



February 14, 2019

CANCELLATION NOTICE OF THE REGULAR MEETING
AND
CALL AND NOTICE OF A SPECIAL MEETING OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

The Airport Authority administrative offices will be closed on Monday, February 18, 2019, in observance of Presidents' Day. Therefore, the regular meeting of the Burbank-Glendale-Pasadena Airport Authority scheduled for Monday, February 18, 2019, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport has been cancelled.

NOTICE is hereby given that a special meeting of the Burbank-Glendale-Pasadena Airport Authority will be held Tuesday, February 19, 2019, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

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



SPECIAL COMMISSION MEETING

AGENDA

FEBRUARY 19, 2019

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Special Meeting of Tuesday, February 19, 2019

9.00 A.M.

The public comment period is the opportunity for members of the public to address the Commission on agenda items and on airport-related non-agenda matters that are within the Commission'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.

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Members of the public are requested to observe the following decorum when attending or participating in meetings of the Commission:

- *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 Commission 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 Commission's subject matter jurisdiction.*
- *Limit comments to five minutes or to such other period of time as may be specified by the presiding officer.*

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The following activities are prohibited:

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

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Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission 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.

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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

Tuesday, February 19, 2019

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. CONSENT CALENDAR
 - a. Committee Minutes
(For Note and File)
 - 1) Operations and Development Committee
 - (i) January 22, 2019 ***[See page 1]***
 - b. Commission Minutes
(For Approval)
 - 1) February 4, 2019 ***[See page 6]***
 - c. Exercise of First Extension Option
Fleet Maintenance Service Agreement
Keolis Transit Services LLC ***[See page 12]***
6. ITEMS FOR COMMISSION APPROVAL
 - a. Award of Professional Services Agreement
to RDM International, Inc. for Taxiway A
Rehabilitation Design ***[See page 13]***
 - b. Presentation of FY 2018 Audited Financial Statements
and Analysis of Financial Results ***[See page 17]***
 - c. Public Safety Labor Contract
Ad Hoc Committee Appointments ***[See page 24]***
7. CLOSED SESSION
8. COMMISSIONER COMMENTS
(Other updates and information items, if any)
9. ADJOURNMENT

COMMISSION NEWSLETTER

Tuesday, February 19, 2019

[Regarding agenda items]

5. CONSENT CALENDAR

(Consent Calendar items may be enacted by one motion. There will be no separate discussion on these items unless a Commissioner so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda.)

- a. COMMITTEE MINUTES. Approved minutes of the Operations and Development Committee meeting of January 22, 2019, are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES. Draft minutes of the February 4, 2019, meeting are attached for the Commission's review and approval.
- c. EXERCISE OF FIRST EXTENSION OPTION: FLEET MAINTENANCE SERVICE AGREEMENT – KEOLIS TRANSIT SERVICES LLC: A staff report is included in the agenda packet. At the February 4, 2019, meeting of the Operations and Development Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission exercise the first of two one-year extension options for the Fleet Maintenance Service Agreement between the Burbank-Glendale-Pasadena Airport Authority and Keolis Transit Services, LLC.

6. ITEMS FOR COMMISSION APPROVAL

- a. AWARD OF PROFESSIONAL SERVICES AGREEMENT TO RDM INTERNATIONAL, INC. FOR TAXIWAY A REHABILITATION DESIGN. A staff report is included in the agenda packet. Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks a recommendation from the Commission to: i) authorize execution of a Professional Services Agreement for an engineering design contract in the amount of \$271,310 to RDM International, Inc. ("RDM"); ii) approve a not-to-exceed amount of \$27,000 for in-house staff for design management services; and, iii) establish a Project Aggregate Contingency of approximately 5% of the estimated total project budget in the amount of \$15,000.
- b. PRESENTATION OF FY 2018 AUDITED FINANCIAL STATEMENTS AND ANALYSIS OF FINANCIAL RESULTS. A staff report is included in the agenda packet. The Authority's independent auditor, Macias Gini & O'Connell LLP ("MGO") has completed its audit of the Burbank-Glendale-Pasadena Airport Authority ("Authority") fiscal year 2018 financial statements. Enclosed with this staff report is a copy of the audited Basic Financial Statements for the fiscal years ended June 30, 2018 ("FY 2018") and 2017 ("FY 2017"). Also enclosed are copies of the audited Single Audit Reports (audit of federal grant programs), Passenger Facility Charge Audit Report, Customer Facility Charge Audit Report, Independent Auditor's Report on Compliance with Section 6.05 of the Bond Indenture, and the Auditor's Required Communications to the Authority Regarding the FY 2018 Audits.

Staff will present each report and provide an overview and analysis of financial results for the fiscal year ended June 30, 2018. MGO will present a summary of its audits. At the February 11, 2019, special meeting of the Finance and Administration Committee ("Committee") meeting, the Committee voted unanimously (3–0) to recommend that the Commission note and file these reports.

- c. PUBLIC SAFETY LABOR CONTRACT AD HOC COMMITTEE APPOINTMENTS. A staff report is included in the agenda packet. Staff seeks Commission approval of the creation of a Public Safety Labor Contract Ad Hoc Committee and the President's appointment of members to this Committee.

