – FY14" are hereby increased by \$75,000 and capital expenditures in the "Capital Budget – FY14" are increased by \$265,000, effective June 30, 2014.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 13th day of August, 2014 by the following roll call vote:

AYES:	DIRECTORS:	Leffel, Searle, Sabo, Miller
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	None
ABSENT:	DIRECTORS:	Nelson

Approve 3. Monterey Airpark Associates lease amendment / extension.

This item was moved to the first action item.

Counsel Huber presented Item G. 3. to the Board.

Director Leffel moved to approve Item G.3. Director Sabo seconded the motion. The motion passed by a roll call vote of 4-0.

Discussion/
Action 4. Approve Board Member attendance to upcoming conferences in FY 2015,
1). ACI-NA Annual Conference, September 7 – 10, 2014, Atlanta, GA, and 2).
SWAAAE Annual Airport Management Short Course, January 25 – 28, 2015,
Monterey, CA. 3). 87th Annual AAEE Conference and Exposition June 7-10,
2015, Philadelphia, PA.

Chair Miller asked the Board to announce their interest in attending any of the upcoming conferences listed in Item G.4. In Director Nelson's absence, Chair Miller indicated that Director Nelson had expressed interest in attending the AAEE Conference on June 7 – 10, 2015.

Director Leffel announced her interest in attending the AAEE Conference on June 7 – 10, 2015.

Director Sabo and Chair Miller announced their interest in attending the ACI-NA Conference September 7 – 10, 2014.

Director Sabo, Director Searle and Chair Miller announced their interest in attending the SWAAAE Conference on January 25 – 28, 2015.

Director Leffel moved to approve Item G.4. Director Sabo seconded the motion. The motion passed unanimously.

Action 5. Adjourn the Regular Meeting of September 10, 2014 to September 17, 2014.

Director Sabo moved to approve Item G.5. Director Leffel seconded the motion. The motion passed unanimously.

H. ACCEPTANCE OF DEPARTMENT REPORTS (11:30AM – 12:00PM Estimated)

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

LUNCH BREAK (12:00PM – 1:00PM Estimated)

I. BOARD COMMITTEE REPORTS (1:00PM – 1:30PM Estimated)

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

a. Standing Committees:

- i. Air Carrier Service/Marketing/Community Relations Directors Nelson & Leffel
- ii. Finance Directors Miller & Sabo
- iii. Local Jurisdiction Liaison Directors Miller & Searle

b. Ad-Hoc Committees:

- i. Personnel Directors Miller & Nelson

c. Liaison/Representatives:

- i. Local Agency Formation Commission Directors Leffel & Searle
- ii. Transportation Agency for Monterey County Directors Sabo/Nelson (alt)
- iii. Water Management District (Policy Advisory) Directors Leffel/Searle (alt)
- iiii. Regional Taxi Authority Director Leffel/GM Greer (alt)

J. CLOSED SESSION (1:30PM – 2:30PM Estimated)

1. **CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION** (Pursuant to Government Code section 54956.9(b), the Board of Directors will meet with District Counsel, General Manager, Deputy General Manager, Planning & Development and District Consultants regarding potential litigation – one case
2. **CONFERENCE WITH LABOR NEGOTIATORS** (Pursuant to Government Code Section 54957.6) Police Officers Association (POA)

Agency designated representatives: Cota-Cole LLP and Tonja Posey

3. **PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT/DISCIPLINE/DISMISSAL/RELEASE** (Government Code Section 54957).

Pursuant to Government Code Section 54957(b), the Board will meet with the District Counsel to consider the appointment, employment, evaluation of performance, discipline, and/or dismissal of a public employee related to the following position: General Manager.

K. RECONVENE TO OPEN SESSION

Chair Miller announced that no action was taken in closed session.

L. DISCUSSION OF FUTURE AGENDAS

- *A Special Meeting will be scheduled for August 20, 2014 at 10:00am*
- *Presentation about Noise Abatement procedures*
- *Board Members purchase and use of laptops*

M. ADJOURNMENT

The meeting adjourned at 3:40pm

MINUTES OF THE SPECIAL MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS
ROOM **August 20, 2014, 10:00AM, BOARD ROOM**

A. CALL TO ORDER/ROLL CALL

Chair Miller called to order the Special Meeting of the Board of Directors. Directors Sabo, Searle, and Nelson were present. The following District officers were present: General Manager Greer, Secretary Posey, Auditor Merritt and Counsel Huber. Director Leffel was absent.

B. PLEDGE OF ALLEGIANCE

Director Nelson led the Pledge of Allegiance

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

None

D. PUBLIC COMMENTS

None

E. REGULAR AGENDA – ACTION ITEMS (10:05AM-11:00AM Estimated)

- Approve 1. Retirement Incentive Agreement between Monterey Peninsula Airport District and Tom Greer, General Manager.

Counsel Scott Huber presented this item to the Board.

Director Sabo moved to approve Item E.1. Director Nelson seconded the motion. The motion passed by a roll call vote of 4-0.

- Approve 2. Agreement for Executive Search Services

Director Sabo moved to approve Item E.2. Chair Miler seconded the motion. After Board discussion about the potential impact to the FY15 budget, Director Sabo pulled his motion. Chair Miller pulled his second to the motion.

Chair Miller directed staff to place this item on the Finance Committee Meeting agenda for discussion and that staff contact ADK to see what options the district may have.

Chair Miller tabled this item and asked that it be placed on the September 17, 2014 Board Meeting.

F. CLOSED SESSION (11:00AM-12:00PM Estimated)

1. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** Pursuant to Government Code Section 54957(b)

The Board will meet with the General Manager and District Council to consider the evaluation of performance of a public employee related to the following position: General Manager

G. RECONVENE TO OPEN SESSION

Chair Miller announced that no action was taken in closed session.

H. DISCUSSION OF FUTURE AGENDAS

Chair Miller asked the board to start thinking about dates in December for the Board's Annual Holiday Party and recommended Fandango's

I. ADJOURNMENT

The meeting adjourned at 12:18pm.

AGENDA ITEM: G-2
DATE: September 17, 2014
OPEN SESSION

TO: Monterey Peninsula Airport District Board of Directors
FROM: Scott E. Huber, District Counsel
SUBJ: Amendment to Retirement Incentive Agreement

BACKGROUND. On August 20, 2014, the Board approved an early retirement agreement such that the General Manager would retire on or before June 30, 2015. It is necessary to extend the timeline for recruitment of a new general manager to July 31, 2015.

STAFF ANALYSIS. As drafted, the Retirement Incentive Agreement provides that the General Manager will retire on or before June 30, 2015. The executive search is timed and targeted to have a new general manager in place on July 16, 2015. It is important to have a period of time when both the retiring General Manager and the new recruit are in place to allow for a smooth transition and to enable the new General Manager to be introduced to key members of the public. Accordingly, it is necessary to amend the retirement incentive agreement to allow the current General Manager to remain on staff through July 31, 2015.

IMPACT ON REVENUES. None

IMPACT ON OPERATING EXPENSE. The overall increase of the total incentive agreement is approximately \$20,000 (one month's salary and benefits plus one month's vacation accrual).

IMPACT ON FY 2015 OPERATING EXPENSE. The additional expense incurred by this agreement (approximately \$11,500) was approved when the board ratified the agreement on August 20, 2014; the adopted FY15 operating plan may require amendment. There will be no additional expense incurred in FY15 by this contract amendment.

IMPACT ON FY 2016 OPERATING EXPENSE. The expense incurred by amending this agreement is minimal (approximately \$20,000) and will be programmed into the FY 2016 operating plan.

IMPACT ON OPERATIONS. This Amendment will allow for a smooth transition of leadership for the District.

STRATEGIC PLAN. Consistent with: Financial Management 5.2 (Mitigate financial risk through prudent financial management and effective contract management) and Human Resources/Organizational Development 7.6 (Ensure effective workforce succession planning).

RECOMMENDATION. Counsel and staff recommend that the Board of Directors approve the Amendment to the Retirement Incentive Agreement.

AMENDMENT TO RETIREMENT INCENTIVE AGREEMENT

This Amendment to the Retirement Incentive Agreement ("Amendment") is entered into by and between Thomas Greer ("Greer"), and the Monterey Peninsula Airport District ("Airport"). A copy of the Retirement Incentive Agreement ("Agreement") dated August 20, 2014 is attached to this Amendment as Exhibit A. In consideration of terms and conditions herein, the Airport and Greer agree that the Agreement between the Airport and Greer shall be amended as follows:

1. Greer's employment with the Airport shall end on or before July 31, 2015.
2. Conflicts between the Agreement and this Amendment shall be controlled by this Amendment. All other provisions within the Agreement shall remain in full force effect.

IT IS SO AGREED:

Dated: _____

Dated: _____

Thomas Greer
General Manager

Carl Miller
Chair, Monterey Peninsula Airport District

Dated: _____

COTA COLE LLP

By: _____
Scott E. Huber
District Counsel

RETIREMENT INCENTIVE AGREEMENT

This Retirement Incentive Agreement ("Agreement") is entered into by and between Thomas Greer ("Greer"), and the Monterey Peninsula Airport District ("Airport") for purposes of providing for a seamless transition of the position and providing for a continued presence of Greer during his remaining term of employment with the Airport. Airport and Greer (collectively "parties") each and collectively desire a full and final resolution of all contractual issues, and are accordingly entering into this Agreement on the terms set forth in this Agreement.

RECITALS

- A. WHEREAS, Greer is the General Manager of the Airport; and
- B. WHEREAS, Greer has accrued the maximum number of vacation days possible as General Manager; and
- C. WHEREAS, Greer announced his intention to retire as of June 30, 2015; and
- D. WHEREAS, the Board of Directors expressed its desire to have Greer facilitate a smooth transition without extended periods of absence related to Greer's use of his earned vacation time.

AGREEMENT

In consideration of the following terms and covenants of this Agreement and the full and timely performance thereof, which consideration each of the Parties hereby agree and acknowledge is good and adequate, the Parties agree as follows:

- 1. The Parties acknowledge and agree that the above Recitals are true and correct and are by this reference hereby incorporated into this Agreement as material terms of this Agreement.
- 2. In consideration of Greer's retirement from service on or before June 30, 2015 and his agreement to not utilize extended vacation leave, the Parties agree as follows:
 - a. Airport shall purchase from Greer, as consideration for not taking extended vacation leave and for remaining at the Airport to effectuate a seamless transition for the position of General Manager, Greer's accrued vacation time as follows:
 - i. Airport shall remove the cap on Greer's vacation accrual, retroactive to January 1, 2014; and
 - ii. Upon request by Greer, Airport will purchase from Greer all unused accrued vacation hours at the rate of Greer's hourly compensation as of the date of purchase; and

- iii. Airport will purchase all remaining unused vacation hours from Greer as of June 30, 2015, at the rate of Greer's hourly compensation as of the date of purchase.
- b. Airport will calculate the total accrued vacation at the time of retirement and, at Greer's direction, will contribute the funds to Greer's 457(b) account, to the maximum amount allowed pursuant to IRS regulations. Upon reaching the maximum contribution to Greer's 457(b) plan, if applicable, Airport shall pay Greer any remaining funds that are not eligible for his 457(b) plan.
- c. Greer will not take any extended vacation leave to which he may be entitled to facilitate a smooth transition of administrative leadership and to assist the Airport in its continuity of leadership. Greer is encouraged to take such vacation time as he may wish to use.
- d. Greer's employment with the Airport shall end on or before June 30, 2015.

