



February 3, 2017

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 Finance and Administration Committee will be held at 10:30 a.m. (or immediately following the conclusion of the Authority meeting), Monday, February 6, 2017, in the Airport Skyroom of the Hollywood Burbank Airport, 2627 Hollywood Way, Burbank, California 91505.

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

REGULAR MEETING  
OF THE  
FINANCE AND ADMINISTRATION COMMITTEE

Airport Skyroom  
Monday, February 6, 2017  
10:30 A.M. or Immediately Following  
the Conclusion of the  
Regular Airport Authority Meeting

***NOTE TO THE PUBLIC: Any disclosable public records related to an open session item on a special 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 Hollywood Way, Burbank) in the administrative office during normal business hours.***

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

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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.***

AGENDA

1. Approval of Agenda
2. Public Comment
3. Approval of Minutes
  - a. January 17, 2017
4. Treasurer's Reports
  - a. December 2016

***[See page 1]***

***[See page 4]***

***The Treasurer's Report for December 2016 is included in the agenda packet for the Committee's review.***

5. Contracts and Leases

a. Second Amendment to Aviation Hangar Lease  
GTC Management Services, Inc.

- Staff Report Attached

**[See page 29]**

***Staff seeks a Finance and Administration Committee ("Committee") recommendation to the Commission for the approval of the Second Amendment to Aviation Hangar Lease ("Amendment") between GTC Management Services, Inc. ("GTC") and the Burbank-Glendale-Pasadena Airport Authority ("Authority").***

***The First Amendment to GTC's Aviation Hangar Lease expired on May 31, 2016, and GTC has been operating per a month-to-month interim hold-over letter agreement since June 1, 2016, while Staff and real estate industry professionals conduct a comprehensive marketplace hangar analysis in order to make appropriate hangar and office rental rate recommendations for the Authority's future consideration.***

***This Amendment supersedes the interim letter agreement and the effective commencement date is June 1, 2016. The Amendment will extend the Aviation Hangar Lease term to May 31, 2021, and will generate \$559,296 in first-year lease revenue.***

6. Closed Session

a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
(California Government Code Section 54956.8)

Property: Hollywood Burbank Airport Leasehold  
Authority Negotiator: Matt Hargrove, CBRE  
Negotiating Party: HERC Equipment Rental/Colliers International  
Under Negotiation: Price and Terms of Payment

7. Items for Information

a. Committee Pending Items

**[See page 39]**

8. Other Contracts and Leases

9. Adjournment

Subject to approval

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

**TUESDAY, JANUARY 17, 2017**

A special meeting of the Burbank-Glendale-Pasadena Airport Authority Finance and Administration Committee was called to order this date in the Airport Skyroom, 2627 Hollywood Way, Burbank, California, 91505, at 10:45 a.m., by Chairman Tornek.

AB 23 Disclosure: 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 is entitled to receive and shall be provided \$200.

**ROLL CALL**

**Present:** Commissioners Adams, Gharpetian and Tornek

**Absent:** None

**Also Present** Staff: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Scott R. Smith, Director of Financial Services; David Freedman, Director, Business Development and Administrative Services; Mike Duong, Senior Manager, Business and Compliance

Macias Gini & O'Connell LLP:  
James Godsey, Partner; David Kwon, Manager

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

**2. Public Comment** There were no public speakers.

**3. Approval of Minutes**

**a. December 12, 2016** Draft minutes of the December 12, 2016, Finance and Administration Committee were presented for review and approval.

**Motion** Commissioner Adams moved approval of the minutes, seconded by Commissioner Gharpetian.

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

**4. Treasurer's Report**

**a. November 2016**

The November 2016 Treasurer's Report was included in the agenda packet.

The Committee accepted the Treasurer's Report and recommended it be forwarded to the Commission for its review.

**5. Presentation of FY 2016 Financial Statements and Analysis of Financial Results**

James Godsey, Partner, Macias Gini & O'Connell LLP ("MGO"), the Authority's independent auditor, provided the Committee with a summary of MGO's unmodified opinion and audit of the Authority's financial statements for Fiscal Year 2016. Mr. Godsey stated that there were no material findings.

**Motion**

Commissioner Adams moved to recommend to the Commission that it note and file the FY 2016 Financial Statements and Analysis of Financial Results, seconded by Commissioner Gharpetian.

**Motion Approved**

The motion was approved unanimously (3-0).

**6. Proposed Resolution Approving the 2017 Authority Investment Policy**

Staff recommended that the Committee recommend to the Commission that it adopt the proposed Resolution approving the 2017 Investment Policy, which reaffirms the current 2016 Investment Policy with no changes.

**Motion**

Commissioner Adams moved to adopt the proposed 2017 investment policy, seconded by Commissioner Gharpetian.

**Motion Approved**

The motion was approved unanimously (3-0).

**7. Contracts and Leases**

**a. First Amendment to Lease Agreement for HERC Rentals, Inc.**

Staff presented to the Committee for approval the First Amendment to the January 17, 2006, Lease Agreement ("Lease") between HERC Rentals, Inc. and the Burbank-Glendale-Pasadena Authority to extend the current lease for a period of 5 years effective February 6, 2017. The Lease is for 210,844 square feet of land area including an 87,065 square foot building located on the property at 3111 North Kenwood Avenue. Under the proposed amendment, the rent will increase from its current level of \$712,612.08 to \$798,000 annually.

After discussing this item with Staff, the Committee requested that additional information be brought back to the Committee for its consideration.

**8. Items for Information**

**a. Pending Items**

Staff informed the Committee of future pending items that will come to the Committee for review.

**Future**

- (1) Award of Aviation Ramp Ground Lease; United Parcel Service, Inc.**
- (2) Hangar Lease Renewal; GTC Management Services, Inc.**
- (3) Market Conditions Analysis – Hangar Facilities**
- (4) New Branding Food & Beverage Concession**
- (5) FY 2016 Year-End Budget Performance Review**
- (6) Mid-Year FY 2017 Budget Performance Review**
- (7) FY 2018 Proposed Budget Development Schedule**

**9. Other Contracts and Leases**

There were no other contracts and leases discussed.

**10. Adjournment**

There being no further business, the meeting was adjourned at 11:21 a.m.



DRAFT

February 6, 2017

Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505

Dear Commissioners:

The attached report, covering the month of December 2016, fulfills the legal requirements of the California Code and our Investment Policy. Based on projected income and expenses, as well as investment liquidity, there will be sufficient funds available to meet the needs of the Airport Authority for the six month period following the date of the attached report.

Sincerely,

[To be signed]

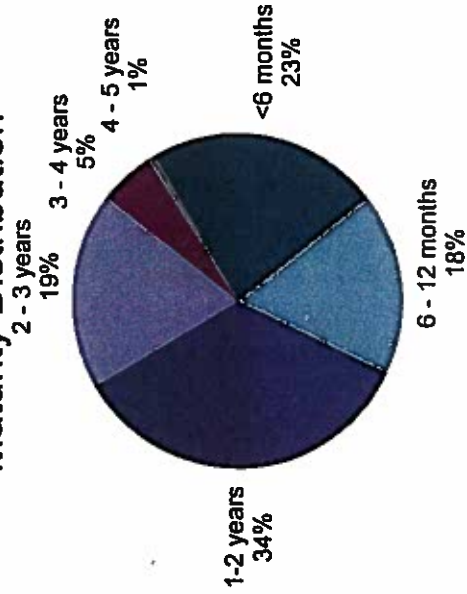
Ross Selvidge, Ph.D.  
Treasurer

Attachments

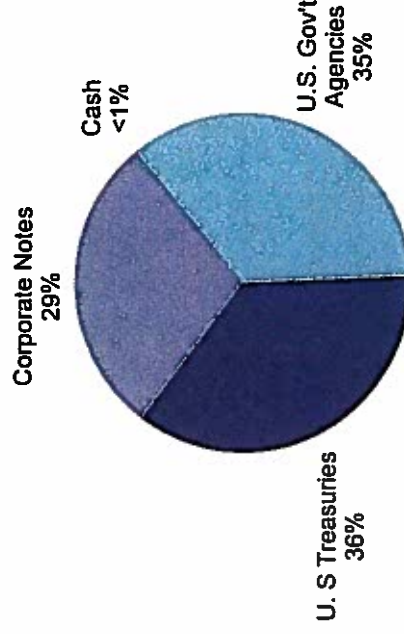
# Operating Portfolio Investment Guidelines Conformance as of December 31, 2016

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	4.92 Years	70%	35%
Corporate Notes	5 Years	4.25 Years	30%	29%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	<1%
U.S. Gov Securities (Treasuries)	5 Years	3.00 Years	No Limit	36%

## Maturity Distribution



## Sector Allocation

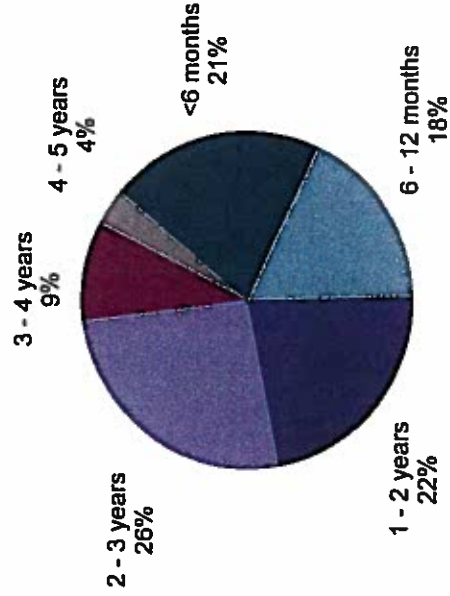




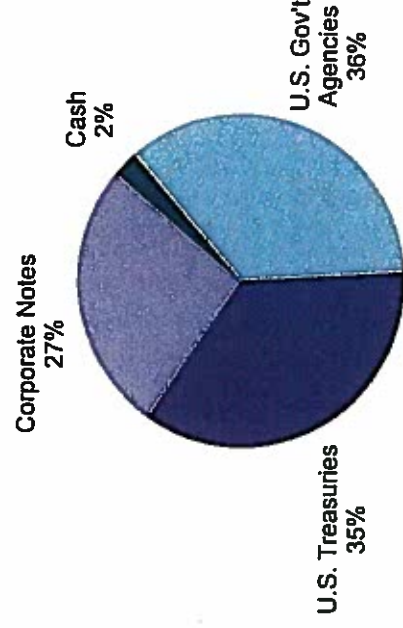
# PFC Portfolio Investment Guidelines Conformance as of December 31, 2016

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	4.92 Years	70%	36%
Corporate Notes	5 Years	3.84 Years	30%	27%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	2%
U.S. Gov Securities (Treasuries)	5 Years	4.50 Years	No Limit	35%

## Maturity Distribution



## Sector Allocation



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**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Statement of Investments**  
**As of 12/31/16**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
12/31/16	Columbia Treasury Reserves	097101307	0.000	12/31/16	12/31/16	\$ 113,679	\$ 113,679	\$ 113,679	\$ -	0.00%	0	0.06%
12/08/14	General Electric Capital Corp	36982G6X7	1.708	04/02/18	01/02/17	1,690,000	1,707,900	1,702,178	(5,722)	1.15%	2	0.82%
03/20/14	Comcast Corporation	20030NAP6	6.500	01/15/17	01/15/17	1,375,000	1,522,824	1,376,935	(145,889)	3.03%	15	0.67%
01/21/16	Oracle Corporation	68389XAR6	1.460	01/15/19	01/15/17	1,170,000	1,173,824	1,179,541	5,717	1.19%	15	0.57%
12/30/13	Pfizer Inc	717081DD2	0.900	01/15/17	01/15/17	1,460,000	1,455,228	1,459,990	4,762	0.91%	15	0.71%
04/19/16	FFCB	3133EEZ52	0.779	03/22/18	01/22/17	5,000,000	4,986,879	5,006,180	19,301	0.71%	22	2.42%
07/08/15	Wells Fargo & Company	94974BFK1	1.512	04/23/18	01/23/17	1,500,000	1,502,735	1,505,693	2,958	1.35%	23	0.73%
04/03/14	Treasury Note	912828SC5	0.875	01/31/17	01/31/17	2,050,000	2,049,920	2,050,816	896	0.42%	31	0.99%
05/06/16	Apple Inc	037833AP5	1.181	05/06/19	02/06/17	1,200,000	1,196,747	1,204,916	8,169	1.13%	37	0.58%
04/26/16	Ace InA Holdings Inc	00440EAJ6	5.700	02/15/17	02/15/17	900,000	934,731	904,461	(30,270)	1.69%	46	0.44%
12/03/12	Walt Disney Co	25468PCS3	1.125	02/15/17	02/15/17	1,200,000	1,205,120	1,200,130	(4,990)	1.03%	46	0.58%
03/02/16	Johnson & Johnson	478160BW3	1.201	03/01/19	03/01/17	1,500,000	1,502,346	1,505,504	3,158	1.11%	60	0.73%
06/12/14	Branch Banking and Trust Company	07330NAH8	1.000	04/03/17	03/03/17	1,028,000	1,025,372	1,027,727	2,355	1.01%	62	0.50%
10/16/12	FHLMC	3137EADC0	1.000	03/08/17	03/08/17	6,000,000	6,045,930	6,004,806	(41,124)	0.57%	67	2.91%
04/28/16	American Express Credit Corp	0258M0DY2	2.009	09/14/20	03/14/17	1,000,000	1,007,630	1,016,659	9,029	1.62%	73	0.49%
04/25/16	Home Depot Inc	437076BJ0	1.333	09/15/17	03/15/17	1,000,000	1,003,966	1,001,685	(2,281)	1.14%	74	0.48%
05/20/14	US Bancorp	91159HHD5	1.650	05/15/17	04/15/17	1,500,000	1,519,595	1,502,138	(17,457)	1.27%	105	0.73%
05/21/12	FNMA	3135G0JAZ	1.125	04/27/17	04/27/17	4,550,000	4,575,085	4,556,942	(18,143)	0.65%	117	2.21%
05/06/14	Slate Street Corporation	857477AD5	5.375	04/30/17	04/30/17	1,000,000	1,093,220	1,013,304	(79,916)	1.35%	120	0.49%
02/03/14	FHLB	3133XKQX6	4.875	05/17/17	05/17/17	4,375,000	4,868,587	4,443,692	(424,895)	0.73%	137	2.15%
01/28/15	FHLB	313379DD8	1.000	06/21/17	06/21/17	4,000,000	4,027,520	4,006,004	(21,516)	0.68%	172	1.94%
08/02/12	Treasury Note	912828TG5	0.500	07/31/17	07/31/17	1,275,000	1,266,020	1,273,705	7,685	0.67%	212	0.62%
07/14/16	Duke Energy Florida LLC	341099CG2	5.800	09/15/17	09/15/17	675,000	713,016	696,109	(16,907)	1.35%	258	0.34%
09/29/15	FNMA Bench	3135G0ZL0	1.000	09/27/17	09/27/17	3,000,000	3,016,945	3,002,805	(14,140)	0.87%	270	1.45%
04/19/16	Treasury Note	912828TS9	0.625	09/30/17	09/30/17	7,750,000	7,743,340	7,739,104	(4,236)	0.81%	273	3.75%
11/02/12	Treasury Note	912828TW0	0.750	10/31/17	10/31/17	10,950,000	10,952,602	10,939,360	(13,242)	0.87%	304	5.30%
06/01/16	Praxair Inc	740005PBC7	1.050	11/07/17	11/07/17	685,000	683,718	684,009	291	1.22%	311	0.33%
04/19/16	FHLB	3133XMQB7	5.000	11/17/17	11/17/17	2,500,000	2,665,725	2,589,460	(76,265)	0.91%	321	1.25%
09/10/14	FHLMC Reference Notes	3137EABA6	5.125	11/17/17	11/17/17	5,200,000	5,834,036	5,388,458	(445,578)	0.98%	321	2.61%
10/07/14	Melife Inc	59156R8K3	1.903	12/15/17	12/15/17	800,000	805,636	802,064	(3,572)	1.63%	349	0.39%
05/06/14	Bank of New York Mellon Corp	06406HCE7	1.300	01/25/18	12/25/17	1,000,000	992,963	999,142	6,179	1.38%	359	0.48%
04/19/16	FHLMC Reference Notes	3137EADN6	0.750	01/12/18	01/12/18	3,750,000	3,748,050	3,742,358	(5,692)	0.95%	377	1.81%
08/07/15	Fifth Third Bank	31677QAV1	1.450	02/28/18	01/28/18	1,000,000	996,120	997,722	1,602	1.65%	393	0.48%
12/23/13	FNMA Benchmark Notes	3135G0TG8	0.875	02/08/18	02/08/18	6,000,000	5,904,390	5,995,920	91,530	0.94%	404	2.90%
11/18/15	Exxon Mobil Corp	30231GAL6	1.305	03/06/18	03/06/18	700,000	701,862	699,834	(2,028)	1.32%	430	0.34%

