

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

May 2, 2023 – 10:00 AM

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

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 Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, remote comments will not be allowed, except as outlined in the limited circumstances below.

The Monterey Peninsula Airport District will continue to broadcast the Board Meetings via Zoom video conference for viewing by the public. To view the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID **854 2020 2880**: The password for this meeting is: **20230502**. If you do not have access to the internet, you may listen telephonically by calling (253) 215-8782 and entering the same Meeting ID and password.

In the event that a Board Member utilizes the procedure outlined in AB 2449 to attend a meeting, only then will remote public comments be allowed. Under those circumstances, when the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9. The Secretary to the Board will call speaker names and unmute speaker microphones. You will have up to 3 minutes to provide your oral comments, pursuant to Board policy.

Members of the public who desire to make a public comment 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 Board for consideration and will be compiled as part of the record.

A. CALL TO ORDER

The meeting of the Monterey Peninsula Airport District Budget & Finance Committee was called to order at 10:00 AM. Director Sabo and Director Leffel, Executive Director La Pier, Deputy Executive Director Morello, Controller Wilson, and Acting Board Secretary Adams were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. FY 24 Proposed Operating Budget

Director Sabo expressed his discontent that there had been no changes to the proposed Rates and Charges since the last meeting of the Budget & Finance Committee, in spite of his recommendations. Executive Director La Pier addressed the fact there was no consensus of the Committee for recommended change and that the Committee is empowered only to review staff budget proposals, report to the Board, and make recommendations or suggestions, not to direct staff. He stated staff took into consideration both committee members' opinions, which were different.

Controller Wilson reviewed what was driving the Rates and Charges noting there is a risk to raising them and there is also a risk to not raising them. He stated that actions of the board endorsed a path, and the Safety Enhancement Plan and the new terminal building are the objective of the board, so staff must present a prudent financial plan to get there. The Plan of Finance prepared by PFM identified that grants, Airport contributions, and debt would all be needed, and it created a plan to be able to prove the

Airport can service the expected debt; if there are no changes to Rates and Charges, the Airport will not be able to service the expected debt.

Executive Director La Pier reviewed informal conversations he's had with the commercial airlines about the SEP, the terminal building, and that we are going to start to raise rates and charges, although he doesn't have actual numbers to give them. He explained the strategy of not raising commercial airline rates since 2015 was to create headroom in the market; Monterey Regional Airport used to be in the upper third for Rates and Charges against comps, and now it is in the lower third. Director Sabo reiterated his earlier recommendation for only a 10% increase in commercial airline rates and verification from Landrum & Brown on the expected enplanements.

Executive Director La Pier reviewed the assumptions for enplanements, noting the numbers used were the Landrum & Brown projections minus 5%. In addition, Landrum & Brown numbers did not include any new service or increase in capacity created by larger aircraft, such as the A319. Executive Director La Pier noted the forecasted actual enplanements for fiscal year 2023 is 233k which is the second largest in the last decade.

Controller Wilson reviewed the Operating Plan – Income Statement – Fiscal Year 2024 Draft for Discussion Purposes Only. He stated the Operating Expenses are projected to be slightly less than Fiscal Year 2023 due to the UAL monthly payment reduction created by paying down the liability.

Controller Wilson reviewed the assumptions for revenue projections.

Directors discussed general aviation hangar rates. Director Leffel suggested increasing the FY 2024 Northeast Box Hangars to \$485 per month, as opposed to the \$550 per month proposed, and adding another year to the graduated increases. Director Sabo and Executive Director La Pier agreed with that change.

Directors discussed proposed new staff positions for FY 2024. Director Leffel suggested bumping up the salary range for the proposed Financial Analyst. Executive Director La Pier stated staff would take that under consideration.

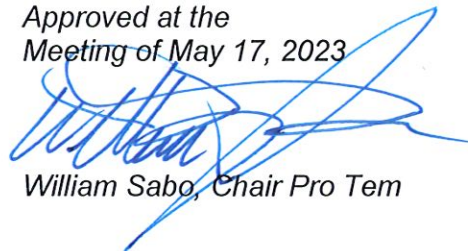
Directors discussed proposed salary increases and the methodology behind them. Controller Wilson stated salary increases are budgeted monthly and based on anniversary date.

Directors discussed the open position in Planning & Development.

E. ADJOURNMENT

The meeting adjourned at 12:27 PM.

Approved at the
Meeting of May 17, 2023



William Sabo, Chair Pro Tem

ATTEST

A handwritten signature in black ink, appearing to read "Michael La Pier". The signature is stylized with a prominent initial "M" and a long horizontal stroke.

Michael La Pier, AAE
District Secretary