



September 12, 2024

CALL AND NOTICE OF A REGULAR MEETING OF THE  
FINANCE AND ADMINISTRATION COMMITTEE  
OF THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a regular meeting of the Burbank-Glendale-Pasadena Airport Authority will be held on Monday, September 16, 2024, at 9:30 a.m., or immediately following the Commission meeting in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

In addition to attending the meeting in person, members of the public may observe the meeting telephonically and may offer comment in real time through the following number:

Dial in: (978) 990-5000

Access Code: 880737#

Leslie Whitmore, Assistant Board Secretary  
Burbank-Glendale-Pasadena Airport Authority

REGULAR MEETING  
OF THE  
FINANCE AND ADMINISTRATION COMMITTEE

Airport Skyroom  
Monday, September 16, 2024  
9:30 a.m., or Immediately Following  
the Conclusion of the Commission Meeting

*As a result of the convening of this meeting of the Finance and Administration Committee, each Committee member in attendance is entitled to receive and shall be provided \$200.*

*The public comment period is the opportunity for members of the public to address the Committee on agenda items and on airport-related non-agenda matters that are within the Committee's subject matter jurisdiction. At the discretion of the presiding officer, public comment on an agenda item may be presented when that item is reached.*

*When in-person attendance or participation at meetings of the Committee is allowed, members of the public are requested to observe the following rules of decorum:*

- *Turn off cellular telephones and pagers.*
- *Refrain from disorderly or boisterous conduct, including loud, threatening, profane, or abusive language, clapping, whistling, stamping, or other acts that disrupt or otherwise render unfeasible the orderly conduct of the meeting.*
- *If you desire to address the Committee during the public comment period, fill out a speaker request card and present it to the Board Secretary.*
- *Confine remarks to agenda items or to airport-related non-agenda matters that are within the Committee's subject matter jurisdiction.*
- *Limit comments to three minutes or to such other period of time as may be specified by the presiding officer.*

▼ ▼ ▼

*The following activities are prohibited:*

- *Allocation of speaker time to another person.*
- *Video presentations requiring use of Authority equipment.*

▼ ▼ ▼

*Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Committee less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 N. Hollywood Way, Burbank) in the administrative office during normal business hours.*

▼ ▼ ▼

*In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.*

## A G E N D A

Monday, September 16, 2024

1. Roll Call
2. Staff Announcement: AB 23
3. Approval of Agenda
4. Public Comment
5. Approval of Minutes
  - a. August 19, 2024 **[See page 1]**
6. Items for Information
  - a. Auditor's Required Communications – FY 2024 Audit **[See page 4]**

***A staff report is attached. In accordance with applicable professional standards, the Authority's auditor, Macias Gini & O'Connell LLP, has provided the attached letter to the Commission outlining its audit responsibilities, and planned scope and timing of the FY 2024 audits. Staff seeks a Finance and Administration Committee recommendation to the Commission that it note and file this Auditor communications letter.***
  - b. Notification of Sale of Investment **[See page 5]**

***Memo attached. Under the Authority's adopted Investment Policy, investments with credit ratings that fall below the minimum rating level of "A" or its equivalent, may be divested. After consultation with the Authority's Investment Advisor, Columbia Management Investment Advisors LLC ("CMIA"), Staff intends to instruct CMIA to undertake a sale to ensure compliance with the Authority's Investment policy for one the Authority's investments whose ratings recently fell below the Authority's minimum requirement. Details of the intended sale are contained in the attached memo.***
  - c. Committee Pending Items **[See page 6]**
7. Adjournment

**MINUTES OF THE REGULAR MEETING OF THE  
FINANCE AND ADMINISTRATION COMMITTEE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**MONDAY, AUGUST 19, 2024**

A regular meeting of the Finance and Administration Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 12:03 p.m., by Commissioner Wilson.

**1. ROLL CALL**

**Present:** Commissioners Wilson, Quintero, and Ovrom

**Absent:** None

**Also Present:** Staff: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; David Kwon, Director, Financial Services

Also Present: James Wilkinson, Columbia Threadneedle Investments; John Dempsey, Columbia Threadneedle Investments; Ron Stahl, Columbia Threadneedle Investments

**2. Staff Announcement: AB 23**

The Senior Deputy Executive Director announced that, as a result of the convening of this meeting of the Finance and Administration Committee, each Committee member in attendance is entitled to receive and shall be provided \$200.

**3. Approval of Agenda**

The agenda was approved as presented.

**Motion**

Commissioner Quintero moved approval; seconded by Commissioner Ovrom.

**Motion Approved**

The motion was approved (3–0).

**4. Public Comment**

There were no public comments.

Staff requested that the next item be taken out of order. The Committee Chair approved the request.

**8. Items For Discussion**

**a. CMIA Quarterly Report  
(April 1, 2024 – June 30, 2024)**

Staff introduced James Wilkinson of Columbia Threadneedle Investments, the Authority's investment advisor, who participated via teleconference.

Mr. Wilkinson and his colleagues, John Dempsey and Ron Stahl, also participating via teleconference, presented a quarterly update on the status of the Authority's Operating and

Passenger Facility Charge Investment portfolios for the period April 1, 2024 – June 30, 2024.

**Motion**

Commissioner Quintero moved approval to note and file the reports; seconded by Commissioner Ovrom.