Approved February 4, 2019

**MINUTES OF THE SPECIAL MEETING OF THE
OPERATIONS AND DEVELOPMENT COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

TUESDAY, JANUARY 22, 2019

A special meeting of the Operations and Development Committee was called to order on this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 8:32 a.m., by Chairman Brown.

ROLL CALL

Present: Commissioners Brown, Devine and Tornek

Absent: None

Also Present: Staff: Frank Miller, Executive Director;
John Hatanaka, Senior Deputy Executive Director;
Anthony Defrenza, Director of Engineering and
Maintenance; Tom Lenahan, Fire Chief, Airport Fire
Department

1. Approval of Agenda There were no adjustments to the agenda.

5. Items for Discussion

a. Appointment of Committee Chair Staff requested that item 5.a., Items for Discussion, be taken out of order for an appointment of a new Committee Chair.

Motion Commissioner Devine moved the nomination of Commissioner Tornek as Operations Committee Chair, seconded by Commissioner Brown.

Motion Approved The motion was approved unanimously (3-0).

2. Public Comment There were no public speakers.

3. Approval of the Minutes

a. December 10, 2018 Commissioner Devine moved approval of the minutes of December 10, 2018, meeting, seconded by Commissioner Brown. The draft minutes were approved (3-0).

4. Contract and Leases

4. Contract and Leases

a. Award of Professional Services Agreement for Terminal High Voltage Feeders Design

Staff recommended an Operations and Development Committee recommendation to the Commission for: (i) Award of a professional services agreement in the amount of \$75,830 to DH Green Energy, Inc. ("DHGE") for electrical design and construction support services for the Terminal High Voltage Electrical Upgrade Project; (ii) Approval of a project budget for in-house design management and contract administration services not-to-exceed amount of \$11,375; and, (iii) Approval of a contingency of \$8,700.

Staff reported that most of the electrical power to the entire terminal complex comes from switchgear and distribution banks in an area just south of the valet drop-off. Due to the age and condition of one of the primary feeder-duct banks from that area to the terminal, there is a potential risk of failure which would obviously cause a significant portion of the terminal to experience an extended power outage. In order to prepare plans to address for this potential condition, Staff initiated a procurement process to select a design consultant by posting a request for proposal in October 2018.

Four firms submitted proposals and were evaluated based on five selection criteria: experience, capabilities, the described technical approach, willingness to accept the agreement as provided and price. All four of those proposals were evaluated and DHGE scored the highest overall. As a result, DH Green Energy, Inc. was recommended for award.

DHGE's proposed \$75,830 price includes services during both the design and potential future construction phase of the project. Initially, they'll conduct an engineering assessment of the existing conditions, detailed design, final plans and specifications, development of a phasing plan and coordinate plan checks with the city of Burbank. After Staff receives their final plans and decides to procure a contractor to finish the project, DHGE will then provide bidding phase assistance and construction phase services including submittal review responses to RFI's.

Motion	Following the presentation, Commissioner Devine moved approval of Staff's recommendation.
Motion Approved	The motion was approved unanimously (3-0).
b. Award of Contract for Airfield Lighting Electrical Inspection, Testing, and On-Call Repair Services Project Number E18-11	<p>Staff reported that an operational airfield lighting system is critical to the safe daily operation of the Airport. The FAA provides very detailed guidance on best practices associated with the testing and inspection and preventative maintenance activities for typical airfield lighting components. The Authorities Maintenance Department provides preventative maintenance and certain necessary repairs; however, Staff believes that obtaining the regular services of a qualified electrical contractor with expertise in airfield lighting systems will ensure stricter adherence to the recommendations provided by the FAA and improve the reliability and longevity of the existing system. The scope of the proposed services was developed with the support of an engineering consultant with expertise in airfield lighting, Meade & Hunt, and with extensive collaboration with the Airport's Maintenance, Engineering and Operations Departments. Staff further reported that in addition to improving the implementation of the FAA guidance associated with airfield lighting, Staff believes it is prudent to have a qualified electrical contractor who is intimately familiar with the system, with pre-negotiated on call rates, if an unexpected issue or emergency arises.</p> <p>Staff further reported, due to the specialized nature of airfield electrical work, there were a limited number of firms with the necessary experience and qualifications to propose on the scope. Despite that, Staff issued a public request for proposals on Planet Bids website with the intent to discover new interested contractors in the service category, thus, increasing the opportunity for a competitive selection. Despite Staff's outreach efforts, only one contractor submitted a price. The original price submitted was \$965,000 annually. Staff only received one price proposal, they met with Royal Electric to clarify the job expectations and understand why their cost was so significantly above what was expected. Staff clarified a few elements; primarily photometric testing is a recommendation of the FAA and it's recommended that it be done monthly, the photometric testing, Royal doesn't do in-house and may sub out, the monthly cost of the photometric testing is about \$20,000, but because it was a sub, they also had their staff</p>

contingent on top of the photometric testing sub. So, by excluding the photometric testing from their scope, Staff eliminated about \$500,000 of the 800,000 and then the rest was a result of clarifying the job expectations. Through this process, Staff and Royal Electric identified the monthly service items to be covered under the contract which resulted in a significant reduction in monthly cost.

Staff recommended that the Committee recommend to the Commission, award of a contract for a two-year period in the amount of \$313,242 (\$156,621 annually) to Royal Electric Company for monthly airfield lighting testing and inspection services. Subject to the recommendation of the Committee, this item was also placed on the full Commission agenda immediately following this meeting.