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Statement of Investments**  
**As of 12/31/16**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/07/16	Coca-Cola Company (The)	191216BA7	1.150	04/01/18	1,450,000	1,452,871	1,446,714	(6,157)	1.33%	456	0.70%
06/27/16	FHLB	3130A4GJ5	1.125	04/25/18	1,520,000	1,530,579	1,521,173	(9,406)	1.07%	480	0.74%
09/25/15	Boeing Co	097023BE4	0.950	05/15/18	944,000	938,314	939,752	1,438	1.28%	500	0.45%
03/11/14	Merck & Co Inc	58933YAG0	1.300	05/18/18	1,350,000	1,339,553	1,348,599	9,046	1.38%	503	0.65%
06/29/16	Chevron Corp	166764AE0	1.718	06/24/18	900,000	908,865	902,756	(6,109)	1.51%	509	0.44%
12/03/14	Treasury Note	912828VE7	1.000	05/31/18	13,010,000	12,972,601	13,004,913	32,312	1.03%	516	6.30%
08/05/15	FHLMC	3137EABP3	4.875	06/13/18	5,500,000	6,011,095	5,794,712	(216,383)	1.14%	529	2.81%
07/06/15	Southern California Gas Company	842434CNO	1.550	06/15/18	1,175,000	1,182,360	1,175,882	(6,478)	1.50%	531	0.57%
04/19/16	Treasury Note	912828XK1	0.875	07/15/18	7,750,000	7,762,715	7,724,570	(38,145)	1.09%	561	3.74%
04/19/16	FNMA Benchmark Notes	3135G0E33	1.125	07/20/18	3,750,000	3,771,825	3,750,060	(21,765)	1.12%	566	1.82%
07/06/15	Nevada Power Company	641423BW7	6.500	08/01/18	1,050,000	1,189,265	1,129,134	(60,131)	1.66%	578	0.55%
08/07/15	3M Company	88579YAP6	1.375	08/07/18	900,000	898,398	899,864	1,466	1.38%	584	0.44%
12/18/15	Berkshire Hathaway Finance Corp	084664BY6	2.000	08/15/18	1,550,000	1,577,051	1,561,039	(16,012)	1.55%	592	0.76%
08/18/15	Treasury Note	912828RE2	1.500	08/31/18	6,400,000	6,482,133	6,440,000	(42,133)	1.12%	608	3.12%
04/19/16	FNMA	3135G0E58	1.125	10/19/18	3,750,000	3,772,538	3,745,388	(27,150)	1.19%	657	1.81%
12/24/15	Simon Property Group LP	828807CQ8	2.200	02/01/19	950,000	961,032	957,725	(3,307)	1.80%	670	0.46%
11/03/15	Microsoft Corporation	594918BF0	1.300	11/03/18	650,000	649,898	649,481	(417)	1.34%	672	0.31%
04/13/16	Commonwealth Edison Company	202795JC5	2.150	01/15/19	1,000,000	1,018,088	1,003,597	(14,491)	1.97%	714	0.49%
09/25/15	Manufacturers & Traders Trust Co	55279HAE0	2.300	01/30/19	1,000,000	1,013,451	1,007,377	(6,074)	1.94%	729	0.49%
12/01/15	Treasury Note	912828A75	1.500	12/31/18	500,000	503,516	502,910	(606)	1.20%	730	0.24%
06/10/16	John Deere Capital Corp	24422ETE9	1.950	01/08/19	1,200,000	1,222,064	1,205,056	(17,008)	1.74%	738	0.58%
07/01/15	Treasury Note	912828SD3	1.250	01/31/19	4,000,000	4,003,594	4,002,344	(1,250)	1.22%	761	1.94%
01/14/16	IBM Corp	458200HT1	1.950	02/12/19	1,150,000	1,164,229	1,157,056	(7,173)	1.65%	773	0.56%
02/26/16	Cisco Systems Inc	17275RAE2	4.950	02/15/19	1,050,000	1,156,947	1,122,438	(34,509)	1.63%	776	0.54%
06/30/16	Treasury Note	912828P53	0.750	02/15/19	5,000,000	5,008,984	4,950,195	(58,789)	1.23%	776	2.40%
01/21/15	Union Pacific Corporation	907818DW5	2.250	02/15/19	1,050,000	1,078,576	1,058,276	(20,300)	1.87%	776	0.51%
07/11/16	JP Morgan Chase & CO	46825HQU7	1.850	03/22/19	1,900,000	1,921,250	1,894,004	(27,246)	2.00%	783	0.92%
09/15/14	Unitedhealth Group Inc	91324PCB6	1.625	03/15/19	720,000	706,025	717,236	11,211	1.80%	804	0.35%
12/07/15	FHLMC	3137EACA5	3.750	03/27/19	3,500,000	3,763,900	3,687,051	(76,849)	1.32%	816	1.79%
04/16/16	Lowes Companies Inc	548661DL8	1.150	04/15/19	1,000,000	998,565	987,620	(10,945)	1.70%	835	0.48%
09/12/14	Public Service Electric And Gas	74456QBG0	1.800	06/01/19	1,129,000	1,122,407	1,127,741	5,334	1.85%	851	0.55%
12/08/14	Target Corporation	87612EBB1	2.300	06/26/19	1,005,000	1,027,143	1,021,197	(5,946)	1.64%	907	0.49%
11/01/16	Treasury Note	912828WW6	1.625	07/31/19	2,600,000	2,646,008	2,617,875	(28,133)	1.35%	942	1.27%
03/17/15	FNMA Bench	3135G0ZG1	1.750	09/12/19	4,500,000	4,545,910	4,542,750	(3,160)	1.39%	985	2.20%
10/30/16	Honeywell International Inc	438516BJ4	1.400	10/30/19	250,000	249,803	247,688	(2,115)	1.74%	1033	0.12%

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Statement of Investments**  
**As of 12/31/16**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
04/01/16	Treasury Note	912828F62	1.500	10/31/19	10/31/19	3,905,000	3,970,134	3,914,458	(55,676)	1.41%	1034	1.90%
11/07/16	Procter & Gamble Company	742718EG0	1.900	11/01/19	11/01/19	1,325,000	1,348,771	1,337,036	(11,735)	1.57%	1035	0.65%
05/26/15	Arizona Public Service Company	040555CR3	2.200	01/15/20	12/15/19	1,000,000	1,006,693	1,001,173	(5,520)	2.16%	1079	0.48%
01/19/16	Treasury Note	912828G95	1.625	12/31/19	12/31/19	4,250,000	4,326,504	4,270,919	(55,585)	1.46%	1095	2.07%
04/21/16	Pepsico Inc	713448BN7	4.500	01/15/20	01/15/20	1,300,000	1,445,831	1,398,859	(46,972)	1.91%	1110	0.68%
04/25/16	Medtronic Inc	585055BG0	2.500	03/15/20	03/15/20	1,200,000	1,241,267	1,213,429	(27,838)	2.14%	1170	0.59%
05/08/15	United Technologies Corporation	913017BR9	4.500	04/15/20	04/15/20	1,150,000	1,283,709	1,241,060	(42,649)	2.00%	1201	0.60%
03/08/16	Public Service Company of Colorado	744448CD1	3.200	11/15/20	05/15/20	1,080,000	1,135,783	1,112,195	(23,588)	2.39%	1231	0.54%
04/21/16	Travelers Cos Inc	89417EAG4	3.900	11/01/20	11/01/20	900,000	984,932	953,139	(31,793)	2.28%	1401	0.46%
12/05/16	PNC Bank NA	6935REW4	2.150	04/29/21	03/30/21	1,200,000	1,185,803	1,183,508	(2,295)	2.49%	1550	0.57%
12/23/16	Federal Home Loan Banks	3130AABG2	1.875	11/29/21	11/29/21	400,000	395,415	397,425	2,010	2.01%	1794	0.19%
	<b>Subtotal</b>					<b>\$191,759,679</b>	<b>\$195,419,656</b>	<b>\$193,200,404</b>	<b>\$(2,219,252)</b>	<b>1.18%</b>	<b>493</b>	<b>93.34%</b>
	Local Agency Investment Fund (LAIF)					<b>13,358,070</b>	<b>13,358,070</b>	<b>13,350,373</b>	<b>(7,697)</b>	<b>0.72%</b>	<b>171</b>	<b>6.46%</b>
	<b>Subtotal</b>					<b>\$205,117,749</b>	<b>\$208,777,726</b>	<b>\$206,550,777</b>	<b>\$(2,226,949)</b>	<b>1.15%</b>	<b>473</b>	<b>99.81%</b>
	Operating Bank Balance						<u>4,051,732</u>					
	<b>TOTAL</b>						<b>\$212,829,458</b>					

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Statement of Purchases - Maturities - Sales**  
**As of 12/31/16**

**PURCHASES**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
12/06/16	Simon Property Group LP	828807CQ8	2.200	02/01/19	85,000.00	100.78600	\$ 85,668.10	\$ (649.31)
12/07/16	American Express Credit Corp	0258M0DY2	1.906	09/14/20	250,000.00	101.50860	253,771.50	(1,111.71)
12/09/16	American Express Credit Corp	0258M0DY2	1.906	09/14/20	25,000.00	101.76712	25,441.78	(113.82)
12/19/16	Arizona Public Service Company	040555CR3	2.200	01/15/20	50,000.00	100.34300	50,171.50	(470.56)
12/23/16	Federal Home Loan Banks	3130AABG2	1.875	11/29/21	400,000.00	98.85400	395,416.00	(479.17)
<b>TOTAL PURCHASES</b>					<b>\$ 810,000.00</b>		<b>\$ 810,468.88</b>	<b>\$ (2,824.57)</b>

**MATURITIES**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
							\$ -	\$ -
<b>TOTAL MATURITIES</b>					<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>

**SALES / REDEMPTIONS**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Sale Amount	Purchase Cost	Gain / (Loss)
								\$ -		\$ -
<b>TOTAL SALES</b>					<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Earnings Report**  
**12/01/16-12/31/16**

