



April 17, 2025

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, April 21, 2025, 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#

Terri Williams, Board Secretary
Burbank-Glendale-Pasadena Airport Authority

REGULAR MEETING
OF THE
FINANCE AND ADMINISTRATION COMMITTEE

Airport Skyroom
Monday, April 21, 2025
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.

AGENDA

April 21, 2025

1. Roll Call
2. Staff Announcement: AB 23
3. Approval of Agenda
4. Public Comment
5. Approval of Minutes
 - a. April 7, 2025 **[See page 1]**
6. Items for Discussion
 - a. Replacement Passenger Terminal Plan of Finance Update
No staff report attached. Staff and Consultants will update the Committee on recent impacts to the economy and timing for the Completion Bonds.
 - b. FY 2026 Budget Development
No staff report attached. As the FY 2026 budget development process continues, discussions with the Committee will focus on budget assumptions, and additional information regarding staffing recommendations.
7. Items for Information
 - a. Committee Pending Items **[See page 4]**
8. Adjournment

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

MONDAY, APRIL 7, 2025

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 11:04 a.m., by Commissioner Wilson.

1. ROLL CALL

Present: Commissioners Wilson, Ovrom and Quintero

Absent: None

Also Present: Staff: John Hatanaka, Executive Director; Kathy David, Senior Deputy Executive Director; Stephanie Gunawan-Piraner, Deputy Executive Director, Planning and Development; David Kwon, Director, Financial Services

Also Present: Perry Martin, Sr. Program Manager, Jacobs Project Management Co.

2. Staff Announcement: AB 23

The 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 Ovrom moved approval; seconded by Commissioner Quintero.

Motion Approved

The motion was approved (3-0).

4. Public Comment

There were no public comments.

5. Approval of Minutes

a. March 24, 2025

A draft copy of the minutes of the special meeting of March 24, 2025, was included in the agenda packet for review.

b. March 17, 2025

A draft copy of the minutes of the meeting of March 17, 2025, was included in the agenda packet for review.

Motion

Commissioner Quintero moved approval; seconded by Commissioner Ovrom.

Motion Approved

The minutes were unanimously approved (3–0).

Staff requested that Item 9.a. be taken out of order. Commissioner Wilson confirmed this request.

9. Closed Session

The meeting convened to Closed Session at 11:10 a.m.

- a. **THREAT TO PUBLIC SERVICES OR FACILITIES**
(California Government Code Section 54957(a))
Consultation with Director of Public Safety)

Meeting reconvened to Open Session

The meeting was reconvened to Open Session at 11:35 a.m. with all Commissioners present.

Closed Session Report

There was nothing to report from Closed Session.

6. Treasurer’s Report

a. January 2025

A draft copy of the January 2025 Treasurer’s Report was included in the agenda packet for the Committee’s review.

Motion

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

Motion Approved

The Treasurer’s report was unanimously approved (3–0).

7. Items for Approval

a. Approval to Execute Extension Option of the External Auditing Services Agreement with Macias Gini & O’Connell LLP

Staff presented to the Committee for recommendation to the Commission for approval that Staff be authorized to provide written notice to Macias Gini & O’Connell LLP (“MGO”) of the Authority’s intention to exercise Option Year No. 1 to extend the term of the Agreement with MGO for the audits of the Authority’s financial statements for the fiscal year ending June 30, 2025.

Motion

Commissioner Quintero moved approval; seconded by Commissioner Ovrom.

Motion Approved

The motion was approved (3–0).

8. Items for Discussion

a. FY 2026 Budget Development

Staff reviewed with the Committee the FY 2026 Budget focusing primarily on the proposed FY 2026 Capital Improvement Program, including projected activities and milestones of the Replacement Passenger Terminal.

10. Items for Information

a. Committee Pending Items

Staff reviewed future items to be presented to the Committee.

