

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

August 12, 2024 – 10:30 AM Pacific Time

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

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

A. CALL TO ORDER

The meeting of the Budget & Finance Committee of the Monterey Peninsula Airport District was called to order at 10:30 AM. Directors Leffel & Gaglioti, Deputy Executive Director Morello, Controller Wilson and Acting Board Secretary Adams were in attendance. Executive Director La Pier was absent.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. REGULAR AGENDA – ACTION ITEMS

- Receive 1. Report on Firm Selection Process for Investment Banking / Underwriting Services and Introduction of Adam Aranda with Barclays Capital Inc.

Controller Wilson reviewed the process of selecting the firm to provide Monterey Peninsula Airport District (MPAD) with Investment Banking and Underwriting Services, which included consultation with Ballard Spahr, Bond/Tax and Disclosure Counsel, and PFM, Financial Advisor. Controller Wilson stated that on the advice of Bond/Tax Counsel, experience with Certificates of Participation (COPs) is an important factor.

Controller Wilson introduced Adam Aranda, Barclays Capital Inc. and his team members, Harrison Kadish and Hammad Imran. All attended the meeting by video conference.

Mr. Aranda gave committee members an overview of his experience with airport and COP financing, the unique environment created by MPADs governing documents, and the need to utilize COPs as a component of financing. Mr. Aranda answered questions from Directors regarding the difference between COPs and revenue bonds.

There was a discussion about the reason to utilize COPs, and it was suggested the Bond/Tax Counsel attend the Board meeting to give a succinct explanation.

- Review 2. Resolution No. 1885, A Resolution Approving the Bid for Runway 28L-10R Improvement Project and Authorizing Execution of a Contract with Granite Rock Company

Deputy Executive Director Morello stated the next three items all relate to the Runway 28L-10R Improvement Project. She reviewed the bid process and noted that the engineer of record, Tartaglia Engineering recommends Granite Rock Company as the lowest responsive bidder. She reported the grant application has been submitted and the funding has been programmed by FAA, and we are waiting for award of the grant.

There was a discussion about the timing of the work. Deputy Executive Director Morello stated it would be done at night, in two phases: one in the fall and one next spring, depending on weather.

The Finance Committee supports this Resolution.

- Review 3. Resolution No. 1886, A Resolution Authorizing a Professional Services Agreement with Kimley Horn and Associates Inc. to Provide Program Management for Runway 28L-10R Improvement Project Construction Observation Services

Deputy Executive Director Morello introduced Resolution No. 1886 stating this is a new agreement with Kimley Horn & Associates, instead of an amendment, because it is not part of the Safety Enhancement Program (SEP). This agreement is to provide on-site construction observation services, reports, and inspections for the Runway 28L-10R Improvement Project. She noted the FAA AIP grant application includes this contract cost at a 90.66% share of the contract costs.

Deputy Executive Director Morello answered questions from Directors regarding FAA oversight.

- Review 4. Amendment to the Professional Services Agreement with Tartaglia Engineering to Provide Construction Support Services for the Runway 28L-10R Improvement Project

Deputy Executive Director Morello reminded Directors that Tartaglia Engineering was selected to prepare design and bid documentation for the Runway 28L-10R Improvement Project. This amendment to their Professional Services Agreement is to provide project management, engineering oversight during construction and the final engineer's report. She noted the FAA AIP grant application includes this cost at a 90.66% share of the contract costs.

- Review 5. Resolution No. 1887, A Resolution Accepting the Guaranteed Maximum Price from OTTO Construction for the Safety Enhancement Program (SEP) Taxiway A Relocation – Phase D3 Terminal Complex Landside Improvements Circulation Elements

Deputy Executive Director Morello remarked that this item and the next are in tandem and both are part of the Safety Enhancement Program (SEP). This contract with OTTO Construction includes the Guaranteed Maximum Price (GMP) for construction associated with the Terminal Complex Landside Circulation Elements. These circulation element costs are included in the AIP Terminal Complex Landside Improvements grant application. Parking components will be under separate approval through the BIL Entitlement Grant program.

- Review 6. Amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. to Provide Project Management in Support of the Safety Enhancement Program (SEP) Taxiway A Relocation – Phase D3 Terminal Complex Landside Improvements

Deputy Executive Director Morello introduced the amendment to the Professional Services Agreement with Kimley-Horn as identified in the agenda item title. It was noted that this cost is included in the FAA grant application at 90.66% share of the contract costs for the Terminal Complex Landside Improvement circulation elements.

Directors discussed and agreed to support items three through six as presented.

Review 7. FYTD Financial Statements

Controller Wilson gave an overview of the Fiscal Year (FY) 2024 June Financial Statements. Highlights include total enplanements of over 275k, a positive variance to the net, and a similar cash investment position.

There was a discussion about interest rates and the likelihood of a reduction coming this Fall.

Controller Wilson reported Forza Motors paid their past due account last week and is now current. The overall Receivables are slightly higher, but he explained that is only due to timing of the report.

Controller Wilson commented that the auditors have completed their interim work, and the field audit began this week. There was a discussion about how the auditors pick which board members to interview. There was a request that the auditors include the Finance Committee members during their interim interviews.

E. ADJOURNMENT

The meeting adjourned at 11:48 AM.

Approved at the
Meeting of August 21, 2024



Mary Ann Leffel, Chair

ATTEST



Michael La Pier
District Secretary