3. The Parties represent and warrant that they have not assigned or transferred, or purported to assign or transfer, and shall not hereafter assign or transfer or have any right to assign or transfer, any obligations, liabilities, demands, claims, costs, expenses, debts, controversies, damages, actions, and causes of action released pursuant to this Agreement. Each party also agrees to indemnify and hold the other harmless against any obligation, liability, demand, claim, cost, expense (including, but not limited to, attorneys' fees incurred), debt, controversy, damage, action or cause of action based on, arising out of, or in connection with any such transfer or assignment or purported transfer or assignment.

4. Without limiting any of Greer's other representations, warranties, covenants, acknowledgments, exclusions, or agreements set forth in this Agreement, Greer hereby agrees, acknowledges, represents, and warrants that he read this Agreement; that he had the opportunity to have the Agreement explained to him by counsel of his choice; that he is aware of the content and legal effect of the Agreement; and that he is not relying on any representations made by any other Party or any of the Released Parties or any employees, agents, representatives, or attorneys of any other Party or Released Party, or any of them, except as expressly set forth in this Agreement.

5. This Agreement shall be effective immediately upon its execution by Greer and the Airport. This Agreement may be executed in counterparts, in duplicate originals, and/or facsimile or electronically transmitted signatures. If executed in counterparts, then upon proof of execution of at least one copy, the Agreement shall be effective from the date of the last signature. If executed in duplicate, each duplicate copy shall be valid as an original copy. If signatures are transmitted by facsimile or electronically, each facsimile or electronically transmitted signature shall be valid as an original signature.

6. The Airport and Greer agree to execute and deliver any other instrument or document convenient or necessary to carry out the terms of this Agreement.

7. This Agreement is the final expression of, and contains the entire agreement between, the Parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. Except as expressly provided in this Agreement to the contrary, this Agreement may not be modified, changed, supplemented, superseded, canceled or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The Airport and Greer shall not be bound by any representation, warranty, promise, statement, or information, unless it is expressly set forth in this Agreement.

8. Failure of Greer and the Airport to insist upon the strict observance of, or compliance with, all of the terms of this Agreement in one or more instances, shall not be deemed to be a waiver of the Airport or Greer's right to insist upon such observance or compliance with the other terms of this Agreement.

9. Should any term of this Agreement be deemed unlawful, that provision or part thereof shall be stricken, and such provision shall not affect the legality, enforceability or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions of this paragraph, then the stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in meaning to the stricken provision as is legally possible.

10. This Agreement shall bind and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the Airport and Greer.

11. Each person executing this Agreement represents and warrants to the other signatories that they have the authority to execute this Agreement on behalf of the Party and all other persons for whom they are signing this Agreement.

12. The Parties agree that this Agreement has been jointly drafted and that this Agreement shall not, in any event, be construed as if it had been prepared by one of the Parties, but rather as if all Parties had prepared this Agreement. Accordingly, this Agreement shall not be construed in favor of, or against, any Party by reason of the extent to which any Party or its counsel participated in the drafting of this Agreement.

13. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

///

///

///

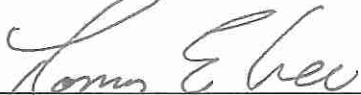
///

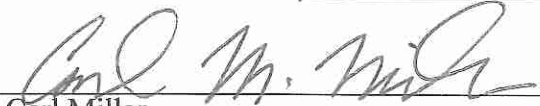
///

///

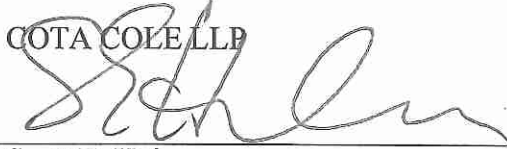
14. Should any action, motion, or other legal proceeding be brought to enforce or interpret the terms of this Agreement, the prevailing party in any such proceeding shall be entitled to recover reasonable attorneys' fees and costs incurred in prosecuting such efforts. Except as outlined in this paragraph, the Airport and Greer shall each bear their own attorneys' fees and costs incurred in connection with this matter.

IT IS SO AGREED:

Dated: 8/20/14

Thomas Greer
General Manager

Dated: 08/20/14

Carl Miller
Chair, Monterey Peninsula Airport District

Dated: 8/20/14

COTA COLE LLP

By: Scott E. Huber
District Counsel

AGENDA ITEM: G-3
DATE: September 17, 2014
OPEN SESSION

TO: Monterey Peninsula Airport District Board of Directors
FROM: Scott E. Huber, District Counsel
SUBJ: Approval of Agreement for Executive Search Services

BACKGROUND. The Board and General Manager will entered into a retirement incentive agreement, such that the General Manager will retire on or before July 31, 2015. As a result, the Board will consider acquiring the services of an executive search firm, ADK Consulting Inc. ("ADK"), to assist in the national advertising and recruitment for a new general manager.

STAFF ANALYSIS. Staff has researched various options for executive search companies and has presented this information to the Board. Staff now presents the attached Agreement for your consideration and approval. ADK is a widely known executive search firm located in Florida, which specializes in management level recruiting for airports. After contacting numerous references, staff has determined that ADK is an excellent executive search firm, which has successfully recruited candidates for management positions in airports across the United States.

ADK is experienced in ascertaining the qualities and skills which the Board will desire a successful candidate to possess. ADK also has a very good record of finding successful candidates to fill the positions for which it is engaged to conduct a search. In addition, ADK's guarantee provides the security to the Board that if the candidate leaves or is removed by the Board during the first year, ADK will perform another search at no cost to the Airport.

IMPACT ON OPERATING REVENUE. None

IMPACT ON OPERATING EXPENSE. The fees for the professional services offered by ADK will not exceed \$33,000. In addition, some travel related expenses will be necessary and those expenses will increase the cost of the Agreement by approximately \$8,000. There will also be candidate travel expenses (currently estimated not to exceed \$5,000).

IMPACT ON FY 2015 OPERATING EXPENSE. The contract is structured to minimize the impact on the FY15 operating budget; the adopted FY15 operating plan has \$16,000 for recruitment for a new GM. The contract, as currently negotiated, will cause the expense in FY15 to be approximately \$25,000.

IMPACT ON FY 2016 OPERATING EXPENSE. Remaining ADK contract expense and travel reimbursements will be triggered when the new GM reports for work; this will be incorporated into the FY16 operating budget. This line item expense will be just over \$13,000.

IMPACT ON OPERATIONS. This Agreement will enable the Board to conduct national advertising to recruit and hire the best candidate for the position of General Manager for the Monterey Airport. Once hired, it will also allow for a smooth transition of leadership for the District.

STRATEGIC PLAN. Consistent with: Financial Management 5.2 (Mitigate financial risk through prudent financial management and effective contract management) and Human

Resources/Organizational Development 7.2 (Recruit and retain a high performing workforce) & 7.6 (Ensure effective workforce succession planning).

RECOMMENDATION. Counsel and staff recommend that the Board of Directors approve the Professional Services Agreement with ADK Consulting.

PROFESSIONAL SERVICES AGREEMENT

between

Monterey Peninsula Airport District

and

ADK Consulting, Inc dba ADK Executive Search

Background

The Monterey Peninsula Airport District Board (Board) has selected ADK Consulting, Inc. dba ADK Executive Search (ADK) to provide an executive search for a new General Manager for the Monterey Regional Airport (MRY).

Search Process

This search will be performed in accordance with the Proposal for Monterey Peninsula Airport District, Executive Recruitment for General Manager, July 15, 2014 (Proposal), and hereto attached as Exhibit A. If there are conflicts, any information in this Agreement supersedes the Proposal.

Pricing

The total professional fee for a General Manager level search is **\$28,000 without** Field Interviews (Section 3.5 Page 10 of Proposal). We provide this option to better allow your evaluation of our proposal against those that do not provide Field Interviews. If Field interviews are not chosen, ADK will substitute Skype interviews instead. While we highly recommend Field Interviews for General Manager searches, we also know there can be sensitivities related to cost. With Field Interviews the total professional fee for a full-service General Manager search is **\$33,000**. The two scenarios for invoicing and payment would be as follows:

	<u>\$28,000 fee</u>	<u>\$33,000 fee</u>
Installment 1 due within 30 days after notice to proceed.	\$8,400.00	\$9,900.00
Installment 2 due 60 days after notice to proceed.	\$8,400.00	\$9,900.00
Installment 3 due after contract completion.	\$11,200.00	\$13,200.00

The Board selects the following option: ___No Field Interviews ___Field Interviews

In the event that the Board selects "No Field Interviews," the Board has the option to add Field Interviews at its discretion during the executive search process.

The Board will be responsible for any reasonable and customary incidental expenses for travel, lodging, meals, etc. ADK travels by coach class and stays in moderately priced hotels (Hampton Inn, Marriott Fairfield, etc.). We estimate our travel expenses will be less than **\$8000.00** for a full-service search. With the constantly changing airline environment, it is difficult to provide a firm price on what these expenses may be. Without Field Interviews, expenses are expected to be below **\$5000**. These incidental expenses are separate and in addition to the Professional Fee and shall be paid with Installment 3, as outlined above.

Miscellaneous expenses (phone, postage, office copies, and fax transmissions) are included in the professional fees above and will not be billed as expenses. Other expenses not mentioned above and *not included* in the expense estimate, are considered over and above (overnight shipping, candidate expense reimbursements, reproduction of documents for Board review, e.g.) and will be billed only if the service is requested by the Board. For example, all deliverables to the Board are sent via electronic mail or cloud service storage. If résumé submissions, responses to questions, and assessment results are requested to be mailed or overnighted to the Board, the copying, binding, and express shipping the same documents would be an additional expense.

Candidate expense reimbursements are travel related expenses that the selected finalists will incur when traveling to Monterey for final interviews. The Board will need to reimburse the candidates directly, or, alternately, request that ADK process the reimbursement of these expenses for them. As a service to our clients, ADK provides these services at no additional charge. With appropriate documentation from the candidates, ADK will process the reimbursement requests to the individual candidates, and then seek reimbursement from the Board as part of its normal invoicing process. ***These expenses are not included in the estimate above as they are not ADK expenses.***

Contract Completion

For purposes of this Agreement, contract completion occurs immediately upon the commencement of employment by the selected finalist, which is targeted to be July 16, 2014.

Insurance

ADK hereby certifies that it possesses a commercial liability policy with The Hartford and a professional services liability policy with the Philadelphia Insurance Companies. ADK will provide evidence of insurance to the Board upon request.

Communications

All communications will be handled by electronic mail and/or telephone, as far as practicable. Mr. Doug Kuelpman, President, is your primary search manager with Ms. Anell Kuelpman, Senior Vice President, as your assistant search manager

Guarantee

This full-service search qualifies the Board for our no-hassle guarantee. Should your new General Manager leave or be terminated for cause within one year of the completion of the search (excluding health related issues), ADK will conduct another search to replace the individual at no cost to the Board, other than any travel-related, out-of-pocket expenses.

Termination

Both parties retain the right to terminate this Agreement at any time. Upon termination notice, ADK will cease work and provide documentation of work completed to date of termination. ADK will be compensated for all activity (professional fees) and expenses that have been obligated at the date of termination per the terms of this Agreement, on a pro-rata basis.

Indemnification

ADK shall indemnify and hold harmless the Monterey Peninsula Airport District, and their respective officials, the Board and its employees, associates, and representatives from any and all liabilities, costs or damages (including reasonable attorneys' fees) that may arise from any action or inaction of its employees, associates, and representatives in connection with the performance of the services outlined herein, except for such liabilities, costs or damages which are due to the gross negligence or willful or intentional misconduct of the Board and its employees, associates, and representatives.