11. Adjournment

The meeting was adjourned at 11:50 a.m.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
APRIL 21, 2025**

COMMITTEE PENDING ITEMS

	<u>Tentative Presentation</u>
1. FY 2026 Budget Development	Ongoing
2. February Treasurer's Report	May 5, 2025
3. CMIA Update (Period Ending March 2025)	May 5, 2025
4. Award of Hangars - (Hangars 44 and 45 - Earthstar)	May 19, 2025

Replacement Passenger Terminal Project **Financing Plan Status Update**

Burbank-Glendale-Pasadena Airport Authority
Finance and Administration Committee Meeting

April 21, 2025

Funding Requirements Update

Category	Budget ⁽¹⁾ (\$mil)	Expended ⁽²⁾ (\$mil)	Notes
Design Service & PMO (inc. Indirect/GCs/Con. Req.)	<u>243.9</u>	<u>112.7</u>	cGMPs 03, 09, 10 & 11
Civil Enabling	<u>63.9</u>	<u>63.2</u>	cGMP 02 & 04
Terminal (inc. Public Art)	<u>458.1</u>	<u>145.3</u>	cGMPs 01, 05, 06, 08/08b, 14 & 15
Garage Structure	<u>147.6</u>	<u>45.0</u>	cGMP 12 & 13
Airside Civil	<u>80.5</u>	<u>16.4</u>	cGMP 16
Landside Civil & ASF	<u>63.8</u>	<u>8.2</u>	cGMP 17
HPT Contingency	<u>58.3</u>	<u>23.2</u>	
	<i>HPT Subtotal</i>	<u>1,116.1</u>	<u>414.0</u> <i>37.3% expended vs. budget</i>
Program Management	<u>42.0</u>	<u>24.7</u>	
Owner Contingency and Allowances	<u>140.7</u>	<u>29.4</u>	Includes BWP-related costs
	Total	<u>1,298.7</u>	<u>468.1</u> 36.0% expended vs. budget

(1) As of March 31, 2025

(2) Actual through March 31, 2025

Financing Plan Update

Funding Source	Current Target (\$mil)	Awarded/ Approved ⁽¹⁾ (\$mil)	Drawn ⁽¹⁾ (\$mil)	Status
AIP Grant – <i>entitlement</i> ⁽²⁾	<u>2.9</u>	0.0	0.0	\$0.7mil carryover from FFY2024; <u>\$2.2mil</u> in FFY2025
AIP Grant – <i>discretionary</i> ⁽²⁾	<u>23.0</u>	0.0	0.0	Based on unofficial FAA discussions; <u>\$5mil added for apron work</u>
IIJA AIG Grant – <i>formulaic</i>	39.9	24.1	<u>12.2</u>	FFY2025 application in progress
IIJA AIG Grant – <i>supplemental disc.</i>	<u>0.0</u>	0.0	0.0	<u>Grant was not awarded</u>
IIJA ATP Grant – <i>competitive</i>	82.9	47.3	<u>18.6</u>	Reduced to reflect \$9.3mil officially awarded, but not executed
Passenger Facility Charge (PFC)	<u>72.1</u>	<u>61.6</u>	<u>18.7</u>	PFC 25-22 application <u>approved</u>
Authority Cash	100.0	100.0	0.0	Available
Proceeds of Property Sale	2.1	2.1	0.0	Amount identified from sale of Kenwood parking lot
Revenue Bonds ⁽³⁾	<u>975.8</u>	681.8	<u>316.6</u>	Implied remaining GARB size: <u>\$294.0mil</u>
Commercial Paper Program	n/a	200.0	0.0	Available
Total	1,298.7	1,114.8	<u>366.1</u>	85.8% awarded/approved vs. target

AIP = Airport Improvement Program

AIG = Airport Infrastructure Grant

ATP = Airport Terminal Program

IIJA = Infrastructure Investment and Jobs Act

⁽¹⁾ As of April 2025

⁽²⁾ Available for Southeast Quadrant only; to be used for demolition costs

⁽³⁾ Includes anticipated interest earnings on investment portfolio



FY 2025/2026 (“FY 2026”) Budget Development

Presented to
Finance and Administration Committee
April 21, 2025

Presented by
Kathy David, Senior Deputy Executive Director

Proposed FY 2026 – Budget Development

- Today's meeting will focus on the proposed FY 2026 passenger forecast and additional information regarding staffing recommendations.
- The passenger forecast will provide the assumption upon which the budget will be premised.
- At the next Committee meeting (May 5th) proposed FY 2026 Operating Revenues and other anticipated funding sources will be presented.