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
<b>FIXED INCOME</b>									
Comcast Corporation	NOTE	01/15/17	33,763.88	-	-	41,211.81	7,447.93	(6,201.41)	1,246.52
Pfizer Inc	NOTE	01/15/17	4,964.00	-	-	6,059.00	1,095.00	78.12	1,173.12
Treasury Note	0.875	01/31/17	5,995.41	-	-	7,506.45	1,511.04	2.40	1,513.44
Ace InA Holdings Inc	NOTE	02/15/17	15,105.00	-	-	19,380.00	4,275.00	(3,605.30)	669.70
Walt Disney Co	MTN	02/15/17	3,975.00	-	-	5,100.00	1,125.00	(204.16)	920.84
FHLMC	NOTE	03/08/17	13,833.33	-	-	18,833.33	5,000.00	(1,029.26)	3,970.74
Branch Banking and Trust Company	MTN	04/03/17	1,656.22	-	-	2,512.89	856.67	90.26	946.93
FNMA	NOTE	04/27/17	4,834.38	-	-	9,100.00	4,265.62	(632.13)	3,633.49
Slate Street Corporation	NOTE	04/30/17	4,628.47	-	-	9,107.64	4,479.17	(3,575.77)	903.40
US Bancorp	NOTE	05/15/17	1,100.00	-	-	3,162.50	2,062.50	(746.62)	1,315.88
FHLB	NOTE	05/17/17	8,294.27	-	-	26,067.71	17,773.44	(14,292.65)	3,480.79
FHLB	NOTE	06/21/17	17,814.21	20,000.00	-	1,208.79	3,394.58	(975.00)	2,419.58
Treasury Note	0.500	07/31/17	2,130.78	-	-	2,667.80	537.02	155.31	692.33
Duke Energy Florida LLC	NOTE	09/15/17	8,265.00	-	-	11,527.50	3,262.50	(2,708.98)	553.52
Home Depot Inc	NOTE	09/15/17	2,610.04	3,084.60	-	629.68	1,104.24	(242.50)	861.74
FNMA Bench	NOTE	09/27/17	5,333.34	-	-	7,833.34	2,500.00	(708.02)	1,791.98
Treasury Note	0.625	09/30/17	8,250.34	-	-	12,375.52	4,125.18	390.29	4,515.47
Treasury Note	NOTE	10/31/17	7,032.81	-	-	14,065.61	7,032.80	(203.85)	6,828.95
Praxair Inc	NOTE	11/07/17	479.50	-	-	1,078.88	599.38	74.58	673.96
FHLB	NOTE	11/17/17	4,861.11	-	-	15,277.78	10,416.67	(8,753.08)	1,663.59
FHLMC Reference Notes	NOTE	11/17/17	10,363.89	-	-	32,572.22	22,208.33	(16,583.33)	5,625.00
Mellife Inc	NOTE	12/15/17	3,213.96	3,806.00	-	676.62	1,268.66	(147.30)	1,121.36
FHLMC Reference Notes	NOTE	01/12/18	10,859.38	-	-	13,203.13	2,343.75	93.90	2,437.65
Bank of New York Mellon Corp	NOTE	01/25/18	4,550.00	-	-	5,633.33	1,083.33	139.73	1,223.06
FNMA Benchmark Notes	NOTE	02/08/18	16,479.17	-	-	20,854.16	4,374.99	2,127.74	6,502.73
Fifth Third Bank	NOTE	02/28/18	3,665.28	-	-	4,873.62	1,208.34	136.55	1,344.89
Exxon Mobil Corp	NOTE	03/06/18	2,156.88	-	-	2,918.13	761.25	(67.46)	693.79
FFCB	NOTE	03/22/18	745.00	2,483.33	-	1,081.95	2,820.28	579.41	3,399.69
Coca-Cola Company (The)	NOTE	04/01/18	2,779.16	-	-	4,168.75	1,389.59	(152.85)	1,236.74
General Electric Capital Corp	NOTE	04/02/18	4,381.63	-	-	7,296.01	2,914.38	(541.97)	2,372.41
Wells Fargo & Company	NOTE	04/23/18	2,456.65	-	-	4,409.35	1,952.70	(89.51)	1,863.19
FHLB	NOTE	04/25/18	1,710.00	-	-	3,135.00	1,425.00	(482.34)	942.66
Boeing Co	NOTE	05/15/18	398.57	-	-	1,145.91	747.34	181.02	928.36
Merck & Co Inc	NOTE	05/18/18	633.75	-	-	2,096.24	1,462.49	155.26	1,617.75

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Earnings Report**  
**12/01/16-12/31/16**

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized		Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
				Interest For Period	Interest For Period					
Treasury Note	1.000	05/31/18	357.42	-	-	-	11,437.37	11,079.95	782.46	11,862.41
FHLMC	4.875	06/13/18	125,125.00	134,062.50	-	-	13,406.25	22,343.75	(17,787.45)	4,556.30
Southern California Gas Company	1.550	06/15/18	8,397.99	9,106.25	-	-	809.45	1,517.71	(273.93)	1,243.78
Chevron Corp	1.718	06/24/18	6,743.15	7,731.00	-	-	300.65	1,288.50	(388.25)	900.25
Treasury Note	0.875	07/15/18	25,613.96	-	-	-	31,326.43	5,712.47	(482.45)	5,230.02
FNMA Benchmark Notes	1.125	07/20/18	15,351.56	-	-	-	18,867.19	3,515.63	(807.34)	2,708.29
Nevada Power Company	6.500	08/01/18	22,750.01	-	-	-	28,437.49	5,687.48	(4,159.44)	1,528.04
3M Company	1.375	08/07/18	3,918.75	-	-	-	4,950.00	1,031.25	44.50	1,075.75
Berkshire Hathaway Finance Corp	2.000	08/15/18	9,127.77	-	-	-	11,711.11	2,583.34	(899.66)	1,683.68
Treasury Note	1.500	08/31/18	24,397.79	-	-	-	32,616.79	8,221.00	(2,309.02)	5,911.98
FNMA	1.125	10/19/18	4,921.88	-	-	-	8,437.50	3,515.62	(751.25)	2,764.37
Microsoft Corporation	1.300	11/03/18	657.22	-	-	-	1,361.38	704.16	2.55	706.71
Treasury Note	1.500	12/31/18	3,138.59	3,750.00	-	-	20.72	632.13	(96.78)	535.35
John Deere Capital Corp	1.950	01/08/19	9,295.00	-	-	-	11,245.00	1,950.00	(713.27)	1,236.73
Commonwealth Edison Company	2.150	01/15/19	8,122.22	-	-	-	9,913.89	1,791.67	(566.04)	1,225.63
Oracle Corporation	1.460	01/15/19	2,230.15	-	-	-	3,701.09	1,470.94	(115.37)	1,355.57
Manufacturers & Traders Trust Co	2.300	01/30/19	7,730.55	-	-	-	9,647.23	1,916.68	(374.86)	1,541.82
Treasury Note	1.250	01/31/19	16,711.96	-	-	649.31	20,923.91	4,211.95	(85.05)	4,126.90
Simon Property Group LP	2.200	02/01/19	6,343.34	-	-	-	8,708.33	1,715.68	(352.97)	1,362.71
IBM Corp	1.950	02/12/19	6,789.79	-	-	-	8,658.54	1,868.75	(404.57)	1,464.18
Cisco Systems Inc	4.950	02/15/19	15,303.75	-	-	-	19,635.00	4,331.25	(3,056.13)	1,275.12
Treasury Note	0.750	02/15/19	11,005.43	-	-	-	14,164.40	3,158.97	(290.12)	2,868.85
Union Pacific Corporation	2.250	02/15/19	6,956.26	-	-	-	8,925.00	1,968.74	(687.24)	1,281.50
Johnson & Johnson	1.201	03/01/19	4,552.53	4,216.75	-	-	1,550.87	1,215.09	(69.50)	1,145.59
Unitedhealth Group Inc	1.625	03/15/19	2,470.00	-	-	-	3,445.00	975.00	258.80	1,233.80
JP Morgan Chase & CO	1.850	03/22/19	6,737.09	-	-	-	9,666.26	2,929.17	(677.32)	2,251.85
FHLMC	3.750	03/27/19	23,333.33	-	-	-	34,270.83	10,937.50	(6,652.94)	4,284.56
Lowes Companies Inc	1.150	04/15/19	1,469.45	-	-	-	2,427.78	958.33	40.16	998.49
Apple Inc	1.181	05/06/19	984.12	-	-	-	2,204.42	1,220.30	92.10	1,312.40
Public Service Electric And Gas	1.800	06/01/19	10,161.00	10,161.00	-	-	1,693.50	1,693.50	89.99	1,783.49
Target Corporation	2.300	06/26/19	9,952.30	11,557.50	-	-	321.05	1,926.25	(509.91)	1,416.34
Treasury Note	1.625	07/31/19	14,121.60	-	-	-	17,680.71	3,559.11	(1,423.39)	2,135.72
FNMA Bench	1.750	09/12/19	17,281.26	-	-	-	23,843.75	6,562.49	(913.81)	5,648.68
Honeywell International Inc	1.400	10/30/19	301.39	-	-	-	593.05	291.66	5.49	297.15
Treasury Note	1.500	10/31/19	5,016.09	-	-	-	10,032.18	5,016.09	(1,543.70)	3,472.39

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Earnings Report**  
**12/01/16-12/31/16**

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Acct For Period	Adjusted Total Int. Earned
Procter & Gamble Company	1.900	11/01/19	2,097.92	-	-	4,195.83	2,097.91	(663.98)	1,433.93
Treasury Note	1.625	12/31/19	28,901.16	34,531.25	-	190.78	5,820.87	(1,837.30)	3,983.57
Arizona Public Service Company	2.200	01/15/20	7,895.55	-	470.56	10,144.45	1,778.34	(141.42)	1,636.92
Pepsico Inc	4.500	01/15/20	22,100.00	-	-	26,975.00	4,875.00	(3,292.50)	1,582.50
Medtronic Inc*	2.500	03/15/20	6,333.33	-	-	8,833.33	2,500.00	(884.29)	1,615.71
United Technologies Corporation	4.500	04/15/20	6,612.50	-	-	10,925.00	4,312.50	(2,441.45)	1,871.05
American Express Credit Corp	2.009	09/14/20	2,993.66	4,817.39	1,225.53	1,004.36	1,602.56	(145.21)	1,457.35
Travelers Cos Inc	3.900	11/01/20	2,925.00	-	-	5,850.00	2,925.00	(1,581.68)	1,343.32
Public Service Company of Colorado	3.200	11/15/20	1,535.99	-	-	4,416.00	2,880.01	(1,126.97)	1,753.04
PNC Bank NA	2.150	04/29/21	2,293.33	-	-	4,443.33	2,150.00	237.36	2,387.36
Federal Home Loan Banks	1.875	11/29/21	-	-	479.17	645.83	166.66	20.65	187.31
<b>Subtotal</b>			<b>\$ 740,378.55</b>	<b>\$ 249,307.57</b>	<b>\$ 2,824.57</b>	<b>\$ 783,330.68</b>	<b>\$ 289,435.13</b>	<b>\$ (114,671.42)</b>	<b>\$ 174,763.71</b>
<b>CASH EQUIVALENTS</b>									
Blackrock Liquidity Funds			-	306.70	-	-	306.70	-	306.70
<b>Subtotal</b>			<b>\$ -</b>	<b>\$ 306.70</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 306.70</b>	<b>\$ -</b>	<b>\$ 306.70</b>
<b>LAIF</b>									
Local Agency Investment Fund			16,762.07	-	-	24,979.38	8,217.31	-	8,217.31
<b>TOTAL</b>			<b>\$ 757,140.62</b>	<b>\$ 249,614.27</b>	<b>\$ 2,824.57</b>	<b>\$ 808,310.06</b>	<b>\$ 297,959.14</b>	<b>\$ (114,671.42)</b>	<b>\$ 183,287.72</b>



**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Investments**  
**As of 12/31/16**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
12/31/16	Columbia Treasury Reserves	097101307	0.000	12/31/16	12/31/16	\$ 637,698	\$ 637,698	\$ 637,698	\$ -	0.00%	0	2.46%
01/21/15	General Electric Capital Corp	36962G6X7	1.708	04/02/18	01/02/17	185,000	186,693	186,333	(360)	1.15%	2	0.72%
07/09/14	Comcast Corporation	20030NAP6	6.500	01/15/17	01/15/17	150,000	165,457	150,211	(15,246)	3.03%	15	0.58%
01/21/16	Oracle Corporation	68389XAR6	1.460	01/15/19	01/15/17	125,000	125,299	126,019	720	1.19%	15	0.49%
09/12/14	Pfizer Inc	717081DD2	0.900	01/15/17	01/15/17	160,000	159,874	159,999	125	0.91%	15	0.62%
10/05/15	Wells Fargo & Company	94974BFX1	1.512	04/23/18	01/23/17	175,000	175,592	175,664	72	1.35%	23	0.68%
05/06/15	Treasury Note	912828SC5	0.875	01/31/17	01/31/17	350,000	351,859	350,139	(1,720)	0.42%	31	1.35%
05/06/16	Apple Inc	037833AP5	1.181	05/06/19	02/06/17	143,000	142,668	143,586	918	1.13%	37	0.55%
04/26/16	Ace InA Holdings Inc	00440EAJ6	5.700	02/15/17	02/15/17	100,000	103,859	100,496	(3,363)	1.69%	46	0.39%
02/19/13	Walt Disney Company (The)	25468PCS3	1.125	02/15/17	02/15/17	160,000	159,987	160,017	30	1.03%	46	0.62%
03/02/16	Johnson & Johnson	478160BW3	1.201	03/01/19	03/01/17	160,000	160,136	160,587	451	1.11%	60	0.62%
03/19/12	FHLMC	3137EADC0	1.000	03/08/17	03/08/17	755,000	746,165	755,605	9,440	0.57%	67	2.91%
04/26/16	Home Depot Inc	437076BJ0	1.333	09/15/17	03/15/17	100,000	100,397	100,169	(228)	1.14%	74	0.39%
07/09/14	US Bancorp	91159HHD5	1.650	05/15/17	04/15/17	175,000	176,803	175,249	(1,554)	1.27%	105	0.67%
05/06/15	FNMA	3135G0JA2	1.125	04/27/17	04/27/17	300,000	302,598	300,458	(2,140)	0.65%	117	1.16%
09/12/14	State Street Corporation	857477AD5	5.375	04/30/17	04/30/17	110,000	119,523	111,463	(8,060)	1.35%	120	0.43%
07/07/14	FHLB	3133XK0X6	4.875	05/17/17	05/17/17	875,000	957,246	888,738	(68,508)	0.73%	137	3.42%
01/28/15	FHLB	313379DD8	1.000	06/21/17	06/21/17	700,000	704,816	701,051	(3,765)	0.68%	172	2.70%
10/17/12	Treasury Note	912828TG5	0.500	07/31/17	07/31/17	1,265,000	1,259,009	1,263,715	4,706	0.67%	212	4.87%
07/14/16	Duke Energy Florida LLC	341099CG2	5.800	09/15/17	09/15/17	100,000	105,632	103,127	(2,505)	1.35%	258	0.40%
03/17/15	FNMA Bench	3135G0ZL0	1.000	09/27/17	09/27/17	700,000	700,924	700,655	(269)	0.87%	270	2.70%
09/25/14	Treasury Note	912828TW0	0.750	10/31/17	10/31/17	940,000	932,264	939,087	6,823	0.87%	304	3.62%
06/01/16	Praxair Inc	74005PBC7	1.050	11/07/17	11/07/17	75,000	74,859	74,892	33	1.22%	311	0.29%
11/20/14	FHLB	3133XMQ87	5.000	11/17/17	11/17/17	450,000	501,998	466,103	(35,895)	0.91%	321	1.79%
09/10/14	FHLMC Reference Notes	3137EABA6	5.125	11/17/17	11/17/17	800,000	897,594	828,994	(68,600)	0.98%	321	3.19%
10/07/14	Mellife Inc	59156R8K3	1.903	12/15/17	12/15/17	100,000	100,663	100,258	(405)	1.63%	349	0.39%
07/09/14	Bank Of New York Mellon Corp	06406HCE7	1.300	01/25/18	12/25/17	125,000	123,915	124,893	978	1.38%	359	0.48%
12/29/16	Fifth Third Bank	31677QAV1	1.450	02/28/18	01/28/18	200,000	199,584	199,544	(40)	1.65%	393	0.77%
07/07/14	FNMA Benchmark Notes	3135G0TG8	0.875	02/08/18	02/08/18	1,000,000	986,045	999,320	13,275	0.94%	404	3.85%
10/28/15	Exxon Mobil Corp	30231GAL6	1.305	03/06/18	03/06/18	100,000	100,776	99,976	(800)	1.32%	430	0.38%
09/07/16	Coca-Cola Company (The)	191216BA7	1.150	04/01/18	04/01/18	175,000	175,346	174,603	(743)	1.33%	456	0.67%
06/25/16	FHLB	3130A4GJ5	1.125	04/25/18	04/25/18	555,000	559,246	555,428	(3,818)	1.07%	480	2.14%
09/25/15	Boeing Co	097023BE4	0.950	05/15/18	05/15/18	94,000	93,432	93,577	145	1.28%	500	0.36%
07/09/14	Merck & Co Inc	58933YAG0	1.300	05/18/18	05/18/18	150,000	148,778	149,844	1,066	1.38%	503	0.59%

