



June 13, 2017

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

NOTICE is hereby given that a regular meeting of the Burbank-Glendale-Pasadena Airport Authority will be held Monday, June 19, 2017, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 Hollywood Way, Burbank, California 91505.

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



REGULAR COMMISSION MEETING

AGENDA

JUNE 19, 2017

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Regular Meeting of Monday, June 19, 2017

9:00 A.M.

NOTE TO THE PUBLIC: The Commission invites public comments on airport-related non-agenda matters during the Public Comment period. The Commission will receive public comments on agenda items as each item is reached. 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 Commission's secretary.
- Limit public comments to five minutes, or such other period of time as may be specified by the presiding officer, and confine remarks to matters that are on the Commission's agenda for consideration or are otherwise within the subject matter jurisdiction of the Commission.

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 Hollywood Way, Burbank) in the administrative office during normal business hours.



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

1. PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. CONSENT CALENDAR
 - a. Committee Minutes
(For Note and File)
 - 1) Operations and Development Committee
 - (i) May 15, 2017

[See page 1]

- 2) Finance and Administration Committee
 - (i) May 11, 2017 ***[See page 2]***
 - (ii) May 15, 2017 ***[See page 4]***
 - (iii) May 22, 2017 ***[See page 6]***
- 3) Legal, Government and Environmental Affairs Committee
 - (i) March 20, 2017 ***[See page 7]***
 - (ii) May 15, 2017 ***[See page 10]***
- b. Commission Minutes
(For Approval)
 - 1) June 5, 2017 ***[See page 12]***
- c. TBI Airport Management Contract Amendment ***[See page 15]***
- 6. ITEMS FOR COMMISSION APPROVAL
 - a. First Amendment to the Airport Access and Facilities Use Agreement Class VIII Operators (Transportation Network Companies) ***[See page 22]***
 - b. Short-Term Parking Space Reservation Agreement JP Motorsports, Inc. ***[See page 24]***
 - c. Transportation Security Administration Recapitalization Project Baggage Screening Equipment Project No. E16-17 ***[See page 26]***
 - d. Arnold & Associates - Legislative Representation Services Contract ***[See page 29]***
 - e. Award of Contract – External Auditing Services Macias Gini & O'Connell LLP ***[See page 31]***
 - f. Review of the Proposed Fiscal Year 2017/2018 ("FY 2018") Annual Budget and Proposed Resolution No. 475, A Resolution Adopting the Fiscal Year 2017/2018 ("FY 2018") Annual Budget ***[See page 34]***
- 7. ITEM FOR COMMISSION INFORMATION
 - a. Ground Transportation Operation Realignment ***[No Staff Report]***

8. CLOSED SESSION

- a. Existing CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(California Government Code Section 54956.9(d)(1))

Name of Case: Maricelli v. Burbank-Glendale-Pasadena Airport Authority
(Case No. BC664537)

- b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(California Government Code Section 54957(b))

Title: Director, Public Safety

- c. CONFERENCE WITH LABOR NEGOTIATORS
(California Government Code Section 54957.6)

Authority Representatives: Frank R. Miller
Employee Organization: IAFF I-60

9. ADJOURNMENT

COMMISSION NEWSLETTER
June 19, 2017

[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 May 15, 2017, Operations and Development Committee; the May 11, May 15, and May 22, 2017, Finance and Administration Committee; and the March 20, 2017 and May 15, 2017, meetings of the Legal, Government and Environmental Affairs Committee are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES – Draft minutes of the June 5, 2017, meeting are attached for Commission's review and approval.
- c. TBI AIRPORT MANAGEMENT CONTRACT AMENDMENT – A staff report is included in the agenda packet. Staff seeks the Commission's approval of a proposed Amendment No. 5 to the Authority's Third Amended and Restated Agreement for Airport Management Services with TBI Airport Management, Inc. This amendment will revise the minimum staffing requirements for aircraft rescue and firefighting services, and will update the lists of Senior Staff, additional management, and supervisory personnel.