FY 2026 Budget Development

Proposed FY 2026 Passenger Activity Assumption

FY 2026 Budget Development: Passenger Activity Assumption

- The FY 2026 budget is being developed with growing significant uncertainties including the following:
 - Multiple changes/mandates being generated by the new Administration that may impact availability of future aviation federal funding, tax exempt/private activity municipal bond status, implementation of tariffs affecting pricing of goods/materials
 - Growing instability in financial markets being reported by the Authority's underwriting team
 - Increased risk for an economic recession
 - Continuing impacts from the recent area wildfires on local travel demand, availability of skilled labor and supplies for construction

FY 2026 Budget Development: Passenger Activity Assumption

- Latest earnings call have Airlines reporting:
 - Reduced performance targets
 - Expressing serious concerns with industry's outlook due to drop in consumer confidence, leisure travel and government travel demand
 - U.S. carriers reducing domestic flying capacity effective CY 3rd quarter
 - Largest air carrier at BUR undergoing a major paradigm shift in how it operates, which may further impact passenger demand in the short term
- As the impacts of the above are unknown, a cautious approach to the development of the FY 2026 budget will be implemented.

FY 2026 Budget Development: Passenger Activity Assumption

- Due to the many uncertainties, it is difficult to predict impacts on future passenger activity.
- Staff is recommending utilizing 6,200,000 as the FY 2026 passenger activity assumption. This aligns closely with actual FY 2024 passenger activity (6,217,454) and is 5% below estimated actual FY 2025 activity.
- The FY 2025 estimated actual of 6,530,469 reflects favorable performance above the FY 2025 budget assumption (6,100,000). The first six months of FY 2025 reported robust passenger activity but is showing signs of slowing during the second half.
- The 6,200,000 proposed passenger activity assumption was reviewed with the Airport's financial feasibility consultant who concurred this is a reasonable approach.
- Staff will continually monitor current events, passenger activity and any other impacts to the financial program.

FYTD 2025 vs FYTD 2024 BUR Activity Levels

Revenue Passengers

<u>Fiscal Year</u>	<u>Jul.</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>FYTD December</u>	<u>Jan.</u>	<u>Feb.</u>	<u>FYTD Total</u>
2024	533,107	515,506	510,981	551,795	542,577	548,116	3,202,082	437,121	417,214	4,056,417
2025	638,833	582,654	543,678	600,617	566,300	602,827	3,534,909	409,153	425,370	4,369,432
# Change	105,726	67,148	32,697	48,822	23,723	54,711	332,827	-27,968	8,156	313,015
% Change	19.83%	13.03%	6.40%	8.85%	4.37%	9.98%	10.39%	-6.40%	1.95%	7.72%

FY 2025 vs FY 2024 BUR Activity Levels

Revenue Passengers

Fiscal Year	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Estimated				FYTD Total
									Mar. ¹	Apr. ¹	May ¹	June ¹	
2024	533,107	515,506	510,981	551,795	542,577	548,116	437,121	417,214	505,214	508,043	536,948	610,832	6,217,454
2025	638,833	582,654	543,678	600,617	566,300	602,827	409,153	425,370	505,214	508,043	536,948	610,832	6,530,469
# Change	105,726	67,148	32,697	48,822	23,723	54,711	-27,968	8,156	0	0	0	0	313,015
% Change	19.83%	13.03%	6.40%	8.85%	4.37%	9.98%	-6.40%	1.95%	0.00%	0.00%	0.00%	0.00%	5.03%

Note 1: Actual FY 2024 passenger activity is used to determine an estimate for the months of March through June of FY 2025.

FY 2026 Budget Development

Additional Information: Staffing Recommendations

FY 2026 Staffing Program – Current Staffing

Current Staffing as of March 2025

	<u>Command Staff</u>	<u>Full Time</u>	<u>FTE Job Share</u>	<u>FTE Total</u>
APD	4	23	8	35
ARFF	2	18	-	20
TBI (see below)	-	131	-	131
Total:	6	172	8	186

TBI Breakdown:

Administration (*)	60
ICT	6
Operations	26
Maintenance	39
Total:	131

(*) Includes Accounting, Air Service/Communications, Business/Properties, Gov't Affairs, Ground Access, HR, Noise/Environmental, Procurement, Security, Safety Management Systems, Planning & Engineering, Executive and other Administrative Staff.