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Investments**  
**As of 12/31/16**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
06/29/16	Chevron Corp	166764AE0	1.718	06/24/18	05/24/18	100,000	100,985	100,306	(679)	1.51%	509	0.39%
02/18/15	Treasury Note	912828VE7	1.000	05/31/18	05/31/18	825,000	825,248	824,677	(571)	1.03%	516	3.17%
09/25/14	FHLMC	3137EABF3	4.875	06/13/18	06/13/18	750,000	834,773	790,188	(44,585)	1.14%	529	3.04%
04/21/16	Southern California Gas Company	842434CN0	1.550	06/15/18	06/15/18	125,000	125,896	125,094	(802)	1.50%	531	0.48%
02/29/16	Nevada Power Company	641423BW7	6.500	08/01/18	08/01/18	115,000	127,818	123,667	(4,151)	1.66%	578	0.48%
06/30/16	3M Company	88579YAP6	1.375	08/07/18	08/07/18	100,000	101,129	99,985	(1,144)	1.38%	584	0.38%
12/18/15	Berkshire Hathaway Finance Corp	084664BY6	2.000	08/15/18	08/15/18	165,000	167,603	166,175	(1,428)	1.55%	592	0.64%
12/10/15	Treasury Note	912828RE2	1.500	08/31/18	08/31/18	800,000	809,246	805,000	(4,246)	1.12%	608	3.10%
12/24/15	Simon Property Group LP	828807CQ8	2.200	02/01/19	11/01/18	122,000	123,120	122,992	(128)	1.80%	670	0.47%
01/21/16	Microsoft Corporation	5594918BF0	1.300	11/03/18	11/03/18	100,000	100,032	99,920	(112)	1.34%	672	0.38%
08/04/16	Caterpillar Financial Services	1491216M8	1.800	11/13/18	11/13/18	135,000	137,086	135,001	(2,085)	1.80%	682	0.52%
04/13/16	Commonwealth Edison Company	202795JC5	2.150	01/15/19	12/15/18	115,000	117,094	115,414	(1,680)	1.97%	714	0.44%
11/16/15	Treasury Note	912828A75	1.500	12/31/18	12/31/18	600,000	604,953	603,492	(1,461)	1.20%	730	2.32%
09/25/15	BB&T Corp	05531FAQ6	2.250	02/01/19	01/02/19	110,000	111,642	110,857	(785)	1.87%	732	0.43%
06/30/16	John Deere Capital Corp	24422ETE9	1.950	01/08/19	01/08/19	160,000	163,115	160,674	(2,441)	1.74%	738	0.62%
04/10/15	Treasury Note	912828SD3	1.250	01/31/19	01/31/19	900,000	905,625	900,527	(5,098)	1.22%	761	3.47%
01/14/16	IBM Corp	459200HT1	1.950	02/12/19	02/12/19	110,000	111,065	110,675	(390)	1.65%	773	0.43%
02/26/16	Cisco Systems Inc	17275RAE2	4.950	02/15/19	02/15/19	150,000	164,276	160,348	(3,928)	1.63%	776	0.62%
11/01/16	Treasury Note	912828P53	0.750	02/15/19	02/15/19	500,000	498,164	495,020	(3,144)	1.23%	776	1.91%
01/21/15	Union Pacific Corporation	907818DW5	2.250	02/15/19	02/15/19	115,000	118,266	115,906	(2,360)	1.87%	776	0.45%
07/11/16	JP Morgan Chase & CO	46625HQU7	1.850	03/22/19	02/22/19	240,000	242,332	239,243	(3,089)	2.00%	783	0.92%
09/15/14	Unitedhealth Group Inc	91324PCB6	1.625	03/15/19	03/15/19	100,000	98,472	99,616	1,144	1.80%	804	0.38%
08/31/16	FHLMC	3137EACA5	3.750	03/27/19	03/27/19	400,000	428,344	421,377	(6,967)	1.32%	816	1.62%
04/20/16	Lowes Companies Inc	548661DL8	1.150	04/15/19	04/15/19	140,000	139,491	138,267	(1,224)	1.70%	835	0.53%
09/12/14	Public Service Electric And Gas	744562BG0	1.800	06/01/19	05/01/19	124,000	123,022	123,862	840	1.85%	851	0.48%
01/21/15	Target Corporation	87612EBB1	2.300	06/26/19	06/26/19	135,000	138,583	137,176	(1,407)	1.64%	907	0.53%
07/29/16	Treasury Note	912828WW6	1.625	07/31/19	07/31/19	800,000	817,703	805,500	(12,203)	1.35%	942	3.10%
01/28/15	FNMA Bench	3135G0ZG1	1.750	09/12/19	09/12/19	990,000	1,004,663	999,405	(5,258)	1.39%	985	3.85%
10/30/16	Honeywell International Inc	438516BJ4	1.400	10/30/19	10/30/19	150,000	149,882	148,613	(1,269)	1.74%	1033	0.57%
04/01/16	Treasury Note	912828F62	1.500	10/31/19	10/31/19	610,000	620,175	611,477	(8,698)	1.41%	1034	2.35%
11/07/16	Procter & Gamble Company	742718EG0	1.900	11/01/19	11/01/19	175,000	178,140	176,590	(1,550)	1.57%	1035	0.68%
05/26/15	Arizona Public Service Company	040555CR3	2.200	01/15/20	12/15/19	125,000	125,427	125,147	(280)	2.16%	1079	0.48%
09/02/16	National Rural Utilities Coop	637432NC5	2.000	01/27/20	12/27/19	115,000	116,716	114,169	(2,547)	2.24%	1091	0.44%
01/11/16	Treasury Note	912828G95	1.625	12/31/19	12/31/19	960,000	975,537	964,725	(10,812)	1.46%	1095	3.71%

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Investments**  
**As of 12/31/16**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/26/16	Treasury Note	912828UF5	1.125	12/31/19	12/31/19	250,000	251,318	247,568	(3,750)	1.46%	1095	0.95%
12/14/15	Pepsico Inc	713448BN7	4.500	01/15/20	01/15/20	140,000	153,849	150,646	(3,203)	1.91%	1110	0.58%
09/02/16	PNC Funding Corp	693476BJ1	5.125	02/08/20	02/08/20	140,000	155,865	151,474	(4,391)	2.37%	1134	0.58%
04/25/16	Medtronic Inc	585055BG0	2.500	03/15/20	03/15/20	160,000	164,992	161,791	(2,901)	2.14%	1170	0.62%
05/18/15	United Technologies Corporation	913017BR9	4.500	04/15/20	04/15/20	150,000	166,595	161,877	(4,718)	2.00%	1201	0.62%
09/25/15	American Express Credit Corp	0258MDDT3	2.375	05/26/20	04/25/20	125,000	126,661	124,930	(1,731)	2.39%	1211	0.48%
10/25/16	FHLMC Reference Notes	3137EADR7	1.375	05/01/20	05/01/20	250,000	251,954	248,062	(3,892)	1.61%	1217	0.96%
03/08/16	Public Service Company of Colorado	744448CD1	3.200	11/15/20	05/15/20	115,000	120,648	118,428	(2,220)	2.39%	1231	0.46%
04/21/16	Travelers Cos Inc	89417EAG4	3.900	11/01/20	11/01/20	100,000	109,436	105,904	(3,532)	2.28%	1401	0.41%
12/23/16	Treasury Note	912828WR7	2.125	06/30/21	06/30/21	400,000	402,187	404,312	2,125	1.87%	1642	1.56%
12/23/16	Federal Home Loan Banks	3130AABG2	1.875	11/29/21	11/29/21	575,000	569,410	571,298	2,888	2.01%	1794	2.20%
	Subtotal					\$ 25,755,698	\$ 26,313,973	\$ 25,974,873	\$ (339,100)	1.21%	582	96.24%
	PFC Bank Balance						44,136					
	<b>TOTAL</b>						<b>\$ 26,358,109</b>					

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Purchases - Maturities - Sales**  
**As of 12/31/16**

**PURCHASES**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
12/06/16	Bank Of New York Mellon Corp	06406HCE7	1.300	01/25/18	\$ 25,000.00	99.95800	\$ 24,989.50	\$ (118.26)
12/06/16	Simon Property Group LP	828807CQ8	2.200	02/01/19	25,000.00	100.78600	25,196.50	(190.97)
12/06/16	Target Corporation	87612EBB1	2.300	06/26/19	25,000.00	101.42300	25,355.75	(255.56)
12/19/16	Arizona Public Service Company	040555CR3	2.200	01/15/20	25,000.00	100.34300	25,085.75	(235.28)
12/23/16	*Federal Home Loan Banks	3130AABG2	1.875	11/29/21	575,000.00	98.85400	568,410.50	(688.80)
12/23/16	Treasury Note	912828WR7	2.125	06/30/21	400,000.00	100.54688	402,187.50	(4,065.22)
12/29/16	Apple Inc	037833AP5	1.181	05/06/19	8,000.00	100.42825	8,034.26	(13.91)
12/29/16	Cisco Systems Inc	17275RAE2	4.950	02/15/19	25,000.00	106.67000	26,667.50	(460.63)
12/29/16	Fifth Third Bank	31677QAV1	1.450	02/28/18	160,000.00	99.78100	159,649.60	(779.78)
12/29/16	Fifth Third Bank	31677QAV1	1.450	02/28/18	40,000.00	99.83600	39,934.40	(194.94)
12/29/16	John Deere Capital Corp	24422ETE9	1.950	01/08/19	25,000.00	100.39800	25,099.50	(231.56)
12/29/16	Lowes Companies Inc	548661DL8	1.150	04/15/19	30,000.00	98.70000	29,610.00	(70.92)
12/29/16	Medtronic Inc	585055BG0	2.500	03/15/20	30,000.00	100.73800	30,221.40	(216.67)
12/29/16	United Technologies Corporation	913017BR9	4.500	04/15/20	25,000.00	107.63400	26,908.50	(231.25)
<b>TOTAL PURCHASES</b>					<b>\$ 1,418,000.00</b>		<b>\$ 1,417,350.66</b>	<b>\$ (7,753.75)</b>

**MATURITIES**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
						\$	-	\$
<b>TOTAL MATURITIES</b>						\$	-	\$

**SALES / REDEMPTIONS / DELIVERS**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Sale Amount	Purchase Cost	Gain / (Loss)
							\$	-	-	\$
						\$	-	-	-	\$
						\$	-	-	-	\$

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Earnings Report**  
**12/01/16-12/31/16**