Motion

Following the presentation, Commissioner Devine moved approval of Staff's recommendation.

Motion Approved

The motion was approved unanimously (3-0).

c. Compensation Rates for Airport Fire Department Personnel Assigned to Emergency Incidents Under the California Fire Assistance Agreement (CFAA)

Staff reported that the Airport Authority contracts with TBI Airport Management, Inc. ("TBI") for aircraft rescue and firefighting services and that the Airport Fire Department is a mutual-aid provider and a participant in the State of California Office of Emergency Services ("Cal OES") California Fire Assistance Agreement ("CFAA") for the potential deployment of Airport Fire Department personnel during emergency incidents. The CFAA requires all participating California agencies to submit documentation verifying the Department's personnel compensation rates. The current (October 11, 2017 - June 30, 2020) Collective Bargaining Agreement ("2017 CBA") between TBI and the Burbank Airport Professional Firefighters, IAFF Local I-61 contains compensation rates and methodologies for pay during periods where Airport Fire Department personnel are assigned to mutual-aid deployments; and Under the terms of the CFAA, it is appropriate for the Airport Authority to update and verify Airport Fire Department personnel compensation rates for purposes of submitting a reimbursement request for staff and equipment authorized to deploy to emergency incidents.

Staff recommended that the Committee recommend to the Commission adoption of Resolution No. 482 verifying the applicable compensation rates for Airport Fire Department personnel, including travel time, when assigned to emergency incidents under the CFAA.

Motion

Commissioner Tornek moved approval of Staff's recommendation, seconded by Commissioner Devine.

Motion Approved

The motion was approved unanimously (3-0).

6. Adjournment

There being no further business, the meeting adjourned at 9:55 a.m.

**MINUTES OF THE REGULAR MEETING OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, FEBRUARY 4, 2019

A regular meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order on this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 9:05 a.m., by President Sinanyan.

1. ROLL CALL

Present: Commissioners Adams, Sinanyan, Gharpetian, Tornek, Devine, Wiggins and Selvidge

Absent: Commissioners Brown and Madison

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Tom Janowitz, Sr. Manager, Parking Development; Anthony Defrenza, Director, Engineering Department; Mike Duong, Sr. Manager, Business and Compliance; Lewis Pianka, Assistant Fire Chief; Sharon Haserjian, Manager, Human Resources; Nerissa Sugars, Manager, Air Service and Development

Also Present: Lisa Raggio, Director, Wellness Works

2. PLEDGE OF ALLEGIANCE

Commissioner Tornek led the assembly in the recitation of the Pledge of Allegiance to the Flag.

3. APPROVAL OF AGENDA

The agenda was approved as presented.

4. PUBLIC COMMENT

Roy Wiegand, Burbank Resident

5. CONSENT CALENDAR

**a. Committee Reports
(For Noting and filing)**

**1) Operations and
Development
Committee**

(i) December 10, 2018

Approved minutes of the Operations and Development Committee meeting for December 10, 2018, were included in the agenda packet for information purposes.

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| <p>2) Finance and Administration Committee</p> <p>(i) December 10, 2018</p> | <p>Approved minutes of the Finance and Administration Committee meeting for December 10, 2018, were included in the agenda packet for information purposes.</p> |
| <p>b. Commission Minutes (For Approval)</p> <p>1) January 22, 2019</p> | <p>Minutes of the January 22, 2019, Commission meeting were included in the agenda packet for review and approval.</p> |
| <p>c. Treasurer's Reports</p> <p>1) November 2018</p> <p>2) October 2018</p> | <p>The Finance and Administration Committee reviewed the November 2018 and October 2018 Treasurer's Reports at its meeting on January 22, 2019, and voted unanimously (3–0) to accept the Treasurer's Reports and recommend to the Authority that the reports be noted and filed.</p> |
| <p>d. Proposed Resolution No. 481 Adopting the 2019 Authority Investment Policy</p> | <p>At the January 22, 2019, meeting of the Finance and Administration Committee ("Committee"), the Committee voted unanimously (3–0) to recommend to the Commission that it adopt a proposed resolution approving the 2019 Authority Investment Policy which affirms the 2018 Authority Investment Policy with no changes.</p> |
| <p>MOTION</p> | <p>Commissioner Adams moved approval of the Consent Calendar, seconded by Commissioner Tornek</p> |
| <p>MOTION APPROVED</p> | <p>The motion was approved (7–0, two absent).</p> <p>AYES: Commissioners Adams, Gharpetian, Sinanyan, Tornek, Devine, Wiggins and Selvidge</p> <p>NOES: None</p> <p>ABSENT: Commissioner Brown and Madison</p> |

6. ITEMS FOR COMMISSION APPROVAL

a. Award of Professional Services Agreement for Terminal High Voltage Feeders Design

Staff presented to the Commission for its approval an Award of Professional Services Agreement for Terminal High Voltage Feeders Design ("Agreement"). Staff requested the Commission to: i) award a professional services agreement in the amount of \$75,830 to DH Green Energy, Inc. ("DHGE") for electrical design and construction support services for the Terminal High Voltage Electrical Upgrade Project; ii) approve a project budget for in-house design management and contract administration services not-to-exceed amount of \$11,375; and, iii) approve a contingency of \$8,700.