In addition, there are two unfunded, authorized positions for a total TBI FTE personnel authorization of 133.

FY 2026 Staffing Program – Proposed Staffing

Proposed FY 2026 Staffing

	<u>Current FTE Total</u>	<u>Proposed FTE FY 2026</u>	<u>Funding Vacant Position</u>	<u>Proposed Funded FY 2026 FTE Total</u>
APD	35	4	-	39
ARFF	20	3	-	23
TBI	131	5	1	137
Total:	186	12	1	199

Proposed FY 2026 – Staffing Program

Summary of Recommended FY 2026 Staffing Additions / Modifications

<u>Department</u>	<u>Additional FTE Positions</u>	<u>Justification</u>
Public Safety		
APD Police Officers <i>(to commence mid-FY 2026)</i>	4	To ensure adequate LEO staffing for current and future operations
ARFF Firefighters	3	To address required firefighting tactical procedure changes
Communications Center Dispatcher	1	Additional coverage to effectively dispatch operational / emergency calls
Subtotal	<u>8</u>	
Maintenance		
HVAC Technicians	2	To support RPT and transition in operations
Subtotal	<u>2</u>	
Planning and Engineering		
Principal Construction Inspector	1	To conduct necessary oversight over construction projects
Asset Management Administrator	1	To support establishment of Asset Management program activities
Subtotal	<u>2</u>	
Total Recommended FY 2026 Staffing Additions	<u>12</u>	

*** Note:**

In addition to the above requested full time equivalent (FTE) staffing additions, it is recommended that appropriations be included to recruit for the Director, Business and Properties position (currently unfunded).

Also, requested is the promotion and title change of the current Airport Senior Planner to Principal Planner, Planning and Asset Management.

Proposed FY 2026 – Staffing Program

- A total of 19 new positions were requested with 12 of those positions being recommended to the Committee.
- The other 7 positions requested will be reviewed after commencement of operations in the Replacement Passenger Terminal:
 - 1 Security / Badging
 - 2 Procurement
 - 2 Business & Properties
 - 1 Operations
 - 1 Maintenance
- Potential utilization of outside services for the above positions will also be evaluated.

Replacement Passenger Terminal Project

Municipal Bond Market Volatility and Activity

Burbank-Glendale-Pasadena Airport Authority
Finance and Administration Committee Meeting