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized		Interest		Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
					Interest For Period	Purc/Recv	Paid At	Purc/Recv				
<b>FIXED INCOME</b>												
Comcast Corporation	NOTE	6.500	01/15/17	3,683.34	-	-	-	-	4,495.83	812.49	(679.55)	132.94
Pfizer Inc	NOTE	0.900	01/15/17	544.00	-	-	-	-	664.00	120.00	0.85	120.85
Treasury Note	NOTE	0.875	01/31/17	1,023.61	-	-	-	-	1,281.59	257.98	(90.63)	167.35
Ace InA Holdings Inc	NOTE	5.700	02/15/17	1,678.33	-	-	-	-	2,153.33	475.00	(400.59)	74.41
Walt Disney Company (The)	MTN	1.125	02/15/17	530.00	-	-	-	-	680.00	150.00	0.27	150.27
FHLMC	NOTE	1.000	03/08/17	1,740.69	-	-	-	-	2,369.86	629.17	209.61	838.78
FNMA	NOTE	1.125	04/27/17	318.75	-	-	-	-	600.00	281.25	(109.63)	171.62
State Street Corporation	NOTE	5.375	04/30/17	509.13	-	-	-	-	1,001.83	492.70	(387.97)	104.73
US Bancorp	NOTE	1.650	05/15/17	128.34	-	-	-	-	368.96	240.62	(76.55)	164.07
FHLB	NOTE	4.875	05/17/17	1,658.86	-	-	-	-	5,213.55	3,554.69	(2,848.55)	706.14
FHLB	NOTE	1.000	06/21/17	3,117.49	3,500.00	-	-	-	211.54	594.05	(170.63)	423.42
Treasury Note	NOTE	0.500	07/31/17	2,114.06	-	-	-	-	2,646.88	532.82	250.86	783.68
Duke Energy Florida LLC	NOTE	5.800	09/15/17	1,224.44	-	-	-	-	1,707.78	483.34	(401.33)	82.01
Home Depot Inc	NOTE	1.333	09/15/17	261.00	308.46	-	-	-	62.97	110.43	(24.25)	86.18
FNMA Bench	NOTE	1.000	09/27/17	1,244.44	-	-	-	-	1,827.78	583.34	(30.46)	552.88
Treasury Note	NOTE	0.750	10/31/17	603.73	-	-	-	-	1,207.46	603.73	219.15	822.88
Praxair Inc	NOTE	1.050	11/07/17	52.50	-	-	-	-	118.13	65.63	8.19	73.82
FHLB	NOTE	5.000	11/17/17	875.00	-	-	-	-	2,750.00	1,875.00	(1,448.40)	426.60
FHLMC Reference Notes	NOTE	5.125	11/17/17	1,594.45	-	-	-	-	5,011.11	3,416.66	(2,574.43)	842.23
MelLife Inc	NOTE	1.903	12/15/17	401.74	475.75	-	-	-	84.58	158.59	(17.33)	141.26
Bank Of New York Mellon Corp	NOTE	1.300	01/25/18	455.00	-	118.26	-	-	704.16	130.90	27.15	158.05
Fifth Third Bank	NOTE	1.450	02/28/18	-	-	974.72	-	-	974.72	-	2.14	2.14
FNMA Benchmark Notes	NOTE	0.875	02/08/18	2,746.53	-	-	-	-	3,475.70	729.17	337.87	1,067.04
Exxon Mobil Corp	NOTE	1.305	03/06/18	308.13	-	-	-	-	416.88	108.75	(27.45)	81.30
Coca-Cola Company (The)	NOTE	1.150	04/01/18	335.41	-	-	-	-	503.13	167.72	(18.44)	149.28
General Electric Capital Corp	NOTE	1.708	04/02/18	479.65	-	-	-	-	798.67	319.02	(48.99)	270.03
Wells Fargo & Company	NOTE	1.512	04/23/18	286.60	-	-	-	-	514.43	227.83	(20.62)	207.21
FHLB	NOTE	1.125	04/25/18	624.38	-	-	-	-	1,144.69	520.31	(193.74)	326.57
Boeing Co	NOTE	0.950	05/15/18	39.68	-	-	-	-	114.10	74.42	18.10	92.52
Merck & Co Inc	NOTE	1.300	05/18/18	70.42	-	-	-	-	232.92	162.50	21.74	184.24
Treasury Note	NOTE	1.000	05/31/18	22.66	-	-	-	-	725.27	702.61	(37.08)	665.53
FHLMC	NOTE	4.875	06/13/18	17,062.50	18,281.25	-	-	-	1,828.13	3,046.88	(2,150.83)	896.05
Southern California Gas Company	NOTE	1.550	06/15/18	893.40	968.75	-	-	-	86.11	161.46	(34.74)	126.72

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Earnings Report**  
**12/01/16-12/31/16**

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Chevron Corp	NOTE	1.718	06/24/18	749.24	859.00	-	33.41	143.17	(43.14)	100.03
Nevada Power Company	NOTE	6.500	08/01/18	2,491.67	-	-	3,114.58	622.91	(444.46)	178.45
3M Company	NOTE	1.375	08/07/18	435.42	-	-	550.00	114.58	(44.75)	69.83
Berkshire Hathaway Finance Corp	NOTE	2.000	08/15/18	971.66	-	-	1,246.66	275.00	(83.14)	191.86
Treasury Note	NOTE	1.500	08/31/18	3,049.73	-	-	4,077.35	1,027.62	(323.13)	704.49
Microsoft Corporation	NOTE	1.300	11/03/18	101.11	-	-	209.44	108.33	(0.96)	107.37
Caterpillar Financial Services	NOTE	1.800	11/13/18	121.50	-	-	324.00	202.50	(76.41)	126.09
Treasury Note	NOTE	1.500	12/31/18	3,766.31	4,500.00	-	24.86	758.55	(133.63)	624.92
John Deere Capital Corp	NOTE	1.950	01/08/19	1,045.69	-	231.56	1,499.33	222.08	(99.92)	122.16
Commonwealth Edison Company	NOTE	2.150	01/15/19	934.06	-	-	1,140.10	206.04	(65.41)	140.63
Oracle Corporation	NOTE	1.460	01/15/19	238.26	-	-	395.42	157.16	(8.67)	148.49
Treasury Note	NOTE	1.250	01/31/19	3,760.20	-	-	4,707.88	947.68	(142.47)	805.21
BB&T Corp	NOTE	2.250	02/01/19	825.00	-	-	1,031.26	206.26	(48.56)	157.70
Simon Property Group LP	NOTE	2.200	02/01/19	711.33	-	190.97	1,118.34	216.04	(35.33)	180.71
IBM Corp	NOTE	1.950	02/12/19	649.46	-	-	828.21	178.75	(28.83)	149.92
Cisco Systems Inc	NOTE	4.950	02/15/19	1,821.88	-	460.63	2,805.00	522.49	(358.20)	164.29
Treasury Note	NOTE	0.750	02/15/19	1,100.54	-	-	1,416.44	315.90	68.08	383.98
Union Pacific Corporation	NOTE	2.250	02/15/19	761.90	-	-	977.50	215.60	(72.85)	142.75
Johnsbn & Johnson	NOTE	1.201	03/01/19	485.61	449.79	-	165.43	129.61	(4.01)	125.60
Unitedhealth Group Inc	NOTE	1.625	03/15/19	343.05	-	-	478.47	135.42	28.25	163.67
JP Morgan Chase & CO	NOTE	1.850	03/22/19	851.00	-	-	1,221.01	370.01	(74.30)	295.71
FHLMC	NOTE	3.750	03/27/19	2,666.67	-	-	3,916.67	1,250.00	(917.28)	332.72
Lowes Companies Inc	NOTE	1.150	04/15/19	161.64	-	70.92	339.89	107.33	4.26	111.59
Apple Inc	NOTE	1.181	05/06/19	110.71	-	13.91	262.70	138.08	10.24	148.32
Public Service Electric And Gas	NOTE	1.800	06/01/19	1,116.00	1,116.00	-	186.00	186.00	15.50	201.50
Target Corporation	NOTE	2.300	06/26/19	1,089.31	1,552.50	255.56	43.13	250.76	(75.36)	175.40
Treasury Note	NOTE	1.625	07/31/19	4,345.10	-	-	5,440.22	1,095.12	(507.43)	587.69
FNMA Bench	NOTE	1.750	09/12/19	3,801.88	-	-	5,245.62	1,443.74	(319.55)	1,124.19
Honeywell International Inc	NOTE	1.400	10/30/19	180.83	-	-	355.84	175.01	3.29	178.30
Treasury Note	NOTE	1.500	10/31/19	783.56	-	-	1,567.13	783.57	(241.14)	542.43
Procter & Gamble Company	NOTE	1.900	11/01/19	277.08	-	-	554.17	277.09	(87.69)	189.40
Treasury Note	NOTE	1.625	12/31/19	6,528.25	7,800.00	-	43.10	1,314.85	(370.89)	943.96
Treasury Note	NOTE	1.125	12/31/19	1,176.97	1,406.25	-	7.77	237.05	(34.31)	202.74
Arizona Public Service Company	NOTE	2.200	01/15/20	831.11	-	235.28	1,268.05	201.66	(7.20)	194.46

Burbank-Glendale-Pasadena Airport Authority - PFC Account  
 Earnings Report  
 12/01/16-12/31/16

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Pepsico Inc	NOTE	4.500	01/15/20	2,380.00	-	-	2,905.00	525.00	(285.70)	239.30
National Rural Utilities Coop	NOTE	2.000	01/27/20	792.22	-	-	983.89	191.67	(43.15)	148.52
PNC Funding Corp	NOTE	5.125	02/08/20	2,252.15	-	-	2,850.07	597.92	(385.07)	212.85
Medtronic Inc	NOTE	2.500	03/15/20	686.11	-	216.67	1,177.78	275.00	(96.19)	178.81
United Technologies Corporation	NOTE	4.500	04/15/20	718.75	-	231.25	1,425.00	475.00	(251.16)	223.84
FHLMC Reference Notes	NOTE	1.375	05/01/20	286.46	-	-	572.92	286.46	(46.29)	240.17
American Express Credit Corp	NOTE	2.375	05/26/20	41.23	-	-	288.63	247.40	(36.45)	210.95
Travelers Cos Inc	NOTE	3.900	11/01/20	325.00	-	-	650.00	325.00	(175.73)	149.27
Public Service Company of Colorado	NOTE	3.200	11/15/20	163.55	-	-	470.21	306.66	(113.14)	193.52
Treasury Note	NOTE	2.125	06/30/21	-	4,250.00	4,065.22	23.48	208.26	(11.93)	196.33
Federal Home Loan Banks	NOTE	1.875	11/29/21	-	-	688.80	928.39	239.59	29.68	269.27
<b>Subtotal</b>				<b>\$ 102,557.46</b>	<b>\$ 45,467.75</b>	<b>\$ 7,753.75</b>	<b>\$ 104,846.44</b>	<b>\$ 40,002.98</b>	<b>\$ (16,630.79)</b>	<b>\$ 23,372.19</b>
<b>CASH EQUIVALENTS</b>										
Blackrock Liquidity Funds					122.16	-	-	122.16	-	122.16
<b>Subtotal</b>				<b>\$ -</b>	<b>\$ 122.16</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 122.16</b>	<b>\$ -</b>	<b>\$ 122.16</b>
<b>TOTAL</b>				<b>\$ 102,557.46</b>	<b>\$ 45,589.91</b>	<b>\$ 7,753.75</b>	<b>\$ 104,846.44</b>	<b>\$ 40,125.14</b>	<b>\$ (16,630.79)</b>	<b>\$ 23,494.35</b>

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
MONTH AND SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015**

