

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

May 9, 2023 – 9:00 AM

## NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD AND COMMITTEE 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](http://www.zoom.us/join) and enter the following Meeting ID: 880 2546 1702. The password for this meeting is: 20230509. 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](mailto: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 9:10 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. Amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. to Provide Project Management Services in Support of the Safety Enhancement Program (SEP) Taxiway A Relocation – Design Management Services Terminal Design

*Deputy Executive Director Morello introduced item D.1 stating the amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. (KHA) is to provide Program Management Services for the design phase of the new terminal facility project and manage the building code compliance review for the terminal complex design so the Airport can issue building permits. Funding is through the AIP grant which provides 90.66% with a PFC match of 9.34%. The proposal came in 5% lower than the Independent Fee Estimate (IFE).*

Director Sabo asked if KHA would review the architect's invoices. Deputy Executive Director Morello answered not on the design phase, only on construction. Director Sabo asked who is responsible if the design has a mistake in it and KHA doesn't identify it. Executive Director La Pier answered the insurance.

Director Leffel asked how long the Design Phase is. Executive Director La Pier answered the architect contract calls for 14 months. Deputy Executive Director Morello added the review periods are in the architect contract and are at 30%, 60%, and 100% of design completion.

Director Leffel asked who reviews the technology infrastructure needs as it relates to the underground cables. Deputy Executive Director Morello answered that conduit needs for the building are part of the ramp project.

Directors discussed roundabouts proposed on both Highway 68 and Garden Road.

Director Leffel and Director Sabo agreed they would recommend the board approve this item.

Review            2. Amendment to the Professional Services Agreement with PFM Financial Advisors, LLC to Provide Financial Analysis in Support of the Safety Enhancement Program (SEP) Taxiway A Relocation Phase 4

Executive Director La Pier introduced Item D.2 which is a Phase 4 amendment to the Professional Services Agreement with PFM Financial Advisors, LLC. Director Sabo referred to the Compensation portion of the PFM proposal and questioned what was involved in the Plan of Finance Model and Finance Team Formation phases of this amendment. Executive Director La Pier answered they will be refining the original Plan of Finance, which was Phase 3, for the entirety of the SEP with what we now know, such as the cost of the AARF and the the cost of the ramp. Deputy Executive Director Morello added the enplanements forecast, budget, hangar costs, and UAL paydown will also be taken into consideration, as they are all different, and there will be an audit of all assumptions to make sure they are still valid. Executive Director La Pier added that it is an iterative process and there will be ongoing refinement of the Plan of Finance. Director Sabo indicated he would not support.

Director Leffel asked if PFM would attend airline meetings. Executive Director La Pier answered they can if necessary; it will depend on the level of information the airlines ask for, but it would be appropriate for PFM to explain how they arrived at the numbers. Director Leffel expressed support and will recommend the board approve this item.

A break was taken from 10:16 AM to 10:20 AM.

Review            3. FY 2024 Capital Improvement Plan (CIP) Budget

Controller Wilson referred to a draft of slides for a board presentation and turned the floor over to Deputy Executive Director Morello who reviewed the Capital Improvement Plan (CIP) Co-Funded and District Funded projects that would carry forward (continue) from prior fiscal year or be added (new) in this fiscal year.

Director Sabo asked what the value is for Job Number 2023-02 Runway 28L-10R Treatment. Deputy Executive Director Morello explained the pavement has slight degradation in small areas; this treatment is to preserve and extend the life of the pavement.

Director Sabo asked for more information on the 2801 Repairs. Deputy Executive Director Morello answered that is to overlay the parking lot and the bid request will be combined with the Fred Kane to Skypark Pavement Improvements project.

*Directors discussed the projects. Director Sabo suggested there be more project description on the slides. Director Leffel agreed.*

*Directors discussed ideas for long term parking during the terminal construction.*

*Director Sabo announced he did not support Job Number 2020-14 and 2023-04, which are carry over projects.*

*Executive Director La Pier stated the FY 2024 budget draft reviewed during the last Budget and Finance Committee meeting included a proposed position for a Financial Analyst to start in January 2024; staff will be changing that to start in July 2023.*

*Executive Director La Pier referred to a contemplated future organization chart and reviewed the differences and reasoning.*

*Executive Director La Pier excused himself from the meeting at 11:25 AM due to a prior commitment.*

Review        4. FYTD 2023 Statements

*Controller Wilson reviewed the March 2023 financial statements. He explained the current state of grant funds, CARES Act Funds, Cal Trans Loan funds, and the investment of unrestricted cash. There was a discussion about cash flow and cash reserves. Controller Wilson stated projected collections and usages for district cash, PFC, CFC, and restricted funds will be in the budget.*

Review        5. Variance Analysis - MTD and YTD

*Director Sabo asked about the AARF variance. Controller Wilson stated that was due to vehicle maintenance and electrical not spent in March; it was just timing.*

*Director Leffel excused herself from the meeting at 12:00 PM due to a prior commitment.*

*Director Sabo asked questions about water usage. Controller Wilson referred to page 39 of the Financial Statements and the Airport Water Expense Distribution chart.*

*Director Sabo asked why General Repairs were over budget. Deputy Executive Director Morello answered First Alarm had to do extra maintenance on the security gates and the alarm system as well as troubleshoot some badging keypads.*

Review        6. Accounts Receivable Aged Invoice Report

*No discussion.*

Review        7. Grant Funds Balance

*No discussion.*

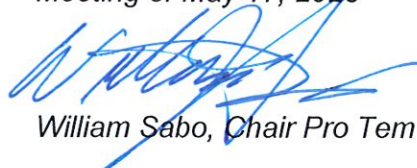
Discuss       8. General Discussion

*No discussion.*

E. ADJOURNMENT

*The meeting adjourned at 12:07 PM.*

Approved at the  
Meeting of May 17, 2023



*William Sabo, Chair Pro Tem*

ATTEST



*Michael La Pier, AAE  
District Secretary*