6. ITEMS FOR COMMISSION APPROVAL

- a. FIRST AMENDMENT TO THE AIRPORT ACCESS AND FACILITIES USE AGREEMENT CLASS VIII OPERATORS (TRANSPORTATION NETWORK COMPANIES) – A staff report is included in the agenda packet. This item, subject to the recommendation of the Operations and Development Committee, has been placed on the Commission's agenda for consideration at its meeting immediately following the Committee's meeting.

Staff requests the Commission's approval of the First Amendment to the Airport Access and Facilities Use Agreement, copies attached, that relocates the pick-up location of the Transportation Network Companies from the first floor of the short-term parking structure to a designated island curb of the redesigned ground transportation layout in front of the Hollywood Burbank Airport terminals.

- b. SHORT-TERM PARKING SPACE AGREEMENT – JP MOTORSPORTS, INC. A staff report is included in the agenda packet. As the proposed tenant urgently seeks access to the available spaces in Parking Lot B for the purposes of temporarily

parking its partner's new motor cars, Staff is bringing this item to the Commission without a recommendation of the Finance and Administration Committee.

Staff seeks Commission approval of a Short-Term Parking Space Reservation Agreement ("Agreement"), copy attached, with JP Motorsports Inc., dba JP Logistics ("JP Logistics") for 523 spaces in Parking Lot B ("Lot B") located on Hollywood Way. JP Logistics is a business partner of Tesla Motors and due to an increase in business needs, JP Logistics has requested to utilize the available parking spaces in Lot B for the parking of new motor vehicles on a daily basis. Payment for these parking spaces will be in arrears and is subject to the City of Burbank's transient parking tax.

- c. **TRANSPORTATION SECURITY ADMINISTRATION RECAPITALIZATION BAGGAGE SCREENING EQUIPMENT PROJECT NO. E16-17** – A staff report is included in the agenda packet. As part of a U.S. Department of Homeland Security – Transportation Security Administration ("TSA") funded multi-phase project to enhance the baggage inspection system at Hollywood Burbank Airport, the Operations and Development Committee meeting, at its meeting on June 5, 2017, voted (2–0, one absent) to recommend to the Commission that it authorize the following actions: (i) authorize the Executive Director to execute Amendment #3 to the existing Other Transaction Agreement between the Department of Homeland Security TSA and the Burbank-Glendale-Pasadena Airport Authority in the amount of \$1,870,130; (ii) authorize the award of contract to G & S Mechanical USA, Inc. in the amount of \$998,600 to prepare the area for the installation and connection of new baggage screening equipment; (iii) authorize the Executive to execute a lump sum Professional Services Agreement with Swanson Rink, Inc. in the amount of \$78,200 to provide construction administration services; (iv) approve the deployment of TBI Staff for project/construction management services in an amount not-to-exceed \$163,00; and (v) authorize the establishment of a Project Aggregate Contingency of \$123,980 which is approximately 10% of the estimated total project budget.
- d. **AWARD OF PROFESSIONAL SERVICES AGREEMENT - ARNOLD & ASSOCIATES LEGISLATIVE REPRESENTATION SERVICES CONTRACT** – A staff report is included in the agenda packet. At the June 5, 2017, Legal, Government and Environmental Affairs Committee ("Committee") meeting, it voted unanimously (3–0) to recommend to the Commission that it award a three-year professional services agreement to Arnold and Associates ("Arnold") for legislative representation services in Sacramento. The proposed contract will retain the current compensation rate of \$8,000 per month plus expenses.
- e. **AWARD OF CONTRACT – EXTERNAL AUDITING SERVICES – MACIAS GINI & O'CONNELL LLP** – A staff report is included in the agenda packet. At the June 5, 2017, Finance and Administration Committee meeting, it was voted unanimously (3–0) to recommend to the Commission that it award a Professional Services Agreement (copy attached) to Macias Gini & O'Connell LLP in a not-to-exceed amount of \$605,426 for external auditing services for the fiscal years ("FY") 2017 through FY2019 with two one-year option periods for FY2020 and FY2021, and with an option for a Forecasted Revenues and Costs audit. The contract will have a not-to-exceed amount of \$322,947 for the three-year base period, not-to-exceed

amounts of \$112,962 and \$115,517 for the option periods, and a not-to-exceed amount of \$54,000 for the Forecasted Revenues and Costs audit.