Governing Law, Venue and Notices

This Agreement and obligations of the parties hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of California. In the event that either party brings an action against the other party related to this Agreement, the parties agree that venue shall be vested exclusively in the state and federal courts of Monterey County, California. Any and all notices required to be given by either of the parties hereto shall be in writing and be deemed communicated when mailed in the United States mail, certified, return receipt requested, and addressed as follows:

Monterey Peninsula Airport District
Attn: General Manager
200 Fred Kane Drive #200
Monterey, CA 93940

ADK Executive Search
PO Box 330906
Atlantic Beach, FL 32233

Agreed

Signature Carl Miller, Chair Date
 Monterey Peninsula Airport District

Signature Douglas R Kuelzman, President Date
 ADK Consulting, Inc.

AGENDA ITEM: H
DATE: September 17, 2014

TO: Monterey Peninsula Airport District Board of Directors
FROM: Thomas E. Greer, General Manager
DATE: September 17, 2014
SUBJ: Monthly Report

1. I attended the MCCVB Awards Luncheon.
2. I attended and welcomed the AAAE/Unison, CIP Planning & Finance Workshop Conference held at the Monterey Plaza Hotel & Spa.
3. Met with Coffman & Associates and staff, to go over status of the Master Plan and several implementation concepts.
4. Met with staff on several occasions to discuss the progress and status of the RSA project.
5. I attended the Annual meeting of the Association of California Airports Conference, September 10 – 12.
6. I will be out of the office on vacation September 15 – 19.

TO: Thomas E. Greer, General Manager
FROM: Operations Manager Griggs
DATE: September 17, 2014
SUBJ: Operations Report

The following is a summary of significant activity in the Operations Department for August 2014.

Operations Department

1. Attended the Aero Dynamic Aviation "Grand Opening" event held on August 9.
2. Oversaw the annual McCall's Motorworks special event at the Monterey Jet Center in conjunction with Monterey Airport Police and Monterey Jet Center personnel. All security and operational logistics went as planned and the event was deemed a success.
3. The Concours d'Elegance car week produced the highest General Aviation operations counts since the recession of 2008. The FAA Air Traffic Control Tower and both FBO's were very busy. Traffic ingress and egress for taxiway Echo at taxiway Alpha was at times over capacitated. Although delays were not significant, Operations staff will work on an operational plan to prevent bottleneaking of aircraft parked on movement areas at the two FBO's.
4. Supervised and escorted paint contractors onto taxiway Bravo for taxiway repainting.
5. Oversaw the gas line repair operations in front of the terminal. Coordinated with maintenance staff and contractor to avoid interference of pedestrian and vehicular traffic. Issued signage when necessary.
6. Attached is the Noise Comment Report for August 2014. The noise comments are historically high every August, however comments received this August were higher than trends indicate mainly due to various non-related activities, sometimes occurring simultaneously: Helicopter pipeline surveys performed by PG&E; Helicopter shuttling between Carmel Valley – Laguna Seca associated with car week; General aircraft noise associated with increased operations due to "car week"; Helicopter activity associated with search and rescue operations based out of the old Carmel Valley Airport.
7. Attached is the Operating and Expense Report for the Taxi Open-Entry System.
8. Attached is the Commercial Flight Cancelations & Delay Report. In August there were a total of 236 delays and 67 cancellations.
9. Attached is the Commercial Flight Schedule for September 2014.

10. Below is the summary of scheduled activity for September 2014:

Alaska Air

- No changes from August
- Continuing to operate one daily departure to San Diego
- Scheduled to operate a total of 60 flights (Arrivals and Departures)

Allegiant Air

- No changes from August
- Continuing to operate two weekly departures on Sundays and Thursdays.
- Scheduled to operate a total of 16 flights (Arrivals and Departures)

American Eagle/SkyWest

- No noticeable changes from August
- Continuing to operate three daily departures, two on Saturdays.
- Scheduled to operate a total of 172 flights (Arrivals and Departures)

United/SkyWest

- No changes from August
- Continuing to operate seven daily departures (4-SFO, 3-LAX).
- Scheduled to operate a total of 420 flights (Arrivals and Departures)

US Airways/SkyWest

- CRJ900 service has discontinued until later this fall.
- Continuing to operate three daily departures, two on Saturdays.
- Scheduled to operate a total of 172 flights (Arrivals and Departures)

Cumulatively speaking, the airlines scheduled 174 fewer flights (840 vs. 990) as compared to last September. This is primarily due to the United Express service reduction to/from San Francisco, and the elimination of the Denver flight.

**MRY AIRPORT NOISE COMMENT LOG
AUGUST 2014**

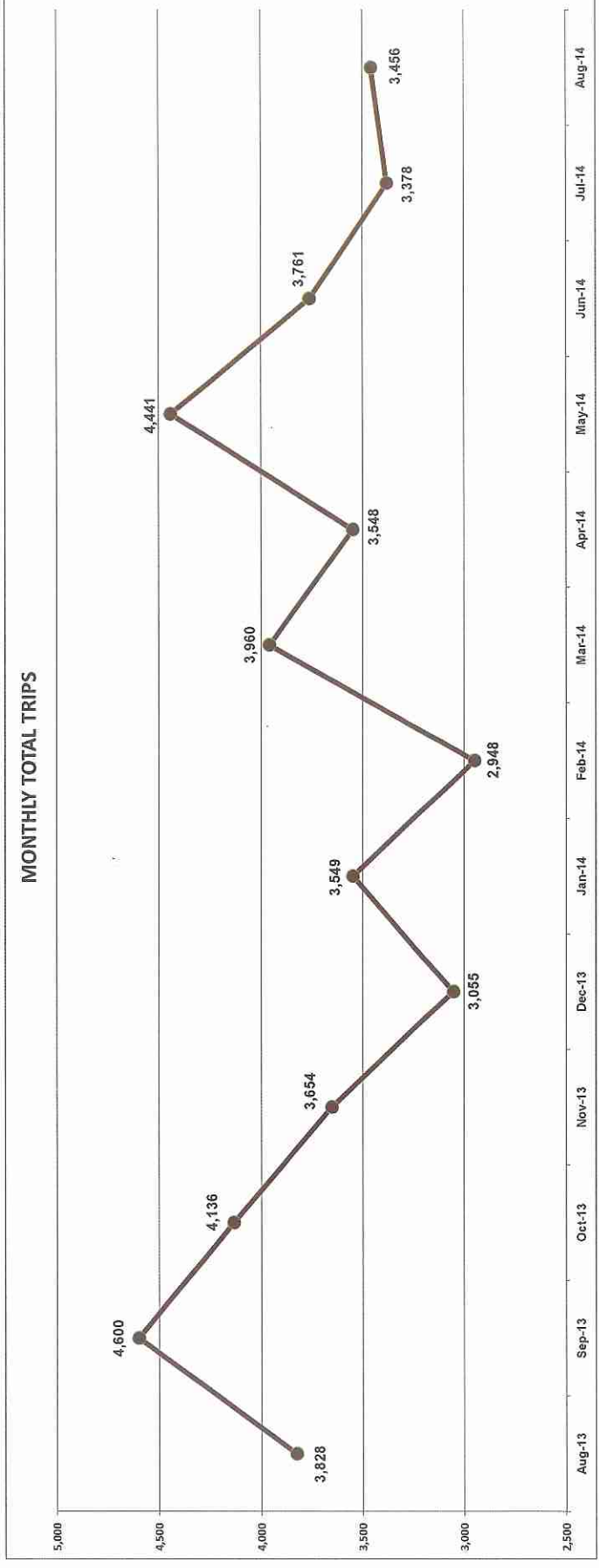
Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Comments	By	Action Taken	Notes	
NOISE CONCERNS FROM AIR OPERATIONS AT MONTEREY AIRPORT										
1	Mark Watson	CONA	8/2/2014	3:25 PM	Citabria	North Pattern	Premature turn before reaching Hwy 1	KG	Confirmed with tower the aircraft turned early without any apparent weather issues	Spoke at length with Mr. Watson (previous complaints in July were left on voicemail). Mr. Watson was informed about the District's voluntary noise procedures
2	Arnold Owen	Fisherman Flats	8/2/2014	4:07 PM	SE	South Pattern	Red & white small SE aircraft. Approximately 15 flights over his house. Very unusual.	KG	Advised Mr. Owen, although rarely, pilots can perform pattern work south of the airport. Admittedly the frequency was high, ATCT offered no explanation.	Also, ATCT could not verify the operator. Unable to investigate if this operator was a base tenant upon description of the aircraft.
3	Douglas Flaherty	CONA	8/3/2014	3:45 PM	Beech Baron	NE	Aircraft made early turn out at 200-300 feet over complainant's house.	NG	ATCT advised aircraft maneuvers were due to cloud avoidance off the west end of the airfield.	
4	Douglas Flaherty	CONA	8/4/2014	4:52 PM	Beech Baron	NE	Aircraft made early turn out at 200-300 feet over complainant's house.	NG	ATCT advised aircraft maneuvers were due to cloud avoidance off the west end of the airfield.	Complainant advised that he will contact SJC FSDO. Ops requested ATCT mgr to advise regarding repeated similar operations by possible same aircraft in each of Mr. Flaherty's recent complaints.
5	Briggs Clayton (sp?)	Seaside Highlands	8/10/2014	2:10 PM	Bell Helicopter	Flying low traveling north and occasional orbiting	Flying low and orbiting in neighborhood	KG	Tower advised a PG&E contracted helicopter company was performing aerial inspections of pipelines. Left vm.	
6	Dave Schardt & Elisabeth Fagan	Montsalas Dr, Monterey	8/11/2014	12:25 AM	CRJ200	Arriving (appch direction unknown)	Inquiries regarding late operation. Ms. Fagan's understanding was that aircraft are not allowed to arrive after 10pm.	NG	Left voicemails for both complainants explaining that aircraft was a late air carrier arrival and further explaining the nature of the voluntary curfew.	Two separate complaints from same address submitted at same time. Operation was late-arriving United from LAX.
7	Paula Cathey	New Monterey	Between 8/7 & 8/14	After Hours	Various	All Directions	Concerned about the recent increased of activity and why aircraft were not observing the curfew.	KG	Divulged the airport's noise abatement policy on curfew and attributed the increased noise events associated with "car week".	
8	Richard Davis	Pacific Grove	8/14 & 8/15	Evenings	Helicopter (14th) and Jet Aircraft (15th)	Unknown	Complained that both operations were very low.	KG	ATCT advised the helicopter was performing pipeline surveys on behalf of PG&E. No record was found for a low jet aircraft. Relayed info to caller.	Two separate complaints from same address submitted on the 15th.
9	Christopher Palma	Del Rey Oaks	8/16/2014	4:45 PM	Citabria	28L Pattern Work	SE aircraft performing multiple passes over neighborhood for an hour.	KG	Confirmed with tower the aircraft was working in the pattern.	Caller stated that it "seemed like an hour...maybe thirty minutes". Caller was inconsistent on frequency stating it was in the range of 6 to 12 passes.
10	Jimmy Sheffler	Carmel Valley	8/16/2014	6:15 PM	Helicopter Activity	All Directions	Inquired why helicopter activity was permissible to land on a field near the Quail Lodge	KG	Helicopter activity associated with guests/clients flown between Laguna Seca Race Track and Quail Lodge for various "car week" functions, and that no limits apply.	
11	Linda Cheatham	Carmel Valley	All the time (reported on 8/17)	All the time	Various	All Directions	Caller was concerned about an increase of aircraft and helicopter traffic this summer	KG	Attributed the increase due to "car week". No historical data is kept or known for aeronautical activities in her area.	
12	Lee Cecka	Carmel Valley	8/18/2014	Every half an hour	Helicopters	All Directions	Why so many helicopters are flying low in her area	KG	Tower advised a search and rescue operation required multiple agencies to respond with aerial support.	
13	Florence Buchenrass	Carmel Valley	8/18/2014	Every hour or so	Helicopters	All Directions	Why so many helicopters are flying low in her area	KG	Tower advised a search and rescue operation required multiple agencies to respond with aerial support.	
14	Margie Crogan	Carmel Valley	8/19/2014	all last week	Helicopters	All Directions	Why so many helicopters are flying low in her area	KG	Advised of recent activity regarding helicopter activity between the Quail Lodge and Laguna Seca. Also a recent search and rescue operation involving multiple agencies.	
15	Gloria Maxon	Carmel Valley	8/21/2014	1:30am	Helicopter	N/A	Complained why a low flying helicopter was operating so early in the morning.	KG	Unknown if helicopter operator was associated with the ongoing search and rescue operations.	
AIR OPERATIONS ORIGINATING FROM ANOTHER AIRPORT										
0	**NONE**									
AIR OPERATIONS OF UNKNOWN ORIGIN										
0	**NONE**									
MONTHLY TOTALS and COMPARISONS										