Monthly Performance				December 2016				Fiscal YTD Performance (July 2016 - December 2016)				
Actual \$ Dec 2016	Budget Dec 2016	Actual \$ Prior Year Dec 2015	Variance Actual Vs. Budget	Actual \$ Dec 2016	Budget Dec 2016	Actual \$ Prior Year Dec 2015	Variance Actual Vs. Budget	Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Variance Actual Vs. Budget	Note
<b>OPERATING ACTIVITY</b>												
<b>CASH RECEIPTS FROM OPERATIONS</b>												
\$310,086	\$287,500	\$292,273	\$22,586	\$1,972,468	\$1,725,000	\$1,737,014	\$247,468	\$1,972,468	\$1,725,000	\$1,737,014	\$247,468	(2)
1,511,440	1,494,000	1,572,490	17,440	10,187,912	10,129,000	9,959,297	58,912	10,187,912	10,129,000	9,959,297	58,912	(3)
1,118,652	920,353	834,291	198,299	6,080,376	5,522,122	5,795,215	558,254	6,080,376	5,522,122	5,795,215	558,254	(4)
1,089,643	887,980	1,086,551	201,663	5,701,842	5,327,880	6,285,329	373,962	5,701,842	5,327,880	6,285,329	373,962	(5)
192,057	88,125	59,550	103,932	796,959	491,250	621,904	305,709	796,959	491,250	621,904	305,709	(6)
265,770	175,000	54,488	90,770	1,596,752	1,050,000	843,911	646,752	1,596,752	1,050,000	843,911	646,752	(7)
<u>\$4,487,648</u>	<u>\$3,852,958</u>	<u>\$3,899,643</u>	<u>\$634,690</u>	<u>\$26,436,309</u>	<u>\$24,245,252</u>	<u>\$25,242,670</u>	<u>\$2,191,057</u>	<u>\$26,436,309</u>	<u>\$24,245,252</u>	<u>\$25,242,670</u>	<u>\$2,191,057</u>	(1)
<b>CASH DISBURSEMENTS FROM OPERATIONS</b>												
(\$36,891)	(\$63,950)	(\$106,648)	\$27,059	(\$502,933)	(\$551,555)	(\$453,345)	\$48,622	(\$502,933)	(\$551,555)	(\$453,345)	\$48,622	(9)
(245,237)	(321,127)	(263,781)	75,890	(1,727,307)	(1,971,762)	(1,753,495)	244,455	(1,727,307)	(1,971,762)	(1,753,495)	244,455	(10)
(399,088)	(512,616)	(3,044,782)	113,528	(10,769,648)	(11,614,722)	(12,503,570)	845,074	(10,769,648)	(11,614,722)	(12,503,570)	845,074	(11)
(147,240)	(225,908)	(310,493)	78,668	(2,740,175)	(2,935,448)	(3,046,315)	195,273	(2,740,175)	(2,935,448)	(3,046,315)	195,273	(12)
(350,436)	(406,374)	(414,047)	55,938	(2,327,298)	(2,405,027)	(2,421,043)	77,729	(2,327,298)	(2,405,027)	(2,421,043)	77,729	(13)
(38,453)	(50,440)	(4,454)	11,987	(170,931)	(287,640)	(171,702)	116,709	(170,931)	(287,640)	(171,702)	116,709	(14)
(380,329)	(380,329)	(358,454)	0	(2,281,974)	(2,281,974)	(2,150,724)	0	(2,281,974)	(2,281,974)	(2,150,724)	0	(15)
<u>0</u>	<u>0</u>	<u>0</u>	<u>\$363,070</u>	<u>(1,087,579)</u>	<u>(1,095,000)</u>	<u>(1,059,953)</u>	<u>7,421</u>	<u>(1,087,579)</u>	<u>(1,095,000)</u>	<u>(1,059,953)</u>	<u>7,421</u>	(8)
<u>(\$1,597,674)</u>	<u>(\$1,960,744)</u>	<u>(\$4,502,659)</u>	<u>\$997,760</u>	<u>(\$21,607,845)</u>	<u>(\$23,143,128)</u>	<u>(\$23,560,147)</u>	<u>\$1,555,283</u>	<u>(\$21,607,845)</u>	<u>(\$23,143,128)</u>	<u>(\$23,560,147)</u>	<u>\$1,555,283</u>	(8)
<u>\$2,889,974</u>	<u>\$1,892,214</u>	<u>(\$603,016)</u>	<u>\$997,760</u>	<u>\$4,828,464</u>	<u>\$1,102,124</u>	<u>\$1,682,523</u>	<u>\$3,726,340</u>	<u>\$4,828,464</u>	<u>\$1,102,124</u>	<u>\$1,682,523</u>	<u>\$3,726,340</u>	
<b>INCREASE (DECREASE) IN CASH FROM OPERATIONS</b>												
<b>FACILITY IMPROVEMENT / NOISE MITIGATION TRANSACTIONS</b>												
<b>CASH DISBURSEMENTS</b>												
(\$456)	\$0	(\$532)	\$456	(\$2,922)	(\$10,000)	(\$381,280)	\$7,078	(\$2,922)	(\$10,000)	(\$381,280)	\$7,078	(16)
(904,673)	(3,563,200)	(436,100)	2,658,527	(7,224,776)	(8,923,700)	(4,112,476)	1,698,924	(7,224,776)	(8,923,700)	(4,112,476)	1,698,924	(17)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(30,590)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(30,590)</u>	<u>0</u>	
<u>(\$905,129)</u>	<u>(\$3,563,200)</u>	<u>(\$436,632)</u>	<u>\$2,658,071</u>	<u>(\$7,227,698)</u>	<u>(\$8,933,700)</u>	<u>(\$4,524,346)</u>	<u>\$1,706,002</u>	<u>(\$7,227,698)</u>	<u>(\$8,933,700)</u>	<u>(\$4,524,346)</u>	<u>\$1,706,002</u>	
<b>CASH RECEIPTS FROM FUNDING SOURCES</b>												
\$0	\$0	\$0	\$0	\$0	\$0	\$303,958	\$0	\$0	\$0	\$303,958	\$0	(16)
912,052	1,647,000	89,892	(734,948)	1,307,872	2,105,000	520,757	(797,128)	1,307,872	2,105,000	520,757	(797,128)	(18)
0	11,000	27,050	(11,000)	12,572	28,000	74,812	(15,428)	12,572	28,000	74,812	(15,428)	(19)
0	10,000	0	(10,000)	107,964	65,350	6,061,189	42,614	107,964	65,350	6,061,189	42,614	(20)
165,052	583,700	175,094	(418,648)	2,482,684	2,959,400	1,505,389	(476,716)	2,482,684	2,959,400	1,505,389	(476,716)	(21)
<u>\$1,077,104</u>	<u>\$2,251,700</u>	<u>\$292,036</u>	<u>(\$1,174,596)</u>	<u>\$3,911,092</u>	<u>\$5,157,750</u>	<u>\$8,466,105</u>	<u>(\$1,246,658)</u>	<u>\$3,911,092</u>	<u>\$5,157,750</u>	<u>\$8,466,105</u>	<u>(\$1,246,658)</u>	
<u>\$171,975</u>	<u>(\$1,311,500)</u>	<u>(\$144,596)</u>	<u>\$1,483,475</u>	<u>(\$3,316,606)</u>	<u>(\$3,775,950)</u>	<u>\$3,941,759</u>	<u>\$459,344</u>	<u>(\$3,316,606)</u>	<u>(\$3,775,950)</u>	<u>\$3,941,759</u>	<u>\$459,344</u>	
<u>\$3,061,949</u>	<u>\$580,714</u>	<u>(\$747,612)</u>	<u>\$2,481,235</u>	<u>\$1,511,858</u>	<u>(\$2,673,826)</u>	<u>\$5,624,282</u>	<u>\$4,185,684</u>	<u>\$1,511,858</u>	<u>(\$2,673,826)</u>	<u>\$5,624,282</u>	<u>\$4,185,684</u>	
<u>(\$165,052)</u>	<u>(\$583,700)</u>	<u>(\$175,094)</u>	<u>\$418,648</u>	<u>(\$2,482,684)</u>	<u>(\$2,959,400)</u>	<u>(\$1,505,389)</u>	<u>\$476,716</u>	<u>(\$2,482,684)</u>	<u>(\$2,959,400)</u>	<u>(\$1,505,389)</u>	<u>\$476,716</u>	
<u>\$2,896,897</u>	<u>(\$2,986)</u>	<u>(\$922,706)</u>	<u>\$2,899,893</u>	<u>(\$970,826)</u>	<u>(\$5,633,226)</u>	<u>\$4,118,893</u>	<u>\$4,662,400</u>	<u>(\$970,826)</u>	<u>(\$5,633,226)</u>	<u>\$4,118,893</u>	<u>\$4,662,400</u>	

Notes: The FY 2017 adopted budget approved use of \$7,680,000 of Authority Reserves to provide funding for the airport share of capital projects. See additional discussion at note 21.



# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015

### General Comments

The Schedule of Cash Receipts and Disbursements ("Schedule") represents the cash basis activity for the month and fiscal year-to-date compared to the allocation of the annual adopted budget.

The Schedule consists of two sections: Operating Activity and Facility Improvement/Noise Mitigation Transactions. Receipts are shown as positive amounts and disbursements as negative amounts. Favorable budget variances are shown as positive amounts and unfavorable variances as negative amounts. Because this Schedule is on a cash basis, cash timing differences may contribute to budget variances.

The Operating Activity receipts include charges for services (parking, landing fees and concessions), tenant rents, fuel flowage fees, other revenues and investment receipts. The Operating Activity disbursements include costs of services, materials, contracts, personnel and debt service.

Facility Improvement / Noise Mitigation Transactions represent the activity for the Authority's capital program, which consists of (a) the Sound Insulation Program, (b) Other Facility Improvement Program Projects, and (c) the Regional Intermodal Transportation Center ("RITC"). The RITC project was completed in FY 2015.

The FY 2017 Capital Program expenditures are primarily funded by the following sources:

- FAA-approved Passenger Facility Charge ("PFC") program receipts/reserves;
- Grants;
- Facility Development Funds (Authority Reserves).

The notes below provide additional information regarding the performance results detailed in the "Schedule of Cash Receipts and Disbursements."

A Supplemental Schedule of Cash Receipts and Disbursements reflecting the activities related to the Series 2012 Bond debt service and repayment to the Authority of the loans provided to the Rent-A-Car Companies ("RACs") for the Regional Intermodal Transportation Center / Consolidated Rental Car Facility is also presented.

### **NOTE (1) – Cash Receipts from Operations**

Cash receipts from operations are ahead of budget fiscal year-to-date ("FYTD") December due to better than expected performance primarily in parking, concessions and filming revenues. On the accrual basis, all categories of operating revenues are favorably ahead of budget in FYTD December by \$1,239,893. See notes 2 through 7 for additional information regarding operating receipts.

### **NOTE (2) – Landing/Fuel Fees**

Landing fees are based on landed weight of the aircraft. Fuel fees are charged at a rate of \$0.05 a gallon to non-signatory air carriers for fuel loaded at BUR. Landing fees and fuel fees performed ahead of the budget forecast FYTD December. Accrual basis revenues for this line item are ahead of budget in FYTD December by \$242,687.

### **NOTE (3) – Parking Fees**

Parking fee revenues performed ahead of the budget forecast. Accrual basis parking fees are \$44,748 ahead of budget FYTD December.

### **NOTE (4) – Rental Receipts - Terminal Building**

Terminal Building rental receipts exceed the budget FYTD December partially due to the timing of receipts and additional concession revenues received above the minimum annual guarantee. Accrual basis terminal building rents are \$351,876 ahead of budget FYTD December.

(Continued)

## **BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

### **NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE (5) – Rental Receipts - Other Buildings**

Other Buildings rental receipts exceed the budget FYTD December partially due to the timing of receipts. Accrual basis other building receipts are \$162,236 ahead of budget FYTD December. In addition, the Authority received an advance from Million Air of \$254,181 for tenant improvements required under its 10-year lease extension.

**NOTE (6) – Other Receipts**

This category consists primarily of off-airport access fees and film location revenues. Effective October 2016, the Authority implemented a program to establish a \$3 drop off fee for TNC activity. This category favorably exceeds the budget FYTD December primarily due the receipt of these newly established fees (FYTD December receipts \$156,980). Accrual basis other receipts are \$287,104 ahead of budget FYTD December.

**NOTE (7) – Investment Receipts - Treasurer**

This line item represents cash received from the investment of funds. These receipts fluctuate in response to interest rate and portfolio balance changes and the timing of coupon payments and individual investment maturities and sales. Accrual basis investment income, including the interest earned on loans to Rent-A-Car Companies, exceeds the budget FYTD December by \$151,242.

**NOTE (8) – Cash Disbursements from Operations**

Overall operating disbursements are favorably under budget FYTD December. On an accrual basis operating disbursements are favorably within budget parameters. See additional information on operating disbursements in notes 9 through 15.

**NOTE (9) – Administrative Supplies & Costs**

This line item includes office supplies, printing, postage and delivery, office equipment service and lease, recruiting, membership, uniform, Commission meeting, conference and training costs.

**NOTE (10) – Operating Supplies & Maintenance**

This line item includes utilities, fuel, general repairs and maintenance, landscaping, supplies and telephone costs.

**NOTE (11) – Contractual Operating Costs**

This line item includes various contractual operating costs such as ARFF services, janitorial services, systems and vehicle repair, parking operations and the TBI Airport Management contract costs. This line item is under budget FYTD December primarily due to the timing of payments and certain positions open during a portion of the year for TBI Airport Management contract costs.

**NOTE (12) – Contractual Professional Services**

This line item includes various professional services such as legal, auditing, noise, financial and insurance.

**NOTE (13) – Wages and Benefits**

Wages and Benefits consist of payroll and fringe benefit costs for the Airport Police officers, and include the impact of the terms of the new Memorandum of Understanding effective February 2014. Wages and benefits include overtime for film location services which are recovered through the related revenue.

**NOTE (14) – Other Operating Costs**

This line item includes public relations/advertising, air service retention, license and permits and bad debt expense.

(Continued)

## **BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

### **NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE (15) – Parking Tax**

The 12% City of Burbank parking tax is paid quarterly for the prior three-month period. January 2017 remittance in the amount of \$539,038 reflects the parking activity for the months of October, November and December 2016.

**NOTE (16) – Sound Insulation Program**

The Sound Insulation program is funded primarily through FAA Airport Improvement Program ("AIP") grants and Passenger Facility Charge ("PFC") revenues. In November 2016, the FAA issued a Record of Approval on the Part 150 Study. Staff will be meeting with the FAA regarding the resumption of the Sound Insulation Program and future Noise Grant funding.

**NOTE (17) – Other Facility Improvement Program Projects**

Several projects account for most of the Other Facility Improvement Program Projects expenditures: Taxiway B Reconstruction FY 2016 expenditures, Replacement Terminal Project, Runway 8/26 Rehabilitation and EMAS, and Emergency Back-Up Generator Project. The budget variance of \$1,698,924 is due to the timing of projects and payment for FY 2016 accrued costs.

**NOTE (18) – FAA Grants – Other Facility Improvement Program Projects**

FAA Grants – Other Facility Improvement Program Projects are budgeted to fund several projects: Runway 8/26 EMAS Project, Runway 8/26 Rehabilitation Project and the Acquisition of Hollyona Property.

**NOTE (19) – Other Grants**

Other grants represent federal grants, other than FAA AIP grants, and local grants that fund or partially fund the Ground Access Study.

**NOTE (20) – Passenger Facility Charge Receipts/Reserves**

A number of capital projects are budgeted to be funded or partially funded by Passenger Facility Charges.

**NOTE (21) – Facility Development Fund (Authority Reserves)**

The FY 2017 adopted budget programmed the use of Authority Reserves as a funding source for the airport share of capital projects.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**SUPPLEMENT SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
REGIONAL INTERMODAL TRANSPORTATION CENTER / CONSOLIDATED RENTAL CAR FACILITY PAYMENTS AND COLLECTIONS  
MONTH AND SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015**

Monthly Performance		December 2016			
Actual \$ Dec 2016	Budget Dec 2016	Actual \$ Prior Year Dec 2015	Note	Variance Actual Vs. Budget	
\$420,654	\$420,000	\$577,548	(1)	\$654	Customer Facility Charge Receipts
94,595	93,005	134,439	(2)	1,590	Facility Rent
(486,130)	(486,130)	(486,380)		0	Payments to Bond Trustee for 2012 Bond Debt Service
(27,334)	(26,875)	(33,634)	(3)	(459)	Loan Principal Repayments to the Authority
<u>\$1,785</u>	<u>\$0</u>	<u>\$191,973</u>	(4)	<u>\$1,785</u>	

**General Comments**

The debt service on the 2012 Revenue Bonds and the repayment to the Authority of the loans to the Rent-A-Car Companies ("RACs") is payable from Customer Facility Charges ("CFCs") and Facility Rents. Under the terms of the Bond Indenture, as amended, all CFCs collected subsequent to July 1, 2014 are remitted to the Bond Trustee for the 2012 Bond debt service.