Staff initiated the proposal process on October 9, 2018, by posting Request for Proposal (RFP) documents on PlanetBids and four consultants submitted proposals. Three staff members evaluated the proposals and scores were given based on five criteria: experience; capability; technical approach; agreement acceptance and price. DH Green Energy, Inc. scored highest.

The consultant's performance period is 90 calendar days for design services from receipt of a Notice to Proceed.

At the Operations and Development Committee ("Committee") meeting on January 22, 2019, the Committee voted unanimously (3-0) to recommend approval by the Commission.

MOTION

Commissioner Wiggins moved approval; Commissioner Devine seconded the motion.

MOTION APPROVED

The motion was approved (7-0, two absent).

AYES: Commissioners Adams, Gharpetian, Sinanyan, Tornek, Devine, Wiggins and Selvidge

NOES: None

ABSENT: Commissioner Brown and Madison

**b. Proposed Resolution
No. 482 Verifying
Compensation Rates for
Airport Fire Department
Personnel Assigned to
Emergency Incidents Under
the California Fire
Assistance Agreement
(CFAA)**

Staff presented to the Commission for approval the adoption of Resolution No. 482 verifying compensation rates for Airport Fire Department personnel, including travel time, when assigned to emergency incidents under the California Fire Assistance Agreement (CFAA).

Adoption of the proposed Resolution No. 482 will allow reimbursement from the State of California Office of Emergency Services ("Cal OES") for overtime and travel time incurred when Airport Fire Department personnel are deployed under the CFAA.

The Airport Fire Department is a mutual-aid provider and a participant in Cal OES for the potential deployment of fire personnel during emergency incidents.

The Operations and Development Committee voted unanimously (3–0) at its meeting on January 22, 2019, to recommend approval by the Commission.

MOTION

Commissioner Adams moved approval, seconded by Commissioner Selvidge.

MOTION APPROVED

There being no objection, the motion was approved (7–0, two absent).

AYES: Commissioners Adams, Gharpetian, Sinanyan, Tornek, Devine, Wiggins and Selvidge

NOES: None

ABSENT: Commissioner Brown and Madison

**c. Award of Aviation Hangar
Lease – Hangar 39 – Netflix,
Inc.**

Staff presented to the Commission for approval an Award of Aviation Hangar Lease ("Lease") for Hangar 39 with Netflix, Inc. ("Netflix"). Netflix is a current tenant seeking a three-year term for the purpose of storing several new aircraft that they will be adding to their corporate fleet in 2019. Netflix has met all obligations under the current Lease with the Authority and is a tenant in good standing.

On May 15, 2017, Netflix was granted an Aviation Hangar Lease with the Authority for Hangar 43. Similar to the terms for Hangar 43, the proposed Lease for Hangar 39 provides for a tenant improvement allowance of up to \$250,000 in the form of rent abatement with one five-year extension option. The proposed Lease will run concurrent with the Lease terms for Hangar 43 and runs from February 1, 2019 through April 30, 2022. The rent will be \$33,940 per month, or \$407,287 annually.

At the January 22, 2019, meeting of the Finance and Development Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission approve this item.

MOTION

Commissioner Devine moved approval, seconded by Commissioner Wiggins.

MOTION APPROVED

There being no objection, the motion was approved (7–0, two absent).

AYES: Commissioners Adams, Gharpetian, Sinanyan, Tornek, Devine, Wiggins and Selvidge

NOES: None

ABSENT: Commissioner Brown and Madison

7. ITEMS FOR COMMISSION INFORMATION

a. 2018 Community Fundraiser Results

Staff presented the results of the 2018 Community Fundraiser. In accordance with the Authority's rotating schedule, among the tri-cities, Wellness Works, which is based in the City of Glendale and serves the needs of veterans and military personnel, was selected as the recipient of this year's holiday season fund-raising. The Authority was pleased to present a check in the amount of \$5,106 to Lisa Raggio, the Director of Wellness Works. The funds were raised from the support of the Airport community which included tenants, staff and Commissioners.

- b. **December 2018 Parking Revenue Statistics** Staff presented an update on the December 2018 parking revenue.
- c. **December 2018 Transportation Network Companies** Staff presented an update on the December 2018 Transportation Network Companies.
- d. **December 2018 Passenger/Cargo and Regional Airport Passenger Statistics** Staff updated the Commission on the December 2018 Passenger/Cargo and Regional Airport Passenger Statistics.
8. **CLOSED SESSION** The meeting recessed to close session at 9:32 a.m.
- a. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant Exposure to Litigation (California Government Code Section 54956.9(d)(2)): 1 potential case. Facts and Circumstances: FAA Southern California Metroplex Project
- Meeting Reconvened to Open Session** The meeting reconvened to open session at 9:56 a.m. with the same members present.
- Closed Session Report** Staff advised there was nothing to report from closed session.
9. **COMMISSIONER COMMENTS** The Commission and Staff commented on the American Association of Airport Executives Conference which they attended in January 2019.
- Briefing: January 2019 AAEE Aviation Issues/Conference**
10. **ADJOURNMENT** There being no further business, the meeting was adjourned at 9:28 a.m.