**Motion Approved**

The motion was unanimously approved (3–0).

**5. Approval of Minutes**

**a. July 15, 2024**

A draft copy of the minutes of the meeting of July 15, 2024, were included in the agenda packet for review and approval.

**Motion**

Commissioner Ovrom moved approval of the minutes; seconded by Commissioner Quintero.

**Motion Approved**

The minutes were unanimously approved (3–0).

**6. Treasurer’s Report**

**a. May 2024**

A copy of the May 2024 Treasurer’s Report was included in the agenda packet for the Committee’s review.

**Motion**

Commissioner Ovrom moved approval to recommend that the Commission note and file this report; seconded by Commissioner Quintero.

**Motion Approved**

The motion was approved (3–0).

**7. Items for Approval**

**a. License Agreement – City of Burbank on Behalf of Burbank Water and Power**

Staff presented to the Committee for approval a proposed License Agreement with the City of Burbank for Burbank Water and Power to temporarily install an electrical transformer and riser pole on Authority property. This installation will enable BWP to continue its efforts to upgrade aging transformers and mitigate future power disruptions.

**Motion**

Commissioner Ovrom moved approval; seconded by Commissioner Quintero.

**Motion Approved**

The motion was approved (3–0).

**9. Items for Information**

**a. Five-Year Capital Program Look Ahead**

Staff provided information to the Committee relevant to the development of the five-year capital improvement program for the Airport. The report provided a general framework for proposed projects and the strategic planning considerations necessary for implementation.

**b. Committee Pending Items**

This item was not addressed.

**10. Adjournment**

There being no further business to discuss, the meeting was adjourned at 12:46 p.m.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
SEPTEMBER 16, 2024**

**AUDITOR REQUIRED COMMUNICATIONS FOR  
THE FY 2024 AUDITS**

Presented by David Kwon  
Director, Financial Services

**SUMMARY**

In accordance with applicable professional standards, the Authority's auditor, Macias Gini & O'Connell LLP ("MGO") has provided the attached letter to the Commission outlining its audit responsibilities, and planned scope and timing of the FY 2024 audits. Staff seeks a Finance and Administration Committee ("Committee") recommendation to the Commission that it note and file this Auditor communications letter.

**BACKGROUND**

In accordance with professional standards issued by the American Institute of Certified Public Accountants ("AICPA"), MGO has issued the attached letter which (1) outlines its responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance") related to the Single Audit of federal grant programs; and (2) outlines its planned scope and timing of the FY 2024 audits. The Auditor's responsibilities and management's responsibilities are detailed in the accompanying letters.

As the Committee functions as the Authority's Audit Committee, this letter provides a basic outline of the auditor's responsibilities related to the audits, together with its basic audit approach in accordance with professional standards.

Staff had a conference call with the MGO audit team on August 12, 2024, for an audit planning meeting to discuss in detail any significant accounting, auditing and reporting matters that may affect the FY 2024 audits, as well as to discuss the timing of audit fieldwork and reporting. Audit fieldwork began on August 26, 2024, with the final reports expected to be issued no later than December 20, 2024.

**STAFF RECOMMENDATION**

Staff seeks a Finance and Administration Committee recommendation to the Commission that it note and file this Auditor communications letter.



## Memorandum

**TO:** Members of the Finance Committee

**DATE:** September 16, 2024

**SUBJECT:** Notification of Sale of Investments

**FROM:** D. Kwon

Commissioners:

This memorandum is to update you on the following action that will be taken regarding a certain investment in the Authority's portfolio in accordance with the Authority's adopted Investment Policy and information provided by your investment advisor Columbia Management Investment Advisors LLC ("CMIA").

### Intel

On September 11, 2024, CMIA informed Staff that on August 16, 2024, S&P had downgraded Intel to BBB+ from A- due to weaker than previously forecasted revenues over the next two to three years as Intel's core business segments have been impacted from decreased customer spending and increased competition. Previously, the other two major credit rating agencies had also downgraded Intel to BBB+ from A (Fitch) on July 1, 2024 and to Baa1 from A3 (Moody's) on August 8, 2024. All three credit rating agencies also have given a negative outlook for Intel. As a result of these downgrades from all three major credit agencies to below the minimum "A" category requirement pursuant to the Authority's Investment Policy, Staff intends to instruct CMIA to sell all Intel holdings before September 30, 2024 to ensure compliance with the Authority's Investment Policy for quarter end.

The total holdings of Intel by the Authority and the estimated losses of early sale are as follows:

### Operating Fund:

\$625,000 INTC (Maturity Date: 7/29/25; CUSIP 458140AS9) – approximate loss \$21,000

\$1,000,000 INTC (Maturity Date: 3/25/2025; CUSIP 458140BP4) – approximate loss \$23,000

### PFC Fund:

\$400,000 INTC (Maturity Date: 7/29/25; CUSIP 458140AS9) – approximate loss \$14,000



**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
SEPTEMBER 16, 2024**

**COMMITTEE PENDING ITEMS**

**Tentative Presentation**

- |   |           |
|---|-----------|
| 1. Award of Lease – Clear Secure Inc.                                     | Oct. 2024 |
| 2. Award of Airline Use Agreement<br>Amendment No. 6 - Southwest Airlines | TBD       |