April 21, 2025

Recent Timeline on Tariffs and the Fed

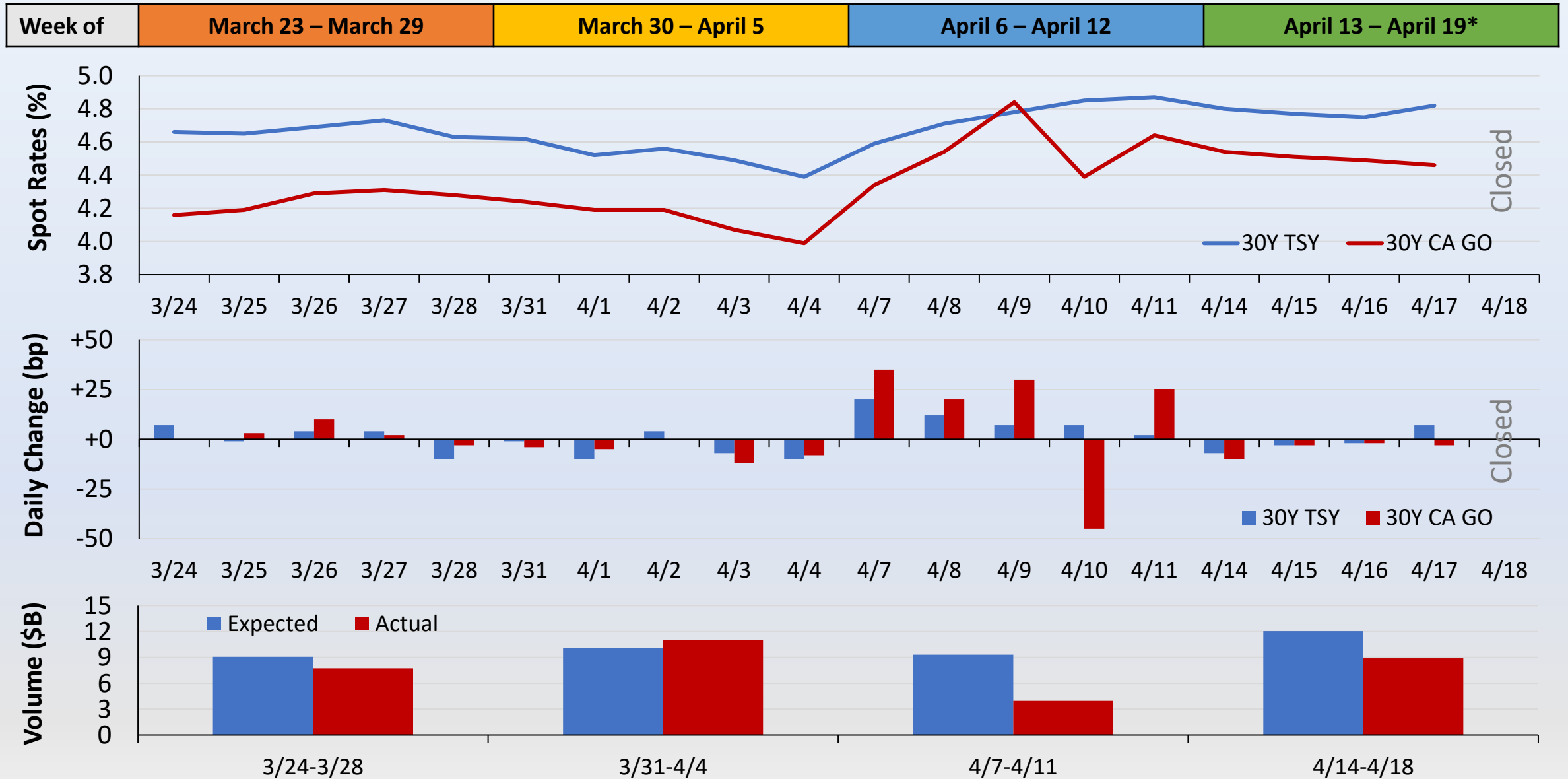
- 3/25 Venezuela sanctions
- 3/26 Autos and parts
- 4/2 “Liberation Day”
- 4/2 End duty-free packages from China
- 4/3 Autos and parts tariffs start
- 4/3 Canada retaliates
- 4/4 China retaliates
- 4/5 10% tariffs start
- 4/8 +50% tariffs for China
- 4/9 Differential tariffs start
- 4/9 Canada’s tariffs start
- 4/9 China retaliates again
- 4/9 EU confirm retaliation
- 4/9 90-day pause on tariffs
- 4/10 China’s tariffs start
- 4/10 90-day pause starts
- 4/10 EU pauses retaliation
- 4/11 China retaliates 3rd time
- 4/11 Phones/electronics exemption
- 4/12 China’s tariffs start
- 4/13 New tariffs on smartphone/electronics
- 4/14 Investigate pharma and semiconductors as national security threat
- 4/15 Investigate critical minerals as national security threat
- 4/17 EU considers import restrictions