	Aug-14	Aug-13	% Change	Other Airport	UNKNOWN ORIGINS
Number of Complaints:	15	2	-750%	0	0
Number of Operations:	5,556	5,436	2%		
Annual Total	42	27	56%	0	0

13-MONTH ROLLING COMPARISON

Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
3,828	4,600	4,136	3,654	3,055	3,549	2,948	3,960	3,548	4,441	3,761	3,378	3,456

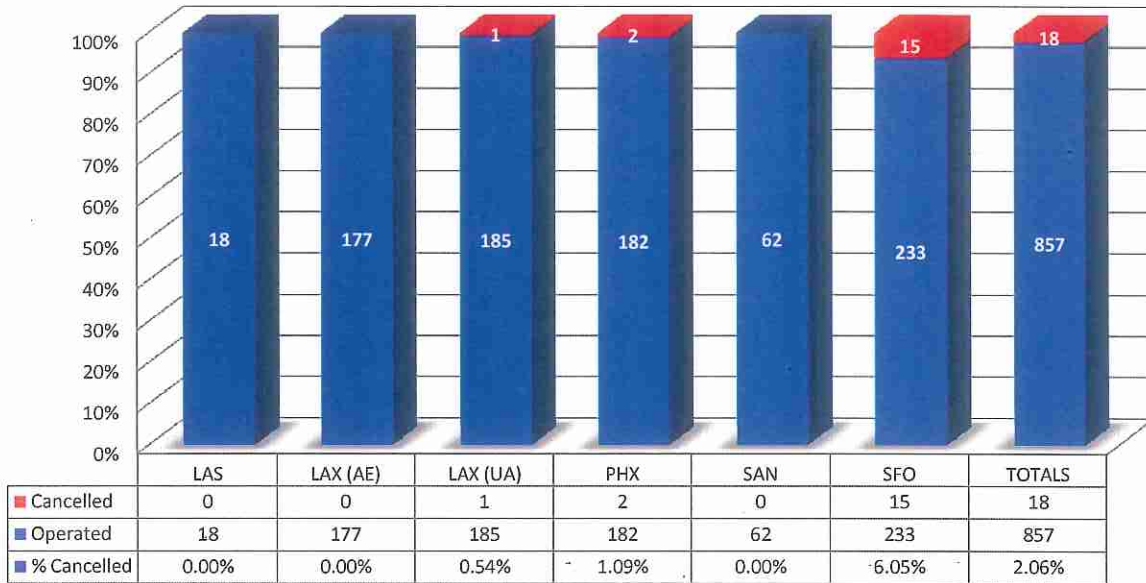
MONTHLY TOTAL TRIPS



	AUGUST 2013	SEPTEMBER 2013	OCTOBER 2013	NOVEMBER 2013	DECEMBER 2013	JANUARY 2014	FEBRUARY 2014	MARCH 2014	APRIL 2014	MAY 2014	JUNE 2014	JULY 2014	AUGUST 2014
NUMBER OF TRIPS	3,828	4,600	4,136	3,654	3,055	3,549	2,948	3,960	3,548	4,441	3,761	3,378	3,456
NUMBER OF CABS	126	129	131	134	134	135	135	137	138	139	142	105	112
TAXI TRIP FEES	\$ 11,484	\$ 13,800	\$ 12,408	\$ 10,962	\$ 9,165	\$ 10,647	\$ 8,844	\$ 11,880	\$ 10,644	\$ 13,323	\$ 11,283	\$ 10,134	\$ 10,368
TAXI MEDALLION FEES ¹	\$ 3,729	\$ 3,229	\$ 2,979	\$ 3,104	\$ 2,479	\$ 2,604	\$ 2,479	\$ 2,729	\$ 2,542	\$ 2,542	\$ 2,667	\$ 2,188	\$ 3,938
TAXI - TOTAL REVENUE	\$ 15,213	\$ 17,029	\$ 15,387	\$ 14,066	\$ 11,644	\$ 13,251	\$ 11,323	\$ 14,609	\$ 13,186	\$ 15,865	\$ 13,950	\$ 12,322	\$ 14,306
CURB MGMT CONTRACT	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,327	\$ 10,368
EQUIPMENT DEPRECIATION	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600
SOFTWARE LICENSE / HOSTING	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175	\$ 2,175
EXPENDABLE SUPPLIES	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,672
TAXI - TOTAL EXPENSE	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,102	\$ 14,672
OPERATING INCOME / (LOSS)	\$ 1,111	\$ 2,927	\$ 1,285	\$ (36)	\$ (2,458)	\$ (851)	\$ (2,779)	\$ 507	\$ (916)	\$ 1,763	\$ (152)	\$ (2,351)	\$ (367)
CUMULATIVE (13-MONTH) OPERATING INCOME / (LOSS)													\$ (2,316)

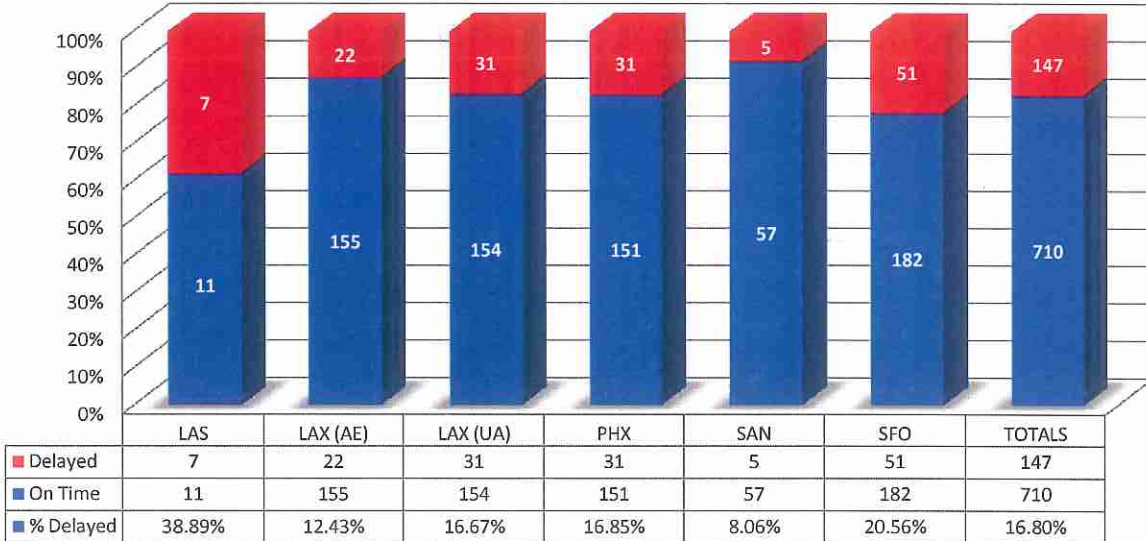
AUGUST 2014

August Commercial Flights Operated vs. Cancelled































TOTAL CANCELLATIONS: 18

August Commercial Flights On Time vs. Delayed



TOTAL DELAYED FLIGHTS: 147

Monterey Regional Airport September 2014 Flight Schedule

		ARRIVALS				DEPARTURES					
	FROM	AIRLINE	FLIGHT	TIME	SCHD	TO	AIRLINE	FLIGHT	TIME	SCHD	
CRJ200 (50)	LAX		2619	9:35 AM	DAILY	SFO		6346	5:40 AM	DAILY	EMB (27)
CRJ200 (50)	LAX		5360	10:05 AM	DAILY	PHX		2923	6:15 AM	DAILY	CRJ200 (50)
EMB (27)	SFO		5503	10:14 AM 10:40 AM	SEPT 1-19 SEPT 20-30	LAX		5316	6:30 AM 6:00 AM	SEPT 1-19 SEPT 20-30	CRJ200 (50)
MD80 (166)	LAS		540	10:52 AM	TH & SU	LAX		2616	6:35 AM	DAILY	CRJ200 (50)
CRJ200 (50)	PHX		2907	11:50 AM	DAILY	SAN		2437	7:50 AM	DAILY	Q400 (76)
EMB (27)	SFO		6359	1:50 PM 2:18 PM	SEPT 1-19 SEPT 20-30	LAX		2619	10:35 AM 10:00 AM	SEPT 1-19 SEPT 20-30	CRJ200 (50)
CRJ200 (50)	PHX		2951	3:30 PM	DAILY	LAX		5350	10:35 AM	DAILY	CRJ200 (50)
CRJ200 (50)	LAX		2589	5:05 PM	DAILY	SFO		5503	10:39 AM 11:05 AM	SEPT 1-19 SEPT 20-30	EMB (27)
CRJ200 (50)	LAX		5338/5473	7:45 PM 4:55 PM	SEPT 1-19 SEPT 20-30	LAS		541	11:37 AM	TH & SU	MD80 (166)
EMB (27)	SFO		5609	8:18 PM	DAILY	PHX		2916	12:20 PM	DAILY	CRJ200 (50)
Q400 (76)	SAN		2436	8:25 PM	DAILY	SFO		6359	2:25 PM	DAILY	EMB (27)
CRJ200 (50)	LAX		2595	9:50 PM	DAILY EXC SA	PHX		2912	4:05 PM	DAILY EXC SA	CRJ200 (50)
CRJ200 (50)	PHX		2964/2956	9:52 PM	DAILY EXC SA	LAX		2589	5:30 PM	DAILY EXC SA	CRJ200 (50)
EMB (27)	SFO		6376	11:26 PM	DAILY	LAX		5344/5473	8:15 PM 5:25 PM	DAILY	CRJ200 (50)
CRJ200 (50)	LAX		5320	11:31 PM	DAILY	SFO		5609	8:46 PM	DAILY	EMB (27)

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

AGENDA ITEM: H
DATE: September 17, 2014

TO: Thomas E. Greer, General Manager
FROM: Police Chief Jeff Hoyne
DATE: September 11, 2014
SUBJECT: Police Activity Report for August 2014

The following is a summary of significant activity in the Police Department during the month of August 2014:

1. Two mutual aid calls requested from other police agencies (Monterey PD), for assistance with a R.O.P.E. activation looking for a suspect vehicle. One assist to Del Ray Oaks PD backing up an officer on a DUI stop.
2. Responded to 210 door and gate alarms.
3. Officers worked a total of 157 hours of overtime resulting from staffing issues. This will continue to be reduced as we have one new P/T officer hired, and one about to receive a final offer of employment.
4. Officers handled one unauthorized item call at the checkpoint. A passenger was found to have a rifle round in their carry-on luggage. Report completed.
5. Officers handled three civil standby calls with drunk and/or irate passengers who missed flights this month. Two were at the ticketing counters and one was at the checkpoint. All handled with no further action needed by officers.
6. Officers responded to a report of a subjects stuck in the terminal elevator. Monterey Fire responded and released the individuals from the elevator without incident.
7. Officers responded to a report of a joyride at Tope's Tree Service. The reporting party stated that one of the business's trucks (which was parked with the key in it) was gone from the business, but found outside the airport gate when they responded to work that morning. Report completed.
8. Officer reported to one medical aid call when a Golden Tee employee passed out in the Fly Away Café. No injury. Employee checked on by Monterey Fire and aid car.
9. Two mental health committals were conducted by officers in the month of August. One was a routine voluntary committal and the other stemmed from an elderly woman committing a vandalism in the airport parking lot. Reports completed. Vandalism warrant request completed on vandalism case.
10. Officers took a damaged property report on a section of damaged fence at the northside RV lot.
11. MRY PD took a vandalism report on an Augustina Leather display case in the terminal. An unknown suspect drew a horn on the company's horse logo to change it into a unicorn.