On July 1, 2014, the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the respective Rent-A-Car Companies became effective, including the collection of Facility Rent.

**Note (1) – Customer Facility Charge ("CFC") Receipts**

CFCs of \$6 per day per transaction, up to a maximum of five days, are collected and applied to the 2012 Bond debt service. CFCs received fiscal year-to-date ("FYTD) December exceeded the budget due to better than expected car rental activity.

**Note (2) – Facility Rent**

Facility Rent exceeds the budget FYTD December due to the timing of receipts.

**Note (3) – Loan Principal Repayments to the Authority**

Repayments of the loan principal to the Authority from the Rent-A-Car Companies exceed the budget FYTD December (\$5,210) due to timing of receipts. The principal portion of the payment will be deposited as reimbursement to the Authority's Facility Development Fund. The interest portion of the loan repayment is recorded as investment income.

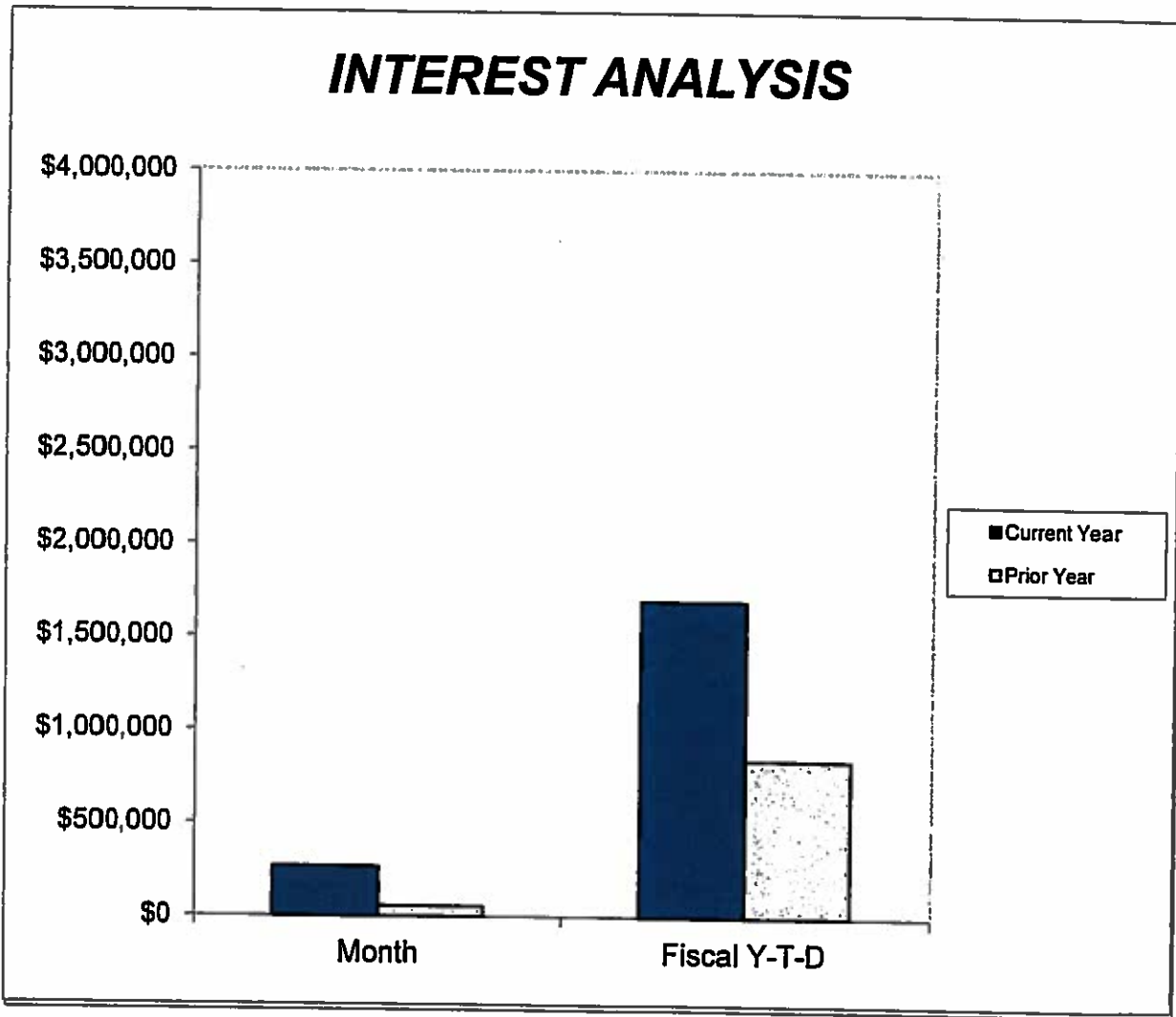
**Note (4) – Net RITC / ConRAC Facility Payments and Collections**

A positive amount in this line indicates that cash has been received above the required payment obligations. At fiscal year-end, upon conclusion of the required reconciliation, any excess surplus accumulated will be evaluated and applied toward the allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the Rent-A-Car Companies.

In the event of a shortfall of receipts to meet the required payment obligations (i.e., CFC collections perform under budget projections), the Authority holds the right to adjust the Facility Rent paid by the rental car companies on a 30-day notice.

Fiscal YTD Performance (July 2016 - December 2016)			
Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Variance Actual Vs. Budget
\$2,760,480	\$2,520,000	\$2,900,496	\$240,480
576,067	558,030	591,101	18,037
(2,916,780)	(2,916,780)	(2,918,280)	0
(166,460)	(161,250)	(147,881)	(5,210)
<u>\$253,307</u>	<u>\$0</u>	<u>\$425,436</u>	<u>\$253,307</u>

## **Burbank-Glendale-Pasadena Airport Authority**



	December 2016	December 2015
<b>Interest Receipts - - Month</b>	<b>\$265,770</b>	<b>\$54,488</b>
<b>Interest Receipts - - Fiscal Y-T-D</b>	<b>\$1,696,752</b>	<b>\$843,911</b>
<b>Month End Portfolio Balance</b>	<b>\$212,829,458</b>	<b>\$151,378,009</b>
<b>Yield to Maturity</b>	<b>1.15%</b>	<b>1.04%</b>

**Supplement to the December 2016 Treasurer's Report**

**FY 2017 December FYTD Cash Disbursements  
Facility Improvement / Noise Mitigation Transactions**

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**FY 2017 Cash Disbursements - Facility Improvement / Noise Mitigation Transactions**

PROJECT DESCRIPTION	Annual Budgeted Cost	FYTD Dec 2016 Budgeted Cost	FYTD Dec 2016 Cash Basis FY 2017 Cost	FYTD Dec 2016 Budget Variance Fav. / (Unfav.)	Project Status FYTD December 2016
<b>BUILDING IMPROVEMENTS</b>					
Building #36 Server Room Upgrades	\$ 1,000,000	\$ 75,000	\$ 30,480	\$ 44,520	Project out to bid
Hangar #34 Roof	500,000	-	-	-	Project under planning review
Maint. Dept. Electrical Service Upgrades	300,000	45,000	15,596	29,404	Project under planning review
Terminal High Voltage Electrical Upgrades	250,000	10,000	898	9,102	Project under planning review
HVAC Replacement: Bldg. #9	160,000	-	-	-	Project under planning review
Terminal Security Improvements	100,000	-	-	-	Project under planning review
Furnace Replacement: Building #10	90,000	-	-	-	Project under planning review
Elevator Replacement: Building #10	150,000	-	-	-	Project under planning review
LED Conversion	125,000	45,000	16,525	28,475	Project underway
Elevator Rehab.: Short Term Pkg. Structure	65,000	-	-	-	Project under planning review
Minor Building Improvements	250,000	75,000	38,277	36,723	Certain projects underway
Terminal Carpet	-	-	13,398	(13,398)	Accrued FY 2016 project
<b>TOTAL BUILDING IMPROVEMENTS</b>	<b>\$ 2,990,000</b>	<b>\$ 250,000</b>	<b>\$ 115,174</b>	<b>\$ 134,826</b>	
<b>OTHER IMPROVEMENTS</b>					
Emergency Back-up Generator Replacement	\$ 400,000	\$ 400,000	\$ 1,515,314	\$ (1,115,314)	Initiated FY 2016 - completion FY 2017
Reclaimed Water Connection and Hydrant	105,000	13,000	9,239	3,761	Project award anticipated Feb. 2017
Wildlife Mitigation	60,000	10,000	-	10,000	Project under planning review
Storm Drain Filter Installation	50,000	10,000	1,050	8,950	Project out to bid February 2017
Airport Branding: Infrastructure / Sign	250,000	-	-	-	Expenses anticipated 2nd half of FY 2017
Terminal Baggage Phase 2 Bidding	-	-	5,124	(5,124)	TSA reimbursable
<b>TOTAL OTHER IMPROVEMENTS</b>	<b>\$ 865,000</b>	<b>\$ 433,000</b>	<b>\$ 1,530,727</b>	<b>\$ (1,097,727)</b>	
<b>IT / COMMUNICATIONS / SECURITY</b>					
Access Control / IET Replacement	\$ 1,200,000	\$ 75,000	\$ 71,918	\$ 3,082	Project under planning review
DVSS SAN Replacement / Other Upgrades	1,075,000	522,000	76,163	445,837	Award of Contract October 2016
Network Switches	75,000	10,700	-	10,700	Project under planning review
Fiber Optic Installation: Phase 7	340,000	-	-	-	Project under planning review
Upgrade Phone / Voicemail System	150,000	-	-	-	Project under planning review
Firewall/Antivirus Software	-	-	31,641	(31,641)	Accrued FY 2016 project
Primary Server SAN	-	-	13,297	(13,297)	Accrued FY 2016 project
<b>TOTAL IT / COMMUNICATIONS / SECURITY</b>	<b>\$ 2,840,000</b>	<b>\$ 607,700</b>	<b>\$ 193,018</b>	<b>\$ 414,682</b>	
<b>EQUIPMENT</b>					
Maintenance Equipment	\$ 250,000	\$ 90,000	\$ 49,625	\$ 40,375	Accrued FY 2016 project
Replacement Wash Pad	25,000	2,500	937	1,563	Project under planning review
Express Lanes Parking (4)	100,000	100,000	41,164	58,836	Project Initiated Fall 2016
<b>TOTAL EQUIPMENT</b>	<b>\$ 375,000</b>	<b>\$ 192,500</b>	<b>\$ 91,726</b>	<b>\$ 100,774</b>	
<b>RUNWAY / TAXWAY / ROADWAY PROJECTS</b>					
Runway 8-26, 15-33 Rehabilitation Design	\$ 100,000	\$ 95,000	\$ 31,484	\$ 63,516	Design completion
Runway 8-26 and EMAS Rehabilitation	17,000,000	4,950,000	2,571,247	2,378,753	Construction initiated October 2016
RPZ Land Acquisition: Hollyona Property	1,800,000	3,000	954	2,046	Project under planning review
Obstruction Removal (multi-phase)	250,000	45,000	5,000	40,000	Project under planning review
Paving Replacement: Empire west of Clybourn	150,000	27,000	1,391	25,609	Project underway
Blast Fence: Clybourn Avenue	100,000	100,000	143,494	(43,494)	Project cost completed October 2016
Parking Improvements	300,000	76,000	2,004	73,996	Project under planning review
Paving Rehabilitation: Wash Rack	95,000	4,000	2,011	1,989	Project underway
Taxiway B Rehabilitation	-	-	404,704	(404,704)	Accrued FY 2016 costs, project complete
Runway Airfield Lighting	-	-	70,397	(70,397)	Project completion in Spring 2017
PAPIs	-	-	3,040	(3,040)	Acc'd FY 2016 costs, continuation of project
Runway 15-33 Rehabilitation	-	-	530	(530)	Project commencement late FY 2017
Runway Shoulder Rehabilitation	-	-	17	(17)	Accrued FY 2016 project
<b>TOTAL RUNWAY / TAXWAY / ROADWAY</b>	<b>\$ 19,795,000</b>	<b>\$ 6,300,000</b>	<b>\$ 3,236,274</b>	<b>\$ 2,063,726</b>	
<b>NOISE MITIGATION</b>					
Residential Acoustical Treatment Program	\$ 500,000	\$ 10,000	\$ 2,922	\$ 7,078	Program pending
<b>TOTAL NOISE MITIGATION</b>	<b>\$ 500,000</b>	<b>\$ 10,000</b>	<b>\$ 2,922</b>	<b>\$ 7,078</b>	
<b>DEVELOPMENT</b>					
Replacement Terminal Development	\$ 4,500,000	\$ 1,925,000	\$ 1,894,581	30,419	Ongoing including FY 2016 accrued costs
Transportation Planning	100,000	34,000	14,228	19,772	Ongoing
B6 Trust Property Disposal	-	-	26,901	(26,901)	Accrued FY 2016 sale transaction
RITC Public Art	-	-	3,500	(3,500)	Continuing DR require.; CFC reimbursable
<b>TOTAL DEVELOPMENT</b>	<b>\$ 4,600,000</b>	<b>\$ 1,959,000</b>	<b>\$ 1,939,210</b>	<b>\$ 19,790</b>	
<b>O &amp; M CAPITAL</b>					
	\$ 398,200	\$ 181,500	\$ 118,648	\$ 62,852	Ongoing
<b>Total</b>	<b>\$ 32,363,200</b>	<b>\$ 8,933,700</b>	<b>\$ 7,227,898</b>	<b>\$ 1,706,002</b>	

**Supplement to the December 2016 Treasurer's Report**

**FY 2017 December FYTD Cash Disbursements  
Facility Improvement / Noise Mitigation Transactions**



**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**FY 2017 Cash Disbursements - Facility Improvement / Noise Mitigation Transactions**

PROJECT DESCRIPTION	Annual Budgeted Cost	FYTD Dec 2016 Budgeted Cost	FYTD Dec 2016 Cash Basis FY 2017 Cost	FYTD Dec 2016 Budget Variance Fav. / (Unfav.)	Project Status FYTD December 2016
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<b>O &amp; M CAPITAL</b>					
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<b>Total</b>	<b>\$ 32,363,200</b>	<b>\$ 8,933,700</b>	<b>\$ 7,227,698</b>	<b>\$ 1,706,002</b>	

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
FEBRUARY 6, 2017**

**SECOND AMENDMENT TO AVIATION HANGAR LEASE  
GTC MANAGEMENT SERVICES, INC.**

**SUMMARY**

Staff seeks a Finance and Administration Committee ("Committee") recommendation to the Commission for the approval of the Second Amendment to Aviation Hangar Lease ("Amendment") between GTC Management Services, Inc. ("GTC") and the Burbank-Glendale-Pasadena Airport Authority ("Authority").