Zareh Sinanyan, President

Ross Selvidge, Secretary

Date

Date

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FEBRUARY 19, 2019**

**EXERCISE OF FIRST EXTENSION OPTION
FLEET MAINTENANCE SERVICE AGREEMENT
KEOLIS TRANSIT SERVICES LLC**

SUMMARY

At the February 4, 2019, meeting of the Operations and Development Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission exercise the first of two one-year extension options for the Fleet Maintenance Service Agreement ("Service Agreement") between the Burbank-Glendale-Pasadena Airport Authority ("Authority") and Keolis Transit Services, LLC ("Keolis").

BACKGROUND

As presented to the Commission on March 7, 2016, the Authority entered into a Service Agreement with Keolis for a three-year period, at predetermined rates. The current rate for labor is \$70.00 an hour for an annual expense of approximately \$145,000. The Service Agreement has two one-year option periods at the fixed hourly price of \$72.50, resulting in an annual price estimated at \$150,000 for labor. Parts and materials ordered through Keolis are charged separately and subject to a 25% markup. In 2018, parts cost approximately \$10,000 per month (including the 25% markup).

Staff is seeking Commission approval to exercise the first of two one-year options which extends the Service Agreement through March 31, 2020. The terms, and provisions of the Service Agreement shall apply during the extension period. Keolis remains in good standing with its obligations to the Authority and has maintained a satisfactory level of service throughout the initial contract period.

Staff will continue to monitor and evaluate Keolis's performance and report back to the Commission prior to the expiration of the first extension period. Based on continued monitoring and evaluation, Staff will either, prepare a Request for Proposal for Fleet Maintenance Services, or recommend exercising the second of two extension periods prior to the expiration of the first extension period (March 31, 2020).

BUDGET

Appropriations for the fleet maintenance services are included in the adopted FY 2019 Budget.

RECOMMENDATION

At the February 4, 2019, meeting of the Operations and Development Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission exercise the first of the one-year extension options to the Fleet Maintenance Service Agreement between the Authority and Keolis.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FEBRUARY 19, 2019**

**AWARD OF PROFESSIONAL SERVICES AGREEMENT
TO
RDM INTERNATIONAL, INC.
FOR
TAXIWAY A REHABILITATION DESIGN**

SUMMARY

Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks a recommendation from the Commission to:

- i) Authorize execution of a Professional Services Agreement for an engineering design contract in the amount of \$271,310 to RDM International, Inc. ("RDM");
- ii) Approve a not-to-exceed amount of \$27,000 for in-house staff for design management services; and
- iii) Establish a Project Aggregate Contingency of approximately 5% of the estimated total project budget in the amount of \$15,000.

PROJECT DESCRIPTION

Staff has identified the need to rehabilitate the asphalt pavement on Taxiway A. Taxiway A is the Airport's primary taxiway and the pavement in portions of the keel section and several taxiway connectors have exceeded their useful life. New asphalt pavement will improve the conditions of the taxiway by replacing existing material that has become fatigued. It is anticipated that construction to rehabilitate the sections described can be completed within one construction season. The design process will identify the most suitable and cost-effective rehabilitation of the areas within the project scope.

BACKGROUND

Taxiway A was rehabilitated ten years ago in 2008 and the Taxiway has a current Pavement Condition Index (PCI) value of 46 indicating the pavement is in need of rehabilitation.

PROCUREMENT

Staff publicly solicited responses to a combined Request for Qualifications/Request for Proposals ("RFQ/RFP") on the Burbank-Glendale-Pasadena Airport Authority's ("Authority") PlanetBids e-procurement website to 399 targeted, potential firms, and publicly advertised the competitive opportunity on the ACI-NA and AAEE websites, posted an ad in the Los Angeles Times, and placed announcements in the Burbank, Glendale, and Pasadena City Halls.

Staff received five responses from qualified engineering firms. Those five firms, listed alphabetically, are:

- AECOM
- Burns McDonnell
- Kimley Horn
- RDM
- T.Y. Lin International

SELECTION PROCESS

Due to the inclusion of federal funding for this project, the selection process was governed by FAA Advisory Circular 150/5100-14E ("AC") *Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects*, which states: "Consultants must be engaged on the basis of their qualifications and experience, with fees determined through negotiations following selection. This can be accomplished by means of Qualifications Based Selection procedures, whereby Statements of Qualifications ("SOQ") are requested from a number of consultants. The qualifications of consultants responding are evaluated and the best qualified consultant is selected, subject to a mutual understanding of the scope of services and negotiation of a fair and reasonable fee."

PROPOSAL EVALUATIONS

The written responses were individually evaluated by four Airport staff and were given a score based upon five selection criteria. The maximum possible score available was 100 points:

- SC-1 Airport Pavement Design Experience (20 points)
- SC-2 Recent Experience in AIP Funded Projects (20 points)
- SC-3 Project Team (20 points)
- SC-4 Project Understanding (30 points)
- SC-5 Airport Geographic Information System (10 points)

The average scores are presented in the table below:

	SC-1	SC-2	SC-3	SC-4	SC-5	Total
Max Points Possible	20	20	20	30	10	100
AECOM	20	19	17	25	9	90
Burns McDonnell	19	18	19	27	9	92
Kimley Horn	19	18	19	24	10	90
RDM International	18	20	20	28	10	96
TY LIN International	20	17	18	28	9	92

FEE NEGOTIATIONS

Staff was prohibited from any fee discussions with any of the proposers until after a determination of the most qualified firm was reached. Once the establishment of the scope of services with RDM was determined, Staff engaged EQLaunch to provide an independent fee estimate (IFE) to serve as a benchmark in establishing a fair and current market value for the project. After receiving the IFE, Staff requested and received a price proposal from RDM. The negotiation resulted in a final fee price well within 10% of the IFE. AC guidelines state that engineering fees should fall within this range at the end of the negotiation process.