12. On 08/23 @ 0430 hours officers discovered that several gate alarms were not working due to an electrical issue that involved the passenger gate doorways. MRY PD and operations responded, assured compliance with our security program, and contacted First Alarm. First Alarm responded and the issue was fixed by that evening. TSA notification was made, and report completed.
13. On 08/29 @ 0550 hours a cab driver exited his cab on the drives without putting the vehicle into park. The cab moved forward striking another vehicle on the drives. No damage to vehicles. The cab driver was injured slightly when he fell trying to grab the back of the cab to stop it from rolling forward. Report completed.

Officers conducted over 90 business checks and close patrols in August due to our burglary problem solving project and enhanced MRY PD efforts to interact with our stakeholders and their employees during the regular course of our duties.

AGENDA ITEM: H
DATE: September 17, 2014

TO: Thomas E. Greer, General Manager
FROM: Mark Bautista, Deputy General Manager, Planning & Development
DATE: September 2, 2014
SUBJ: Planning & Development Monthly Project Report

Attached is the current monthly Project Report for the Planning and Development Department. Highlights for August 2014 include:

- Work directed toward implementation of the Runway Safety Area (RSA) Project accomplished during the reporting period, including:
 - On-going production of blocks of EMAS for the RSA project.
 - Continuing earthwork between Hwy 68 and the east end of Rwy 10R/28L.
 - Construction of storm water drainage improvements near the retaining walls at the east end of Rwy 10R/28L.
 - Construction of soil nail walls for the vehicle service road near the east end of Rwy 10R/28L.
 - Maintenance of the project web site on the Internet.

- Work directed toward the Airport Master Plan (AMP), including:
 - Preliminary consultant work on identifying alternatives to meet the needs identified in the draft Demand/Capacity Analysis and Facility Requirement chapters provided to the PAC and BOD members, and published on the project web site.
 - Maintenance of the project web site on the Internet.

- Work directed toward on-going maintenance of Monterey Regional Airport, including:
 - Organization and implementation of repair/replacement of natural gas line for the Airport Terminal.
 - Organization and implementation of striping of Twy Bravo and various connector taxiways.

I will make a presentation at the Board Meeting on any items that arise subsequent to the publishing of the Agenda.

FUNDING			BUDGETING					EXPENDITURES				STATUS		
PROJECT#	AIP #	PFC	Prior FY Budget	FY 2015 Budget	Post FY Budget	Total Project Budget	Spent in Prior Fiscal Years	FY 2015 Expenditures to Date	Cumulative 08/31/14	% Physical Complete	Project Name	Current Status	4 Week Look Ahead	
ACTIVE FEDERALLY FUNDED PROJECTS:														
1	2012-01 and 2014-01	10-15-C-00-MRY 11-17-C-00-MRY 13-18-C-00-MRY	\$31,371,402	\$29,223,954	\$15,658,852	\$46,461,506	\$6,847,008	\$3,142,286	\$9,989,293	15%	RSA Runway 10R/28L - Construction; Phase 1 and 2	The contract has been fully executed with GraniteRock; the first Notice To Proceed (NTP) has been issued. Keyway excavation, drainage system construction and structural geogrid construction for the second retaining wall is 50% complete. Currently on hold until embankment fill is available from the VSR soil nail walls. VSR soil nail wall construction will continue.	4 Week Look Ahead	
2	2013-02	13-18-C-00-MRY	\$690,000	\$632,008	\$162,236	\$1,094,980	\$402,727	\$117,425	\$520,152	50%	Airport Master Plan	First PAC meeting held 1-23-2014. Second PAC meeting and 1st Pub Wksp held April 15, 2014. Third PAC meeting and 2nd Public Workshop held July 8, 2014. All working papers have been distributed to BOD; and available at MPAD website home page link (see Airport Master Plan Website).	Work on Alternatives element continues through 4-week period. One-on-one briefings in early October to be scheduled with BOD.	
3	2015-03	Unk.	\$0	\$1,094,980	\$0	\$1,094,980	\$0	\$0	\$0	0%	Airport Infield Reconstruction Design	Funding anticipated to be available only during last quarter of FY 15.	Work anticipated to begin during 4-week look ahead period.	
ACTIVE DISTRICT FUNDED PROJECTS:														
4	2015-01	N/A	\$0	\$42,000	\$0	\$42,000	\$4,000	\$0	\$0	0%	ARFF Station Remodel Improvements	Awaiting the results of coordination between the City of Monterey and the Finance & Admin Dept.	No action anticipated.	
5	N/A	N/A	\$14,148	\$17,045	\$10,307	\$99,000	\$85,436	\$0	\$85,436	91%	FWSS Mitigation Land Restoration	Preparation and planting is complete at the off-airport site. Signage delineating status as habitat area has been installed.	Monitoring will continue through FY 2014 and into FY 2015.	

TO: Tom Greer, General Manager, Monterey Peninsula Airport District
FROM: Jerry Merritt, District Auditor/Controller
SUBJ: Financial Summary for July 2014 (FY 2015)

BACKGROUND. The Financial Summary for July 2014 (the first period of Fiscal Year 2015) is summarized by the following documents:

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

SUMMARY. In July, operating revenue was below plan by \$20,262 (-3%). TCP operator permits, taxi trip fees, rental car and parking concessions, fuel flowage fees, light GA, and other operating revenue were below plan; aeronautical fees were above plan. Primarily due to phasing (planned but not executed), operating expense was below plan by \$46,854 (-7%). Net income for July was 438% above plan. The net change in cash position was a negative \$1,538.

OPERATING REVENUE							
JULY 2014 ACTUAL	JULY 2014 PLAN	VARIANCE		FISCAL YTD 2014 ACTUAL	FISCAL YTD 2014 PLAN	VARIANCE	
		\$	%			\$	%
\$ 685,048	\$ 705,310	\$ (20,262)	-3%	\$ 685,048	\$ 705,310	\$ (20,262)	-3%

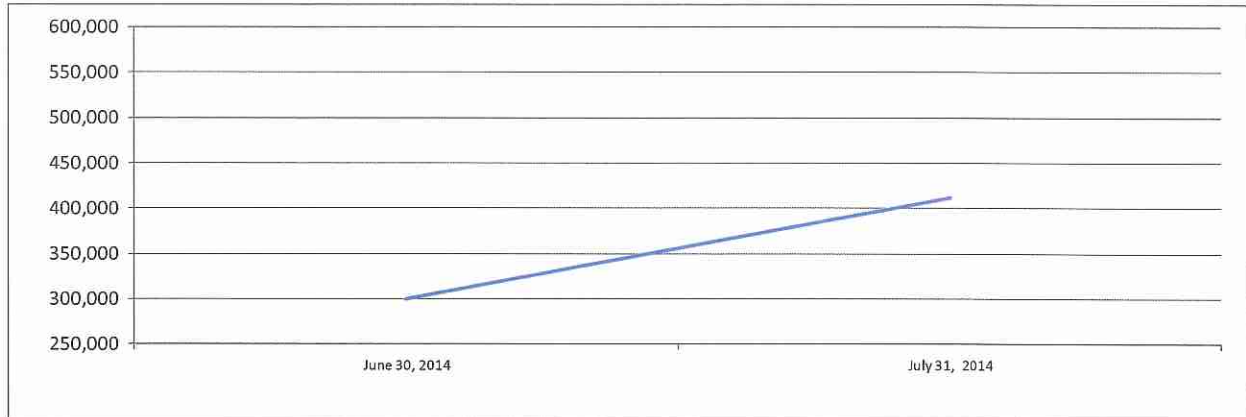
OPERATING EXPENSE							
JULY 2014 ACTUAL	JULY 2014 PLAN	VARIANCE		FISCAL YTD 2014 ACTUAL	FISCAL YTD 2014 PLAN	VARIANCE	
		\$	%			\$	%
\$ 664,845	\$ 711,281	\$ 46,436	-7%	\$ 664,845	\$ 711,281	\$ 46,436	-7%

OPERATING INCOME / (LOSS)							
JULY 2014 ACTUAL	JULY 2014 PLAN	VARIANCE		FISCAL YTD 2014 ACTUAL	FISCAL YTD 2014 PLAN	VARIANCE	
		\$	%			\$	%
\$ 20,204	\$ (5,971)	\$ 26,175	438%	\$ 20,204	\$ (5,971)	\$ 26,175	438%

ACCOUNTS RECEIVABLE. The accounts receivable balance on July 31, 2014, was \$411,854. This balance is 37.0% higher than the balance on June 30, 2014, and 0.7% lower than the

balance on July 31, 2013. Of the accounts receivable balance, \$35,994 or 8.7% was over 60 days old. Chart 1 depicts the accounts receivable balances by month.

Chart 1



Under normal circumstances, the balance of accounts receivable at month-end will align with the dynamic (variable) operating revenue in that month, such as landing fees, fuel flowage fees, concession-based revenues, passenger facility charges (PFC). Typically, accounts receivable balances will span a range from \$300,000 to \$550,000, depending on the District's business cycle. We have a cyclic high in July and August; a cyclic low in January. Compared to June, July operating revenue increased 4.8%. Chart 2 graphically presents the monthly comparison of operating revenues to accounts receivable.