The First Amendment to GTC's Aviation Hangar Lease expired on May 31, 2016, and GTC has been operating per a month-to-month interim hold-over letter agreement since June 1, 2016, while Staff and real estate industry professionals conduct a comprehensive marketplace hangar analysis in order to make appropriate hangar and office rental rate recommendations for the Authority's future consideration.

This Amendment supersedes the interim letter agreement and the effective commencement date is June 1, 2016. The Amendment will extend the Aviation Hangar Lease term to May 31, 2021, and will generate \$559,296 in first year lease revenue.

**BACKGROUND**

GTC is a tenant in good standing and initially entered into an Aviation Hangar Lease with the Authority effective June 1, 2003, which included Hangars 37, 38, and 39 for a total of 72,000 square feet of hangar and office space. Due to various financial considerations, including a change in their fleet planning and deployment of aircraft, GTC reduced their leasehold space to only Hangar 37, effective June 1, 2011.

**DETAILS**

The proposed Amendment would provide GTC with an allowance of up to \$100,000 as rental abatement to be used only for Authority approved tenant improvements within the first eighteen months from the date the Amendment is approved and executed by the Commission.

For this transaction, as requested by Time Warner Real Estate and concurred by the Commission, CBRE represented both parties with negotiating the terms of the Amendment and will be compensated approximately \$118,775 for their role in the transaction upon full execution of the Amendment.

A copy of the proposed Amendment is attached.

Key components of the proposed Second Amendment are:

**Premises:** Hangar 37, comprised of 20,800 square feet of hangar space and 4,800 square feet of office space

**Use:** Storage of general aviation aircraft

**Term:** 5-year extension, commencing June 1, 2016 through May 31, 2021

**Options:** One five-year extension option

**Rent:** \$46,608 per month; \$559,296 per year

**Adjustments:** Annually at a fixed three percent (3%) per year

**Rental Credit:** \$100,000 for Authority approved tenant improvements to be made within an 18-month period

**Other:** Tenant pays expenses related to occupancy including maintenance, utilities, share of property insurance and taxes

**Broker**

**Commission:** Approximately \$118,775

#### REVENUE IMPACT

There is a reduction in annual rental income due to a modest decrease in hangar and office space square footage rates. While Staff and real estate professionals complete the hangar marketplace analysis which will provide the Authority with hangar and office space rental rate recommendations for consideration, the proposed amendment for GTC reduces the rates to align with the rental rate of the other media hangar tenant in the Clybourn complex. In the first year of the Amendment, there will be a decrease in rental income of approximately \$22,927 from the prior year to \$559,296. This reduction in revenue is accounted for in the Fiscal Year 2016/2017 budget.

#### RECOMMENDATION

Staff seeks the Committee's recommendation to the Commission that it approve the Second Amendment of Aviation Hangar Lease for GTC Management Services, Inc. and authorize the President of the Authority to execute the same.

## SECOND AMENDMENT OF AVIATION HANGAR LEASE

THIS SECOND AMENDMENT OF AVIATION HANGAR LEASE (this "Second Amendment") is dated February 21, 2017, and is entered into by and between the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale and Pasadena, California pursuant to the California Joint Exercise of Powers Act ("Landlord"), and GTC MANAGEMENT SERVICES, INC., a Delaware corporation ("Tenant").

### RECITALS

A. Landlord and Tenant entered into an Aviation Hangar Lease dated as of June 1, 2003 and an Amendment of Aviation Hangar Lease dated June 20, 2011 (collectively, the "Lease") affecting premises (the "Premises") more particularly described in the Lease. Capitalized terms used but not defined herein shall have the meaning set forth in the Lease, as amended by this Amendment.

B. Landlord and Tenant entered into a letter agreement dated May 17, 2016 which permitted Tenant to hold-over in the Premises after the expiration of the term of the Lease on certain terms and conditions (the "Interim Letter Agreement").

C. Tenant and Landlord desire to further amend the Lease, and intend that this Second Amendment supersede the Interim Letter ("Agreement").

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Tenant and Landlord hereby agree as follows:

1. Effect on Interim Letter Agreement. This Second Amendment supersedes the Interim Letter Agreement.

2. Term; Extension Option. The "Expiration Date" of the Lease is hereby extended to May 31, 2021, but if the Lease is not terminated earlier pursuant to its terms (and provided Tenant is not in default under the Lease after having received written notice thereof and the expiration of applicable cure periods), the Expiration Date (and the term of the Lease) may, with the written consent of the Landlord's Executive Director, be extended by Tenant (the "Extension Option") for five (5) calendar years (the "Extension Term") by giving written notice of such extension to Landlord on or before December 1, 2020, and the Annual Base Rent for such Extension Term shall be calculated as set forth in Section 5 below.

3. Rent; Limited Rent Credit for TI Costs. Notwithstanding any contrary provisions in Article 3 of the Lease, commencing on June 1, 2016, Annual Base Rent shall be: (i) \$389,376.00 (payable in equal monthly installments of \$32,448.00) for the hangar space in Hangar 37; and (ii) \$169,920.00 (payable in equal monthly installments of \$14,160.00) for the

office space in Hangar 37; provided, however, that the aforesaid Annual Base Rent shall be increased on each anniversary of June 1, 2016 by three percent (3%) on a cumulative basis.

Upon delivery to Landlord of copies of applicable permits (including any requisite certificates of occupancy) and invoices and other reasonable evidence of the costs incurred for the new improvements made by Tenant (including so-called "hard" and "soft" costs) (the "2016/2017 Improvements"), Tenant shall be entitled to a credit against Annual Base Rent of up to One Hundred Thousand and No/100 Dollars (\$100,000.00) of such costs (including both hard and soft costs) that are incurred by Tenant after the date hereof and prior to August 31, 2018 (as such date is extended as a result of force-majeure events or Landlord-caused delays impacting Tenant's construction provided Landlord is informed in writing of any such claimed delay within ten (10) days after it commences).

4. Tenant Improvements. All improvements to be made by Tenant shall be subject to Article 6 of the Lease. Landlord hereby agrees that (a) such improvements may include the items described on Exhibit "A"; (b) in connection with the construction of the 2016/2017 Improvements, neither Tenant nor Tenant's contractor(s) shall be required to furnish or record statutory payment and performance bonds or any other bonds; and (c) upon the expiration or sooner termination of the Lease, Tenant shall not be required to cause the removal of all or any of the 2016/2017 Improvements.

5. Extension Term Rent. The Annual Base Rent for the Extension Term (as defined in Section 1 above) shall be the "Fair Market Rental Rate" for the Leased Premises, which shall be determined as follows:

Within thirty (30) days after receipt of Tenant's timely written notice of extension of the term, Landlord will deliver a written notice to Tenant of Landlord's determination of the prevailing fair market rental rate for the Leased Premises, based on the criteria set forth below (the "Fair Market Rental Rate").

The Fair Market Rental Rate for the Extension Term shall be determined as follows:

(i) If Tenant objects to Landlord's determination of the Fair Market Rental Rate for the Premises, then Tenant shall, within ten (10) business days after receipt of Landlord's notice, notify Landlord in writing that Tenant disagrees with Landlord's determination. Landlord and Tenant shall then promptly meet and endeavor in good faith to agree upon the Fair Market Rental Rate. If Landlord and Tenant fail to reach agreement within twenty (20) days after Tenant's notice, then, within twenty (20) days thereafter, each party shall, at its own cost and by giving written notice to the other party, appoint a licensed commercial real estate appraiser with at least seven (7) years full-time experience as a real estate appraiser active in the leasing of commercial space or appraising properties in the City of Burbank or adjacent areas to determine the Fair Market Rental Rate for the Extension Term. The Fair Market Rental Rate shall be based on prevailing rates for leases of improved land in the vicinity of the Leased Premises, with comparable uses but shall not take into account or afford Tenant with any savings to Landlord by virtue of Landlord's not having to pay additional Tenant improvement

or inducement costs (such as free rent periods or allowance), or pay additional appraisers commissions. Until the Fair Market Rental Rate determination is completed, Tenant shall continue to pay to Landlord the amount of rent due immediately preceding the commencement of the Extension Term. If a party does not appoint an appraiser within the aforementioned period, the single appraiser appointed shall determine the Fair Market Rental Rate for the Extension Term. If there are two (2) appraisers appointed by the parties as stated above, the appraisers shall meet within twenty (20) days after the second agent has been appointed and attempt to determine the Fair Market Rental Rate for the Extension Term. If they are unable to agree on such Fair Market Rental Rate within twenty (20) days after the second appraiser has been appointed, they shall, within ten (10) days: (i) notify all of the parties in writing as to their respective Fair Market Rental Rate determinations, and (ii) select a third appraiser who shall be a licensed commercial appraiser meeting the qualifications stated above. If Landlord's appraiser and Tenant's appraiser are unable to agree on the third appraiser within such ten (10) day period, then either Landlord or Tenant may request the President of the BOMA Chapter including the area of the Project to select a third appraiser meeting the qualifications stated in this subsection. Each of the parties shall bear one-half (1/2) of the cost of appointing the third appraiser and the third appraiser's fee.

(ii) Within ten (10) business days after the selection of the third appraiser, the third appraiser shall notify both parties in writing as to which of the two determinations is closest to the Fair Market Rental Rate for the Extension Term, and the Fair Market Rental Rate determination so selected by the third appraiser shall be deemed the actual Fair Market Rental Rate and shall be binding on both parties.

(iii) Each appraiser shall consider such information as Landlord and Tenant timely presents regarding the determination of Fair Market Rental Rate and each appraiser shall be given access to the information used by each other appraiser. The Fair Market Rental Rate may include periodic increases in rent over the duration of the Extension Term, if such increases are appropriate part of the Fair Market Rental Rate for the five-year period of the Extension Term under the criteria described in clause (i) above.

(iv) After the Fair Market Rental Rate determination is completed and the rental rates for the Extension Term is established, Tenant or Landlord, as appropriate, shall make payment to the other for any underpayment or overpayment of rent owing for prior months within ten (10) days after written demand from the party seeking payment.

6. Airplane Parking. Subject to availability and prior scheduling with Landlord, Tenant may use other hangars at the Airport for "airplane parking" at the then-current rate.

7. Continuing Effect. Except as specifically modified hereby, the Lease shall remain unaffected and unchanged. The Lease is hereby ratified and affirmed by Landlord and Tenant and remains in full force and effect as modified hereby.

8. Counterparts. This Amendment may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

9. Time of Essence. Time is of the essence of each and every provision hereof.
10. Governing Law. This Amendment shall be governed by the laws of the state of California notwithstanding any applicable conflicts of laws rules or law.
11. Condition Precedent; Reaffirmation of Lease Guaranty. The effectiveness of this Amendment is hereby conditioned, for the benefit of the Landlord, upon the execution by Warner Communications Inc. and delivery to Landlord of the Reaffirmation of Lease Guaranty attached to this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date first written above.

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY, a public entity

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TENANT:**

GTC MANAGEMENT SERVICES, INC.,  
a Delaware corporation

By: *David P. Sullivan*  
Print Name: David P. Sullivan  
Title: Vice President

**EXHIBIT "A"**

**GENERAL DESCRIPTION OF PERMITTED IMPROVEMENTS**

- Hangar and office lighting upgrades to LED
- Replace office carpet and linoleum
- Security system and card access upgrades for the hangar and office
- Replacement of Premises' HVAC systems
- Replace limo door and motor/axel assembly
- Repair/replace employee parking lot gate
- Paint inside hangar and office space



REAFFIRMATION OF LEASE GUARANTY

Warner Communications, LLC, a Delaware limited liability company (formerly Warner Communications, Inc., a Delaware corporation) ("Guarantor"), hereby consents to the foregoing "Second Amendment of Aviation Hangar Lease" dated February 6, 2017 between the Burbank-Glendale-Pasadena Airport Authority, as lessor, and GTC Management Services, Inc., as lessee ("Lease"), and hereby agrees that the Guaranty of Lease dated June 1, 2003 executed by Guarantor shall not be reduced or impaired thereby, but shall apply to the Lease, as so amended, and Guarantor hereby reaffirms all of its obligations under, and the continuing effectiveness of, such Guaranty of Lease.

WARNER COMMUNICATIONS, LLC,  
a Delaware limited liability company

By:   
Print Name: Thomas Santiago  
Title: SVP

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
FEBRUARY 6, 2017  
COMMITTEE PENDING ITEMS**

**Current**

1. Hangar Lease Renewal; GTC Management Services, Inc.

**Future**

1. Award of Aviation Ramp Ground Lease; United Parcel Service, Inc.
2. Market Conditions Analysis – Hangar Facilities
3. New Branding Food & Beverage Concession
4. FY 2016 Year-End Financial Budget Performance Review
5. FY 2017 Mid-Year Budget Performance Review
6. FY 2018 Proposed Budget Development Schedule
7. First Amendment to Lease Agreement for HERC Rentals, Inc.