A lump sum fee proposal for Phase 1 Design Services (Work Order #1) was negotiated with RDM in the amount of \$271,310.

The Record of Negotiations and Independent Fee Estimate prepared by EQLaunch was submitted to the FAA by Staff and is currently under review.

A separate fee for Phase 2 Construction Administration services (Work Order #2) will be negotiated and brought back to the Commission concurrent with the recommendation and request for approval of an award of contract for construction services after these services have gone through the appropriate negotiation process. It is anticipated this will occur in June 2019.

DBE PROGRAM

Certain elements of the Authority's adopted "race conscious" Disadvantaged Business Enterprise ("DBE") program and guidelines were incorporated into the proposal documents. The triennial DBE Program Goal is 13%; however, the Goal established for this specific project was set at 24.86% based on the scope of services and work required for the project. Based upon paperwork received by RDM, Staff expects to achieve a DBE participation level of 80.3% on this contract.

DESIGN MANAGEMENT AND CONTRACT ADMINISTRATION

Project design phase management is proposed to be performed by the Engineering Department for a not-to-exceed amount of \$27,000. This amount is approximately 10% of the engineering design costs. Engineering Staff will oversee the design process and provide constructability review to ensure the project is compatible with the Authority's requirements.

OPERATIONAL IMPACTS

The field research required to complete the project will either be performed at night or coordinated during the day with little or no operational impacts.

FUNDING

The adopted FY 2019 Facility Development budget includes \$400,000 for Taxiway A design. Staff submitted a pre-application to the FAA and expects the Taxiway A project (design and construction) to be funded via a combination of an Airport Improvement Program ("AIP") grant and local matching funds. Initially the design will be funded from Airport reserves and

reimbursed to the Authority as “project formulation costs” when the AIP grant is issued. The construction phase of this project will be programmed in next FY 2020 Budget.

PROJECTED COSTS:

RDM	\$ 271,310
Design Management/Project Administration	27,000
Project Aggregate Contingency	<u>15,000</u>
Total	<u>\$ 313,310</u>

SCHEDULE

The design phase of the project will commence after the award and execution of a Professional Services Agreement. Construction plans and specifications for bid are anticipated to be completed in the second quarter of 2019.

RECOMMENDATION

Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks a recommendation from the Commission to:

- i) Authorize the execution of a Professional Services Agreement for an engineering design contract in the amount of \$271,310 to RDM International, Inc. (“RDM”);
- ii) Approve a not-to-exceed amount of \$27,000 for in-house consultants for design management services; and
- iii) Establish a Project Aggregate Contingency of approximately 5% of the estimated total project budget in the amount of \$15,000.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FEBRUARY 19, 2019**

**PRESENTATION OF FY 2018 FINANCIAL STATEMENTS AND
ANALYSIS OF FINANCIAL RESULTS**

SUMMARY

The Authority's independent auditor, Macias Gini & O'Connell LLP ("MGO") has completed its audit of the Burbank-Glendale-Pasadena Airport Authority ("Authority") fiscal year 2018 financial statements. Enclosed with this staff report is a copy of the audited Basic Financial Statements for the fiscal years ended June 30, 2018 ("FY 2018") and 2017 ("FY 2017"). Also enclosed are copies of the audited Single Audit Reports (audit of federal grant programs), Passenger Facility Charge Audit Report, Customer Facility Charge Audit Report, Independent Auditor's Report on Compliance with Section 6.05 of the Bond Indenture, and the Auditor's Required Communications to the Authority Regarding the FY 2018 Audits.

The results are summarized below.

- MGO's "unmodified" opinions are:
 - The Basic Financial Statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles.
 - The Authority complied in all material respects with compliance requirements applicable to its major federal program, the Passenger Facility Charge program and the Customer Facility Charge program and identified no reportable deficiencies in internal control over compliance.
 - MGO identified no reportable deficiencies in internal control over financial reporting or compliance that are required to be reported under Government Auditing Standards.
 - The Schedule of Expenditures of Federal Awards, Schedule of Passenger Facility Charge Revenues and Expenditures and Schedule of Customer Facility Charge Revenues and Expenditures are fairly stated in relation to the Basic Financial Statements as a whole.
 - Based on auditing procedures performed, the Authority complied with the terms, covenants, provisions or conditions of Section 6.05 (Rates and Charges) to Article VI of the Bond Indenture, as amended.

Staff will present each report and provide an overview and analysis of financial results for the fiscal year ended June 30, 2018. MGO will present a summary of its audits. At the February 11, 2019, special meeting of the Finance and Administration Committee ("Committee"), the Committee voted unanimously (3-0) to recommend that the Commission note and file these reports.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements ("BFS") of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Government Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing accounting and financial reporting principles.