Chart 2

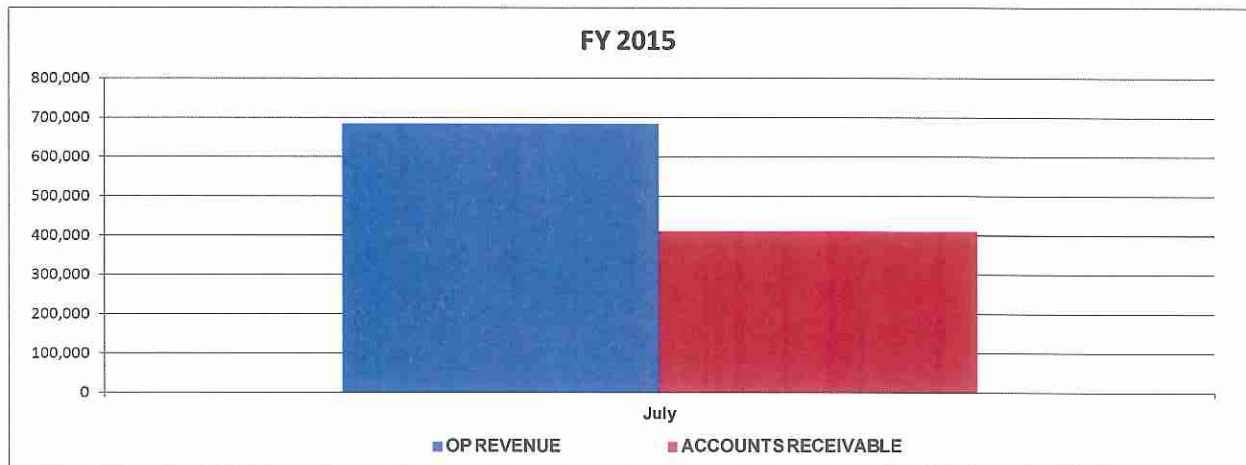
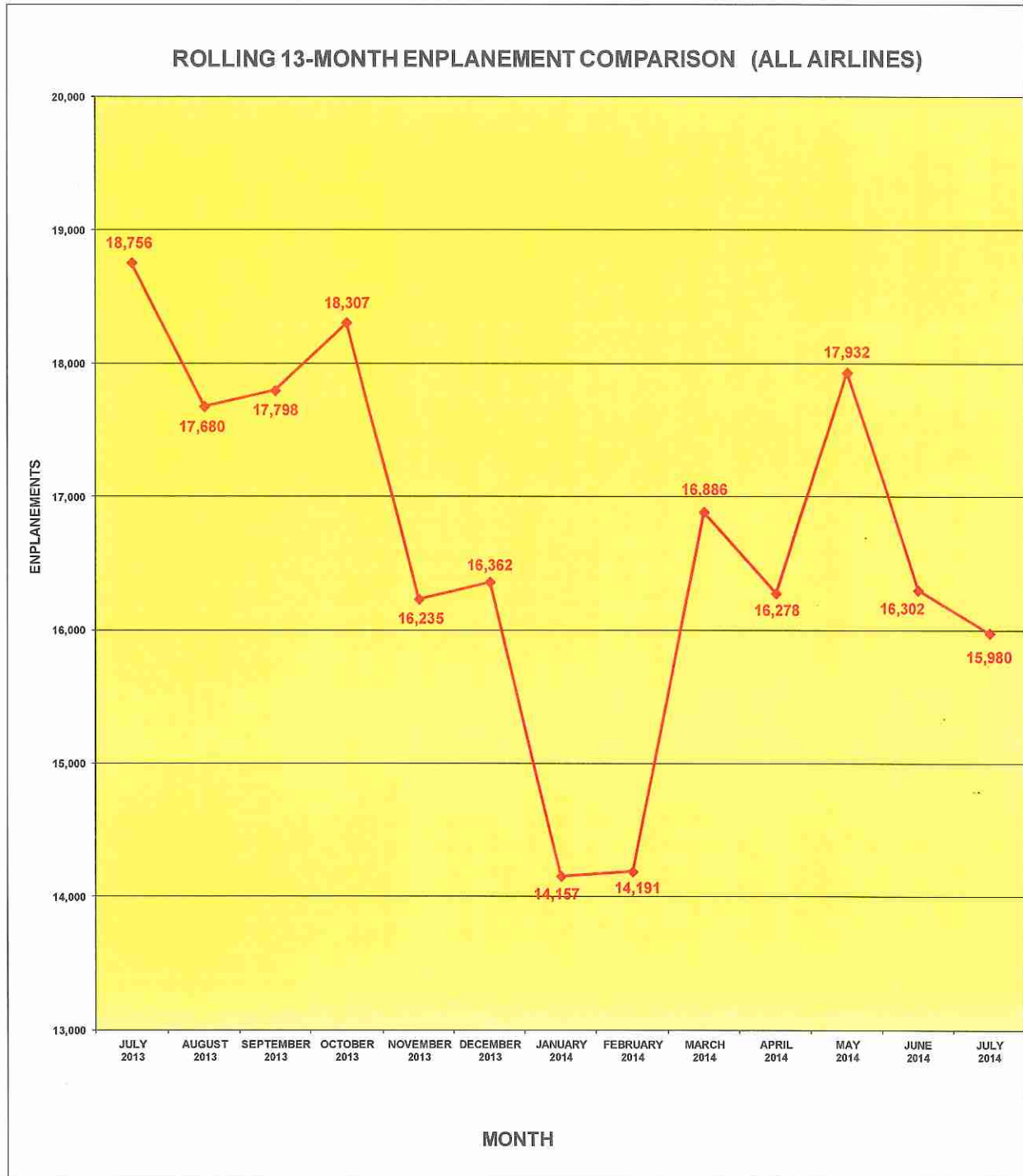
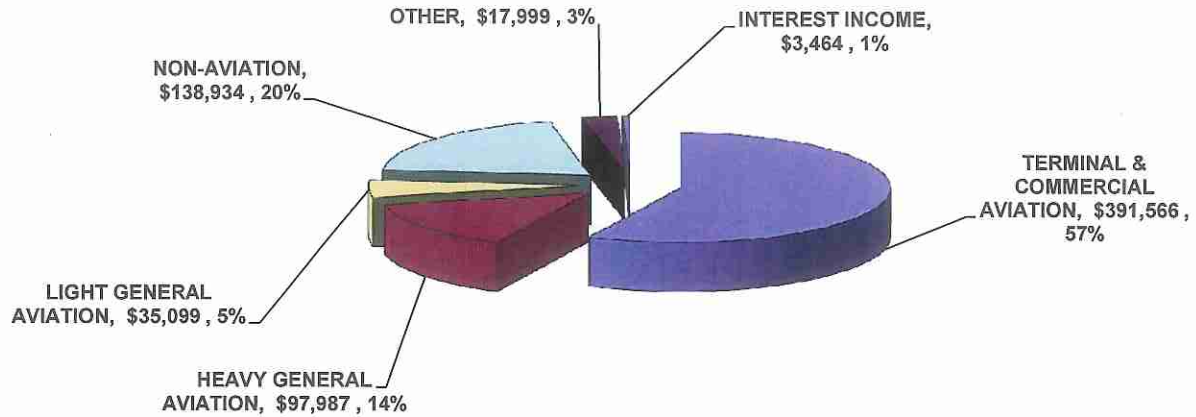


Chart 3 presents a rolling 13-month display of total enplanements which mimics the business cycle of the District. When compared to June 2014, July 2014 enplanements decreased 2.0%. When compared to July 2013, July 2014 enplanements decreased 14.8%.

Chart 3

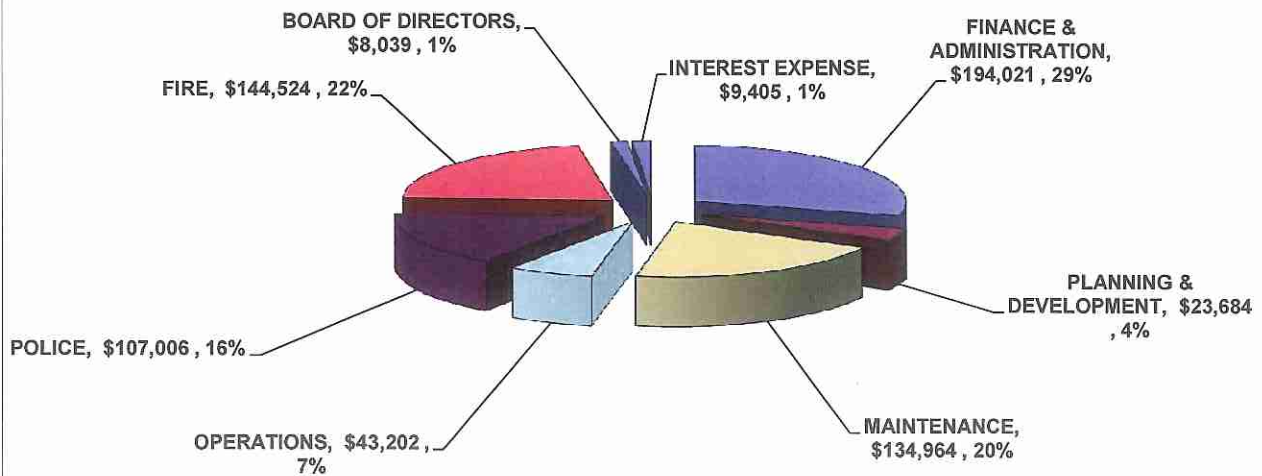


JULY 2014 OPERATING REVENUE



TOTAL OPERATING REVENUE: \$685,048

JULY 2014 OPERATING EXPENSE



TOTAL OPERATING EXPENSE: \$664,845

AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY

July 31, 2014

OPERATING STATISTICS	JULY 14	JULY 13	YTD FY 15	YTD FY 14
AIRPORT ACTIVITY				
Air Carrier Landings ¹	413	496	413	496
Passengers (emp/dep)	32,231	37,422	32,231	37,422
Total Cargo (in pounds)	93,436	74,445	93,436	74,445
		441	441	-6%
AIRCRAFT OPERATIONS				
Commercial	1,098	1,216	1,098	1,216
General Aviation	2,929	3,051	2,929	3,051
Military	185	137	185	137
TOTAL AIRCRAFT OPERATIONS	4,212	4,404	4,212	4,404
VEHICLE EXIT COUNT				
Upper Short Term (1) Lot	2,101	2,300	2,101	2,300
Long Term (2) Lot	2,093	2,072	2,093	2,072
Lower Short Term (3) Lot	7,120	8,747	7,120	8,747
TOTAL VEHICLE EXIT COUNT	11,314	13,119	11,314	13,119

¹Cancelled Flights: July = 56 (2 - Alaska / 0 - Allegiant / 6 - American Eagle / 1 - US Airways / 47 - United Express); FYTD = same

FINANCIAL INFORMATION	JULY 14	JULY 14	JULY 13	YTD FY 15	YTD FY 14
	ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL
		%		%	
BGT OPERATING REVENUE					
TERMINAL					
CA Landing, Apron & RON Fees	60,997	56,000	60,997	60,576	60,997
Rents	137,873	140,913	137,873	141,141	137,873
TCP Operator Permits	689	750	689	650	689
Taxi Operator Permits & Trip Fees	13,845	13,680	13,845	12,342	13,845
Concessions	11,000	10,996	11,000	10,208	11,000
Rental Car	111,382	112,277	111,382	105,968	111,382
Parking	61,811	67,992	61,811	60,681	61,811
HEAVY GENERAL AVIATION					
GA Landing Fees	20,452	20,963	20,452	22,333	20,452
FBO Rent	53,394	54,898	53,394	54,925	53,394
Fuel Fees	20,156	21,850	20,156	20,729	20,156
LIGHT GENERAL AVIATION					
Police Department	39,474	38,131	39,474	35,099	39,474
NON AVIATION	134,455	141,540	134,455	138,934	134,455
OTHER OPERATING REVENUE	21,492	22,075	21,492	17,999	21,492
INTEREST INCOME	6,931	3,245	6,931	3,464	6,931
TOTAL BGT OPERATING REVENUE	\$ 685,048	\$ 705,310	\$ 693,952	\$ 685,048	\$ 693,952
		-3%		-3%	-3%
BGT OPERATING EXPENSE					
Finance & Administration	179,089	195,556	179,089	194,021	179,089
Planning & Development	39,066	42,550	39,066	23,684	39,066
Maintenance & Custodial Services	108,431	143,897	108,431	134,964	108,431
Airport Operations	38,291	49,967	38,291	43,202	38,291
Police Department	105,343	117,750	105,343	107,006	105,343
Fire Department	134,356	144,468	134,356	144,524	134,356
Board of Directors	8,398	7,688	8,398	8,039	8,398
Interest Expense	10,366	9,405	10,366	9,405	10,366
TOTAL BGT OPERATING EXPENSE	\$ 623,340	\$ 711,281	\$ 623,340	\$ 664,845	\$ 623,340
		-7%		-7%	-7%
BGT OPERATING INCOME / (LOSS)	\$ 20,204	\$ (5,971)	\$ 70,612	\$ 20,204	\$ (5,971)
		438%		438%	438%
DISTRICT CAPITAL EXPENDITURES	\$ -	\$ 34,540	\$ 5,460	\$ -	\$ 5,460
		-100.0%		-100.0%	-100.0%
DEBT SERVICE - PRINCIPAL ONLY	\$ 22,167	\$ -	\$ 20,667	\$ 22,167	\$ 20,667