Week of	March 23 – March 29	March 30 – April 5	April 6 – April 12	April 13 – April 19*
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The Fed	<ul style="list-style-type: none"> • 3/25 Bostic: 1 cut in 2025 • 3/28 Daly: 2 cuts in 2025 	<ul style="list-style-type: none"> • 4/3 Jefferson: inflation is easing; balance with growth • 4/4 Powell: tariffs “significantly larger than expected” 	<ul style="list-style-type: none"> • 4/9 Musalem: domestic growth is likely to slip below trend • 4/10 Schmid: inflation is key focus • 4/11 Williams: current policy “entirely appropriate” 	<ul style="list-style-type: none"> • 4/15 Waller: 2 tariff scenarios could result in rate cuts • 4/16 Powell: labor market “in a really good place” • 4/16 Hammack: “wait for clarity” on tariffs • 4/17 Williams: “doesn’t need to adjust rates any time soon”
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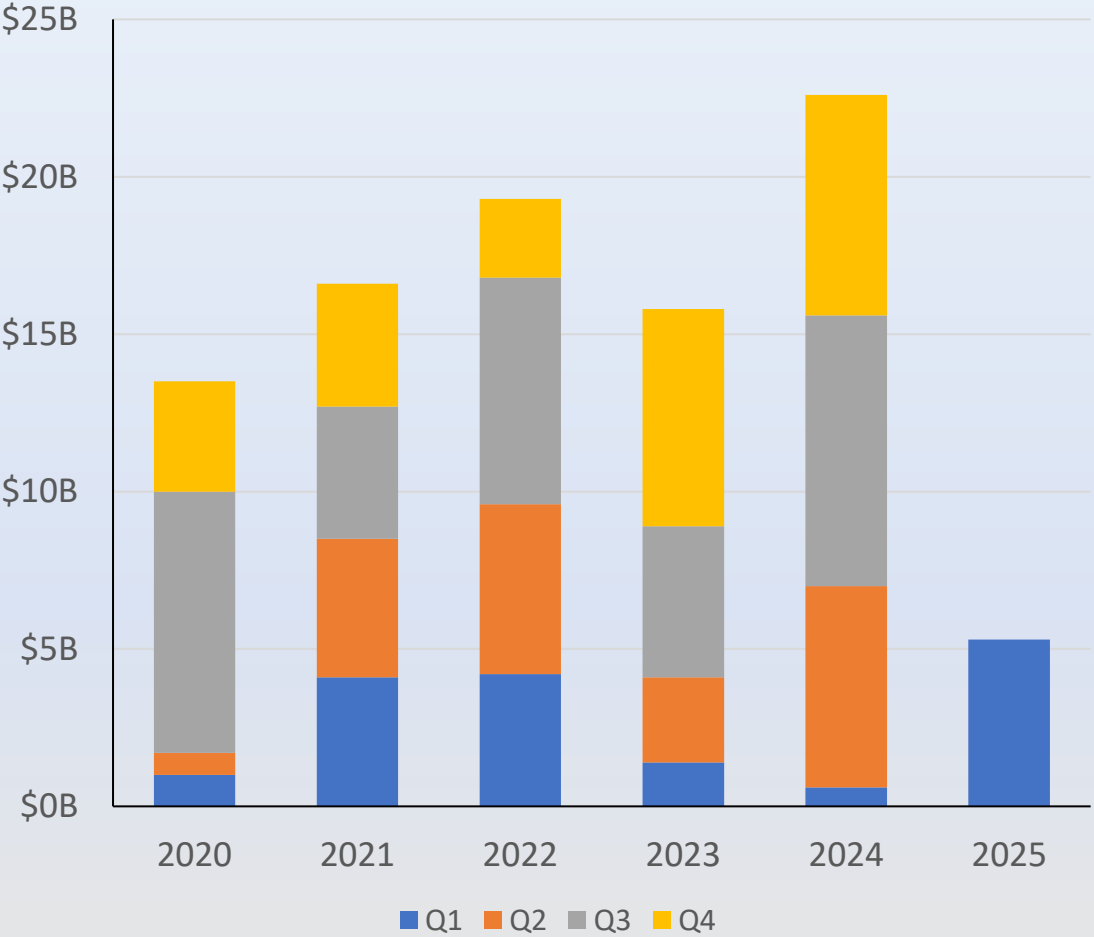
S&P500 (%Δ)	+1.8	+0.2	-1.1	-0.3	-2.0	+0.6	+0.4	+0.7	-4.8	-6.0	-0.2	-1.6	+9.5	-3.5	+1.8	+0.8	-0.2	-2.2	+0.6	Clsd.
10Y TSY (%)	4.34	4.31	4.35	4.38	4.27	4.23	4.17	4.20	4.06	4.01	4.15	4.26	4.34	4.40	4.48	4.38	4.35	4.28	4.33	Clsd.

Volatility in the Municipal Bond Market



Airport Bond Financing Activity

Historic Airport Bond Issuances



Projected 2025 Airport Bond Issuances