The Authority reports its financial operations as a government enterprise activity, and as such, its financial statements are presented using the "economic resources" measurement focus and the accrual method of accounting. Under this method of accounting, revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. The measurement focus is on determination of changes in net position, financial position, and cash flows. Operating revenues include charges for services, tenant rent, fuel flowage fees and other operating revenues. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. Grants and similar items are recognized as revenue as soon as all eligibility requirements for reimbursement of expenses have been met.

The BFS report is composed of three parts:

- (i) The Independent Auditor's Report;
- (ii) Management's Discussion and Analysis ("MD&A"), a narrative overview and analysis of the Authority's financial activities; and
- (iii) The Basic Financial Statements, consisting of the Statements of Net Position (Balance Sheets), Statements of Revenues, Expenses and Changes in Net Position (Income Statements), Statements of Cash Flows and Notes to Basic Financial Statements.

The Independent Auditor's Report reflects an unmodified opinion, indicating that the BFS present fairly, in all material respects, the financial position of the Authority at June 30, 2018 and 2017, and the change in financial position and cash flows for the years then ended, are in conformity with GAAP. The audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The MD&A is required supplementary information. The discussion and analysis in the MD&A is intended to serve as an introduction to the Authority's Basic Financial Statements.

A summary of the Statements of Net Position at June 30, 2018 and 2017 is as follows:

Summary Statements of Net Position

June 30, 2018 and 2017

	2018	2017	Change	
			\$	%
Current assets	\$ 28,915,023	\$ 28,038,471	\$ 876,552	3.13%
Restricted assets	70,721,436	66,532,659	4,188,777	6.30%
Facility Development Reserve	173,132,453	167,632,453	5,500,000	3.28%
Bond debt service reserve surety, net	28,366	33,094	(4,728)	-14.29%
Capital assets, net	340,426,317	343,910,005	(3,483,688)	-1.01%
Total assets	<u>613,223,595</u>	<u>606,146,682</u>	<u>7,076,913</u>	<u>1.17%</u>
Liabilities:				
Current liabilities and liabilities payable from restricted assets	18,832,694	18,131,404	701,290	3.87%
Noncurrent liabilities	102,090,622	107,427,859	(5,337,237)	-4.97%
Total liabilities	<u>120,923,316</u>	<u>125,559,263</u>	<u>(4,635,947)</u>	<u>-3.69%</u>
Deferred inflows of resources –				
Deferred amount on refunding of 2005 Bonds	612,054	714,063	(102,009)	-14.29%
Net position:				
Net investment in capital assets	238,837,597	236,974,240	1,863,357	0.79%
Restricted	58,940,687	54,847,653	4,093,034	7.46%
Unrestricted	193,909,941	188,051,463	5,858,478	3.12%
Total net assets	<u>\$ 491,688,225</u>	<u>\$ 479,873,356</u>	<u>\$ 11,814,869</u>	<u>2.46%</u>

A summary of the Statements of Revenue, Expenses and Changes in Net Position for the years ended June 30, 2018 and 2017 is as follows:

Summary Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2018 and 2017

	2018	2017	Change	
			\$	%
Operating revenues	\$ 54,890,750	\$ 50,443,155	\$ 4,447,595	8.82%
Operating expenses before depreciation	42,058,420	41,226,440	831,980	2.02%
Operating income before depreciation	12,832,330	9,216,715	3,615,615	39.23%
Depreciation	17,906,547	17,604,416	302,131	1.72%
Operating loss	(5,074,217)	(8,387,701)	3,313,484	-39.50%
Nonoperating revenues, net	7,263,655	7,625,208	(361,553)	-4.74%
Income before capital contributions	2,189,438	(762,493)	2,951,931	387.14%
Capital contributions	9,625,431	10,261,859	(636,428)	-6.20%
Changes in net position	11,814,869	9,499,366	2,315,503	24.38%
Net position, beginning of year	479,873,356	470,373,990	9,499,366	2.02%
Net position, end of year	\$ 491,688,225	\$ 479,873,356	\$ 11,814,869	2.46%

SINGLE AUDIT REPORTS

The Single Audit Reports present the activity of federal award programs of the Authority for the year ended June 30, 2018. The Single Audit Reports include:

- An unmodified independent auditor's report which indicates that MGO identified no instances of noncompliance, reportable deficiencies or other matters that are required to be reported under *Government Auditing Standards*.
- An independent auditor's report that provides an unmodified opinion on compliance with compliance requirements applicable to the Authority's major program and identified no reportable deficiencies related to compliance for that program. The report also indicated that the Schedule of Expenditures of Federal Awards is fairly stated in relation to the Basic Financial Statements as a whole.
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
No findings or questioned costs were noted.
- Summary Schedule of Prior Audit Findings and Questioned Costs
None noted.

PASSENGER FACILITY CHARGE AUDIT REPORT

The Passenger Facility Charge Audit Report presents the cash receipts and disbursements of the Authority's Passenger Facility Charge ("PFC") program. The Aviation Safety and Capacity Expansion Act of 1990 authorized the local imposition of Passenger Facility Charges and use of the PFC revenue on Federal Aviation Administration ("FAA") approved projects.