MONTEREY PENINSULA AIRPORT DISTRICT

	FY 2015 JULY 2014 ACTUAL	FY 2015 YEAR-TO-DATE ACTUAL
SOURCES AND USES OF CASH -- OPERATIONS		
SOURCES OF CASH		
CASH RECEIVED - OPERATING REVENUE	\$ 681,585	\$ 681,585
CASH RECEIVED - INTEREST INCOME	3,464	3,464
CASH RECEIVED	<u>\$ 685,048</u>	<u>\$ 685,048</u>
USES OF CASH -- OPERATIONS		
CASH DISBURSED - OPERATING EXPENSE ¹	\$ 655,015	\$ 655,015
CASH DISBURSED - DEBT SERVICE (BOND INTEREST EXPENSE) ²	9,405	9,405
CASH DISBURSED - DEBT SERVICE (PRINCIPAL REDUCTION) ²	22,167	22,167
CASH DISBURSED	<u>\$ 686,586</u>	<u>\$ 686,586</u>
CHANGE IN CASH POSITION FROM OPERATIONS & DEBT SERVICE	<u>\$ (1,538)</u>	<u>\$ (1,538)</u>
 ¹ Net of non-cash operating expense (OPEB)		
² Moved to Restricted Account/Disbursement will occur in December 2014 & June 2015		
USES OF CASH -- CAPITAL PROGRAM		
CASH DISBURSED - DISTRICT CAPITAL PROJECTS ³	\$ -	\$ -
CASH DISBURSED	<u>\$ -</u>	<u>\$ -</u>
CHANGE IN CASH POSITION FROM CAPITAL PROGRAM	<u>\$ -</u>	<u>\$ -</u>
 ³ District-funded capital plan for FY15		
CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL & DEBT SERVICE	<u>\$ (1,538)</u>	<u>\$ (1,538)</u>

AGENDA ITEM: I
DATE: September 17, 2014

TO: Board of Directors, Monterey Peninsula Airport District
FROM: Tom Greer, General Manager (on behalf of the Finance Committee)
SUBJ: Committee Report for Finance Committee Meeting

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

**SPECIAL MEETING OF THE FINANCE COMMITTEE
BOARD OF DIRECTORS
MONTEREY PENINSULA AIRPORT DISTRICT
September 3, 2014 1:30 PM
Boardroom, Terminal Building
Monterey Regional Airport**

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

A. CALL TO ORDER

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

C. PUBLIC COMMENTS

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

D. REGULAR AGENDA – ACTION ITEMS

- | | | |
|------------|----|---|
| Discussion | 1. | Fiscal Impact/Solution – ADK/GM Search Contract |
| Review | 2. | Fiscal Year 2014 Unaudited Financial Statements |
| Review | 3. | July 2014 (FY 2015) Financial Statements |
| Review | 4. | Accounts Receivable Aged Invoice Report |
| Review | 5. | Cash Position Update |
| Review | 6. | Finance & Accounting Issues Update |
| Discussion | 7. | Future Agenda Items/Finance Committee Schedule |

E. ADJOURNMENT

AGENDA DEADLINE

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

Notes/comments from 09/03/2014 Finance Committee Meeting:

- Meeting called to order by Director Miller at 1:39 p.m.
- Meeting attended by board members Carl Miller and Bill Sabo, District Counsel Scott Huber, and staff members Tom Greer, Charlie Hayes, Mark Bautista, Jerry Merritt, and Tonja Posey.
- There were no communications or public comments
- Fiscal Impact/Solution – ADK/GM Search Contract
 - ✓ Presented solution that involved:
 - an increase of \$21,000 to the FY15 Operating Budget, accomplished by:
 - GM Greer does not retire until 07/31/2015,
 - new GM hired effective 07/16/2015,
 - increase salary expense budget by \$12,000,
 - increase recruiting budget by \$9,000, and
 - re-structure contract with ADK
 - all remaining expense (\$44,000+) would be moved to and budgeted for in FY16:
 - new GM salary expense,
 - only 2-weeks overlapping GM salary expense, and
 - start date (07/16/2015) of new GM triggers final payments to ADK
 - ✓ Director Sabo would prefer a solution that would not increase the FY15 Operating Budget and would require reduction of other operating expenses in departments to cover the \$21,000
 - ✓ A copy of the presentation is attached as an exhibit
 - ✓ Will present to the Board for decision at the Adjourned Regular Meeting on 09/17/2014
- Fiscal Year 2014 Unaudited Financial Statements
 - ✓ pointed out that the District was in a negative unrestricted net position on 06/30/2014,
 - ✓ Operating revenue was 20% (\$63,364) below plan,
 - ✓ Operating expense was on plan, and
 - ✓ Operating income was 20% (\$59,862) below plan
- July 2014 (FY 2015) Financial Statements
 - ✓ Operating revenue was 3% (\$20,262) below plan for July,
 - Under plan were:
 - TCP operator permits,
 - Taxi trip fees,
 - Terminal concessions,

- Rental car concessions,
 - Parking concession,
 - Fuel flowage fees,
 - Light GA,
 - Non-aviation, and
 - Other operating revenues.
- Over plan were:
 - Commercial aeronautical fees,
 - GA landing fees, and
 - Interest income.
- ✓ Operating expense was 7% (\$46,436) below plan for July
 - Staff answered questions regarding several expense lines in several departments asked by Director Sabo
- ✓ Operating income was 438% (\$26,175) above plan for July
- Accounts Receivable Aged Invoice Report
 - ✓ Reviewed the distribution of aged receivables for the month of July, and
 - ✓ Reviewed the aged A/R detail as of 08/31/2014
- Cash Position Update
 - ✓ Reviewed the District's cash position at 07/31/2014 and 08/31/2014, and
 - ✓ Projected the cash position for 09/30/2014 and 06/30/2015
- Finance & Accounting Issues Update
 - ✓ MGO conducted field work on Monday through Thursday (7/14 – 7/17); will return Monday through Friday (8/25 – 8/29),
 - ✓ MGO cancelled the scheduled on-site field work (8/25 – 8/29) and rescheduled for Tuesday through Friday (9/2 – 9/5),
 - ✓ MGO cancelled the scheduled on-site field work for Tuesday and Wednesday (9/2 & 9/3), and
 - ✓ MGO auditors now plan to do on-site field work on Thursday and Friday (9/4 & 9/5) only
- Future Agenda Items/Finance Committee Schedule
 - ✓ A "schedule of property rented" was prepared and presented; the schedule, like the discussion that followed had nothing to do with finance and accounting,
 - ✓ The FC requested that copies of the "schedule of property rented" be included in the agenda packets for all board members, and
 - ✓ The committee scheduled its next meeting on Wednesday, October 1, at 1:30 pm
- Meeting adjourned by Director Miller at 4:29 p.m.

EXHIBIT 1

to ITEM I Committee Report for Finance Committee Meeting

TIMELINE:

July 16, 2015 – Hire date/first day for newly hired GM¹

July 31, 2015 – Retirement – GM Greer²

May 31, 2015 – Offer made/accepted by new GM

October 8, 2014 – Regular Board Meeting – Board adopts resolution/amends FY15 Op Budget

October 1, 2014 – Notice to Proceed (NTP) to ADK to conduct executive search³

September 17, 2014 – Regular Board Meeting – Board ratifies contract with ADK

September 17, 2014 – Regular Board Meeting – Board ratifies amendment/change to GM Greer Agreement

¹New GM reports/starts work on the first day of 2nd pay period of July. All compensation expense is in FY16.

²GM Greer has a two-week overlap with new GM; retires EOM. All compensation expense is in FY16.

³Contract negotiated by District Counsel with ADK is for \$33,000 base services plus \$8,000 travel expenses. Plan for an additional \$5,000 in candidate travel (to accommodate interviews with the final candidates). Base contract will be expensed/paid in three (3) increments of: 1) 30% (\$9,900) due to ADK upon NTP, 2) 30% (\$9,900) due to ADK when short-list is presented to the BoD, and 3) 40% (\$13,200) due to ADK when new GM actually starts work.

RATIONALE:

FY15 Operating Budget: Overall – increase \$21,000

Amend F&A Dept – “Personnel Recruitment & Pre-Employment Expense” – increase from \$16,000 to \$25,000 (increase \$9,000) to cover ADK costs in FY15 (\$24,800 = \$9,900 + \$9,900 + \$5,000).

Amend F&A Dept – “Salaries & Wages” – increase from \$720,667 to \$732,667 (increase \$12,000) to cover retro vacation cap elimination and FY15 accrued vacation earned.

FY16 Operating Budget:

F&A Dept – “Personnel Recruitment & Pre-Employment Expense” – budget \$21,200 for ADK -- \$13,200 contract remainder due when new GM starts plus \$8,000 in ADK travel.

F&A Dept – “Salaries & Wages” – budget for 1 month of GM Greer plus ½ month of new GM.

TO: Thomas E. Greer, General Manager
FROM: Charles R. Hayes, Senior Deputy General Manager
DATE: September 5, 2014
SUBJ: Air Service Development Report

The Air Carrier Service/Marketing/Community Relations Committee met on September 3rd. Refer to the agenda attached.

Air Carrier Update & Air Service Planning:

- **Alaska (AS)** told me that MRY is no longer on a performance “watch list”, meaning the route is growing as intended. It is participating with MRY and the Monterey Jazz Festival in the contest/promotion at the Jazz Festival, described later in this memo.
- **American (AA)** is pleased with its performance of the PHXMRYPHX route – 3 flights daily. I’m working with the new AA network planner who is new to us, but not “new” to our routes, having worked for US in Phoenix before relocating to Dallas earlier this year. We’ve discussed how best to analyze the LAXMRYLAX route for variables such as changes in flight departure times to increase load factors. AA will initiate the analysis. It is pleased with the performance of the CJ9. I will have specific data from the SkyWest upon my return from the ACI-NA conference.

AA declined to participate in our co-promotion of an airline, MRY and the CA International Airshow Salinas, due to its ongoing integration with US. This promotion is described in an attachment to this report.

- **United (UA)** service to SFO (4 daily flights) has improved. The RSA construction was completed August 10th, and we have had better than normal August weather. MRYLAXMRY, flown pro-rate by SkyWest, continues to do well.
- **Allegiant (G4)** agreed to participate with MRY and the Airshow in the contest/promotion described in the attachment. G4 was not as generous with its tickets as it’s been in past years citing the success of the LASMRYLAS. When performance is up, there’s less incentive to promote the service.

Marketing, Advertising & Promotions

- Almost all of our TV and radio advertising this month is focused on the promotion of the two contests we are running. Each promotion is described in a 2-page attachment.
 - MRY, Alaska Airlines and the Monterey Jazz Festival,
 - MRY, Allegiant and the California International Airshow

The Jazz Festival promotion began on Tuesday, September 2nd. The number of contest entrants passed 500 earlier this afternoon. Our goal is to obtain 1,200 new email addresses for Alaska. These e-mails addresses will be added to our e-newsletter database as well.

- Outside the promotions, we are advertising on KSBW news and Comcast Sports TV during Giants baseball and 49er games.
- We continue to advertise in the Santa Cruz market on Comcast.
- Monterey Visitors Channel (MVC): Our 60-sec ad continues to run on the In-Room Visitors TV Channel in Monterey, Carmel and Santa Cruz.
- Billboard: On Hwy 101, 2 miles north of Prunedale.

Public Relations:

- Weekly e-Newsletter: Below are the featured cities during the past five weeks:

Aug 12	Alaska	San Diego
Aug 19	Las Vegas	Allegiant
Aug 27	Alaska	San Diego
Sep 2	Phoenix	US Airways
Sep 9	Los Angeles	American
- Social Media/Facebook: "Total Likes" in September grew to **8,793** as of September 9th. They were 7,563 last month.

Customer Service:

- Customer Comment Cards – see August responses, attached.
- Art if the Airport – the reception scheduled for Friday, September 12th was cancelled by the sponsor due to projected low attendance.
- Travelers Survey: The survey is beginning to take form as Professor Lee McPheters, PhD, a professor at ASU and consultant on the MRY Master Plan, works with a professor who teaches market research at CSUMB.

Next Committee Meeting: Monday, October 6th at 9 am.

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

September 3, 2014 – 11:00 AM

**Board Room - Terminal Building
Monterey Peninsula Airport**

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

A. CALL TO ORDER

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

C. PUBLIC COMMENTS

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

D. REGULAR AGENDA – ACTION ITEMS

- | | | |
|------------|----|--|
| Review | 1. | Air Carrier Update & Planning |
| Review | 2. | Marketing, Advertising & Promotions:
Monterey Jazz Festival
CA International Airshow Salinas |
| Review | 3. | Creation of Community Alliance for Promotion of Inbound Flights |
| Review | 4. | Public Relations |
| Review | 5. | Instrument Landing System Status |
| Review | 6. | Customer Service Ideas, Feedback & Reports |
| Discussion | 7. | Schedule next meeting |

E. ADJOURNMENT

AGENDA DEADLINE

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



Monterey Jazz Festival

Escape to San Diego Contest/Promotion – MONTEREY JAZZ FESTIVAL

Objective: Promote Alaska Airline's MRY-SAN Service

Sponsors:

- Monterey Regional Airport (MRY)
- Monterey Jazz Festival
- Alaska Airlines
- Kings Hotel, San Diego Zoo, USS Midway Museum & Hornblower Dinner Cruises.

The Jazz Festival - held at the Monterey Fairgrounds Sep 19-21

- The Monterey Jazz Festival is the longest continuously running jazz festival in the world.
- The Jazz Festival, a non-profit organization, is devoted to education by presenting year-round local, regional, national and international programs.

Attendance: 35,000

The Contest:

- The Contest is Facebook driven with both the Monterey Jazz Festival and Monterey Regional Airport promoting it via Facebook, e-newsletters, radio, TV, and websites.
- It is a simple enter-to-win contest. To enter, contestants will go to the contest website via link and enter name and e-mail address. They must agree to be added to mailing lists for Alaska Airlines, Jazz Festival and Monterey Regional Airport.
- Jazz Festival attendees will be able to enter to win via iPads provided by Alaska Airlines at their booth at the Jazz Festival. There will also be a prize wheel where attendees can win other small prizes like an airplane hat.
- Prizes:
 - A trip for two to San Diego - 2 roundtrip tickets on Alaska Airlines, 2 nights at a hotel, and multiple attractions in San Diego (described above).
 - Tickets to the 2015 Monterey Jazz Festival
- The winners of the Jazz Festival Arena packages for next year will be announced Sunday evening on the Alaska Airline's stage. The winner of the trip will be announced by Alaska Airlines on Monday, September 22.

Promotions by MRY:

- TV – promotion of the contest, Facebook, etc.
- Radio - KWAV will run the contest
- Facebook – both Monterey Regional Airport and Monterey Jazz Festival; Alaska Airlines?

What will Alaska Airlines receive?

- Alaska Airlines branding
- Community support for the MRY-SAN flights.
- TV and radio promotions by MRY
- PA promotion and announcements by the Monterey Jazz Festival
- Email addresses opt in for the Alaska Airlines newsletter (estimating at least 1,200)
- Facebook “likes”

The Cost to Alaska Airlines:

- 2 RT tickets MRY-SAN-MRY.

The Cost to MRY and Monterey Jazz Festival:

- All promotional costs are paid by MRY and the Monterey Jazz Festival.

Timing:

- Contest will begin Tuesday, September 2 (day after Labor Day) and end on Sunday, September 21st (the winners will be selected Sunday evening on the Alaska Arena stage).

Attachments:

- Refer to the Cost & Value Estimate for the approximate value of this promotion.

**Cost & Value Estimate
 Monterey Regional Airport & Monterey Jazz Festival
 Promotion of Alaska Airlines MRY-SAN Service**

	Sep	TOTAL
<u>Promotional Ads</u>		
> Facebook - new fans - 30 days @ \$50/day	600	600
> ShortStack & Website	200	200
> KION - CBS Comcast Channels 5 & 705 & KCBA (Fox 35) - Channels 3 & 702 News, Giants baseball, 49ers & College Football	1,250	1,250
> RADIO - KWAV (96.9)	1,250	1,250
Total Cash	3,300	3,300
<u>"No Charge" Promotion Support</u>		
> KION/KCBA	5,500	5,500
> Clear Channel & Radio Stations	5,000	5,000
Total Value of "no charge" TV & Radio promotions	10,500	10,500
<u>In-Kind Promotions</u>		
> MRY Facebook & Twitter	X	
> Monterey Jazz Festival Facebook - directs fans to MRY	X	
> MRY website	X	
> 30 Sec MJF Ad TV at Airport Baggage Claim	X	
> MRY weekly E-Newsletter - 4,100 readers	X	
> Signature lines on business emails	X	
> MCBC "Friday Facts"	X	
Total Value of "in-kind" Promotions		6,000
<u>GRAND TOTAL</u>		19,800



**“Escape to Las Vegas” Promotion
California International Airshow Salinas - Sat/Sun, September 27 & 28, 2014**

Objective: Promote Allegiant’s MRY-LAS Service

Sponsors:

- Monterey Regional Airport (MRY)
- California International Airshow Salinas (the Airshow)
- Allegiant
- Palms Hotel & Casino
- Blue Man Group

The Airshow - held at the Salinas Municipal Airport on Sat, Sep 27

- One of the top air shows in the USA; the “Salinas Model”
- World class flight demonstration pilots and aerobatic acts
- Over the past 30 years, the Airshow has raised \$8+ million for Central Coast charities.

Attendance: 50,000 (approx 30,000 on Saturday & 20,000 on Sunday)

The Contest:

- The contest is internet driven participants enter via Monterey Regional Airport or California Airshow Salinas websites.
- It is a simple enter and win contest. Contestants submit their e-mail address, name, city and phone number.
- The 6 contestants must confirm their attendance at the Airshow on Sat morning, Sep 27. If unable to attend, runner-up contestants will be chosen.
- The competition for the Prizes will begin at approximately 11:00 am at the Airshow on Sat, Sep 27. There will be eight (8) contestants:
 - The 6 randomly selected from the entry poll, and
 - Two (2) contestants selected from the first 500 attendees at the Airshow on Saturday morning. Each is given a program calendar. The two “winning” programs have been autographed by an aerobatic stunt pilot performing in the Airshow. The Airshow donates 500 programs given to those who enter on Saturday after the gates open at 9:00 am.

- Prizes: There are three (3) Grand Prizes. One includes RT tickets (MRY-LAS-MRY) for two persons, three night stay at the Palms Casino Resort and tickets to the Blue Man Group. One winner will receive President's Club Tickets for the 2015 California Airshow Salinas and one winner will receive a \$100 Allegiant Voucher. There will be consolation prizes including a \$50 Allegiant Voucher; each contestant receives a prize.
- Eight bright yellow streamers, numbered 1 to 8, are dropped from an aircraft flying in front of the grand stand at an altitude of 300-500 feet (safety determined by the FAA). After the streamers have landed, the 8 contestants are released from the start point (the box seat area at the center of the flight line) to retrieve the streamers. They return and exchange the streamers for like-numbered envelopes. The MC opens each envelope and announces each contestant's prize. The prizes are placed in an order so the opening of the prizes creates anticipation and excitement!

Promotions by MRYP:

- TV advertising promoting the contest, Facebook, etc. - 30-sec MRY ads on Comcast Cable Promoting MRY and Allegiant's MRYLAS flights, and
- Radio - Clear Channel – 5 prominent stations: KDON (102.5), KION (1460), KOCN (105.1), KPRC (100.7) (Spanish) and KTOM (92.7)
- Social Media – Facebook & Twitter

What will Allegiant receive?

- Allegiant branding
- Community support for the MRY-LAS flights
- 6 – 4x8 ft banners displayed at the Airshow (Thu - Sun); Allegiant to provide 4 if possible.
- TV and radio promotions by MRY
- TV and radio promotions by the Airshow
- PA promotion and announcements by the Airshow's MC, a popular local weather personality on KSBW TV
- Email addresses opt-in for the Allegiant newsletter

The Cost to Allegiant

- 2 RT tickets MRY-SAN-MRY.
- 1 \$100 voucher
- 1 \$50 voucher

The Cost to MRY and Airshow:

- All promotional costs are paid by MRY and the Airshow

What will Hotel/Attraction Partners receive?

- Logo and link on the contest page and on the Airshow's and MRY's social media pages
- PA promotion and announcements by the Airshow's MC, a popular local weather personality on KSBW TV

Cost & Value Estimate
Monterey Regional Airport & California International Airshow
Promotion of Allegiant MRY-LAS Service

	Sep	TOTAL
<u>Promotional Ads</u>		
> Facebook - new fans - 30 days @ \$50/day	600	600
> Wishpond Contest Management & Website	200	200
> Comcast Cable CNN, Fox News, Bravo, TNT & Etc.	2,000	2,000
> RADIO - Clearchannel KDON (102.5), KTOM (92.7), KION (1460), KOCN (105.1), KPRC (100.7),	2,000	2,000
Total Cash	4,800	4,800
<u>"No Charge" Promotion Support</u>		
> Comcast	5,500	5,500
> Clear Channel & Radio Stations	5,000	5,000
Total Value of "no charge" TV & Radio promotions	10,500	10,500
<u>In-Kind Promotions</u>		
> MRY Facebook & Twitter	X	
> California International Air Show Salinas - directs fans to MRY	X	
> MRY website	X	
> 30 Sec Airshow ad TV at Airport Baggage Claim	X	
> MRY weekly E-Newsletter - 4,100 readers	X	
> MCBC "Friday Facts"	X	
Total Value of "in-kind" Promotions		6,000
<u>GRAND TOTAL</u>		21,300

Date	Time	Pax		Airline	Flt #	Tone	Comments	Name	Address
		Was	Was						
8/6	1115	B	B	UE	5503	N	Completely unacceptable. 2 cancelled flights and no reimbursement.	J.W.	Batavia, NY
8/6	1115	B	B	UE	5503	N	Had to spend \$220 more for shuttle due to cancelled flights.	D.W.	Batavia, NY
8/6	1520	D	D	US	2912	N	Hassled with TSA over our gel cold pack for insulin. Never been troubled in travels before.	K.N.	Pebble Beach, CA
8/18	1200	D	D	UE		N	Daniel at United is terrible at customer service. Rude & dismissive.	Julie	
8/20	1700	A	A	AE	2605	P	The service at baggage claim was fast and efficient. Restrooms were clean. Baggage buggy was free!	A.C.	Edmonton, Canada
8/21	1145	A	A	UE	5503	N	Could not take my bags due to weight restrictions - military. Said too many golf clubs.	N.M.	Clovis, NM
8/25	820	A	A	UE		P	Everyone here is so friendly & helpful. Love it here.	T.R.	Fulton, NY
9/1		A	A	UE		P	Lost bag, airport personnel was very helpful. Stayed and helped. Very nice.	R.C.	Meridian, MS