The PFC audit report includes the following:

- An unmodified independent auditor's report, which indicates that: (i) the Authority complied in all material respects with compliance requirements applicable to the Passenger Facility Charge program; (ii) MGO identified no reportable deficiencies in internal control over compliance; and (iii) the Schedule of Passenger Facility Charge Revenues and Expenditures is fairly stated in relation to the Basic Financial Statements taken as a whole.
- Schedule of Passenger Facility Charge Revenues and Expenditures
- Notes to Schedule of Passenger Facility Charge Revenues and Expenditures

No findings or questioned costs were noted.

CUSTOMER FACILITY CHARGE AUDIT REPORT

The Customer Facility Charge Audit Report presents the cash receipts and disbursements of the Authority's Customer Facility Charge ("CFC") program. Assembly Bill 491 of the 2001-2002 California Legislature (codified in California Civil Code Section 1936 et seq. ("Code")) authorized the local imposition of CFC and use of CFC revenue to plan, finance, design and construct on-airport consolidated rental car facilities (CRCF). The Authority established the CFC effective December 1, 2009 with adoption of Resolution 429. Based on an amendment of the enabling legislation for the CFC (S.B. 1192; Chapter 642, Statutes of 2010), on December 10, 2010 the Authority approved Resolution 439 which repealed Resolution 429 and authorized collection of

an alternative CFC, effective July 1, 2011, of \$6 per rental car transaction day up to a maximum of five days. Resolution 439 authorized collection of the alternative CFC through the period that any debt related to the CRCF is outstanding.

The CFC audit report includes the following:

- An unmodified independent auditor's report, which indicates that: (i) the Authority complied in all material respects with compliance requirements applicable to the Customer Facility Charge program; (ii) MGO identified no reportable deficiencies in internal control over compliance; and (iii) the Schedule of Customer Facility Charge Revenues and Expenditures is fairly stated in relation to the Basic Financial Statements taken as a whole.
- Schedule of Customer Facility Charge Revenues and Expenditures
- Notes to Schedule of Customer Facility Charge Revenues and Expenditures

No findings or questioned costs were noted.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SECTION 6.05
OF THE BOND INDENTURE**

Based on audit procedures performed, MGO identified no instances of noncompliance with the terms, covenants, provisions or conditions with Section 6.05 (Rates and Charges) to Article VI of the Indenture dated May 1, 2005 with Bank of New York Mellon Trust Company, as amended (Bond Indenture), insofar as they relate to accounting matters. The report also contains a calculation of the rates and charges ratio and the debt service ratio for the year ended June 30, 2018, as follows:

Rates and Charges Ratio	
Pledged revenues	\$ 56,353,195
Less operating expenses	<u>42,058,420</u>
Net revenues	\$ 14,294,775
Transfers to Surplus Fund	<u>2,600,186</u>
Net revenues plus transfers to Surplus Fund	<u>\$ 16,894,961</u>
Deposits and charges:	
Accrued debt service	\$ 4,480,352
Deposits to operating reserve account	<u>582,420</u>
Total deposits and charges	<u>\$ 5,062,772</u>
Deposits and charges coverage ratio	3.34
Required deposits and charges coverage ratio	1.00
Debt Service Coverage Ratio	
Net revenues plus transfers to Surplus Fund	<u>\$ 16,894,961</u>
Accrued debt service	<u>\$ 4,480,352</u>
Debt service coverage ratio	3.77
Required debt service coverage ratio	1.25

RECOMMENDATION

At the February 11, 2019, special meeting of the Finance and Administration Committee ("Committee"), the Committee voted unanimously (3-0) to recommend that the Commission note and file the Basic Financial Statements as of and for the fiscal years ended June 30, 2018 and 2017; the Single Audit Reports for the year ended June 30, 2018; the Passenger Facility Charge Audit Report for the year ended June 30, 2018; the Customer Facility Charge Audit Report for the year ended June 30, 2018; the Independent Auditor's Report on Compliance with Section 6.05 of the Bond Indenture; and the Auditor's Required Communications to the Authority regarding the FY 2018 Audits.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FEBRUARY 19, 2019**

PUBLIC SAFETY LABOR CONTRACT AD HOC COMMITTEE APPOINTMENTS

SUMMARY

Staff seeks Commission approval of the creation of a Public Safety Labor Contract Ad Hoc Committee and the President's appointment of members to this Committee.

BACKGROUND

The term of the Authority's memorandum of understanding ("MOU") with the Burbank Airport Police Officers Association ("Police Association") ends on January 31, 2020. The term of the collective bargaining agreement ("CBA") between TBI Airport Management, Inc. ("TBI") and the Burbank Airport Professional Firefighters, IAFF Local I-61 ("Firefighter Association") ends on June 30, 2020. To promote and maintain harmonious employer-employee relations, Staff believes it would be beneficial for the Commission to create a Public Safety Labor Contract Ad Hoc Committee to negotiate a new MOU with the Police Association and to work with TBI on its negotiation of a new CBA with the Firefighter Association.

Commission Resolution No. 311 requires that the membership of each ad hoc committee have equal representation from the JPA member cities. Additionally, this resolution generally precludes Commissioners from serving on more than one standing committee and one ad hoc committee.

Currently, the Replacement Terminal Ad Hoc Committee is the Commission's only ad hoc committee. The Replacement Terminal Ad Hoc Committee is comprised of Commissioners Devine, Tornek, and Wiggins.

RECOMMENDATION

Staff recommends that the Commission approve the creation of a Public Safety Labor Contract Ad Hoc Committee and that the President appoint members to this Committee.