- f. REVIEW OF THE PROPOSED FISCAL YEAR 2017/2018 ("FY 2018") ANNUAL BUDGET AND PROPOSED RESOLUTION NO. 475, A RESOLUTION OF THE BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY ADOPTING THE FISCAL YEAR 2017/2018 ("FY 2018") ANNUAL BUDGET – A staff report is included in the agenda packet. At the June 5, 2017, Finance and Administration Committee meeting, the Committee voted unanimously (3–0) to recommend to the Commission that it approve the proposed Fiscal Year 2017/2018 budget.

7. ITEM FOR COMMISSION INFORMATION

- a. GROUND TRANSPORTATION REALIGNMENT - No staff report is attached. Staff will present to the Commission the Ground Transportation Operation Realignment program that will be implemented in the month of July. Staff will also advise the Commission on concerns raised by other ground transportation service providers and responses to those concerns. An update of this item will be presented to the Operations and Development Committee at its meeting preceding the Commission meeting.

Approved June 5, 2017

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

MONDAY, MAY 15, 2017

A regular meeting of the Operations and Development Committee was called to order on this date in the Airport Skyroom of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 8:31 a.m., by Chairman Brown.

ROLL CALL

Present: Commissioners Brown and Selvidge;
Commissioner Sinanyan (arrived at 8:38 a.m.)

Absent: None

Also Present: John Hatanaka, Senior Deputy Executive Director;
Kathy David, Deputy Executive Director, Finance and
Administration; Bob Anderson, Director, Engineering
and Planning; Karen Sepulveda, Assistant Airport
Engineer

1. Approval of Agenda Commissioner Selvidge moved approval of the
agenda. The agenda was approved
(2-0, one absent.)
Commissioner Sinanyan arrived at 8:38 a.m.

2. Public Comment There were no public speakers.

3. Approval of Minutes

a. May 1, 2017 Commissioner Selvidge moved approval of the
minutes of the May 1, 2017, meeting. The minutes
were approved (2-0, one absent).
Commissioner Sinanyan arrived at 8:38 a.m.

4. Items for Discussion

**a. Operational Impacts of
Proposed FY 2018 Capital
Projects** Staff reviewed with the Committee the proposed
projects to be included in the FY 2018 program and the
operational impacts thereof and answered various
questions from the Committee.

5. Adjournment There being no further business, the meeting was
adjourned at 8:48 a.m.

Approved June 5, 2017

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

THURSDAY, MAY 11, 2017

A special meeting of the Finance and Administration Committee was called to order on this date in the Airport Skyroom of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 9:00 a.m., by Chairman Tornek.

ROLL CALL

Present: Commissioners Tornek, Adams and Gharpetian

Absent: None

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; David Freedman, Director, Strategic Planning and Business Development; Mike Doung, Senior Manager, Business and Compliance

1. Approval of Agenda The agenda was approved as presented.

2. Public Comment There were no public speakers.

3. Approval of Minutes

a. May 1, 2017 Draft minutes for the May 1, 2017, Finance and Administration Committee meeting were presented for approval.

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

Motion Approved There being no objection, the minutes were unanimously approved (3-0).

4. Contracts and Leases

a. Aviation Hangar Lease - Netflix, Inc. Staff presented to the Committee a proposed aviation hangar lease with Netflix, Inc. ("Netflix"). Netflix is a diverse media and entertainment company headquartered in Los Gatos, and has

recently expanded its presence in Southern California. The proposed lease is for Hangar 43, which is one of the 8 hangers in the Clybourn Complex and has an initial five-year term. It will be used for storing corporate aircraft.

Key components of the proposed lease are as follows: rent will be at the rate of \$46,656 a month or \$559,872 annually, with annual adjustments the greater of 3% per year or 120% CPI, not to exceed 6% annually; part of the terms of this agreement is that the tenant will receive a \$250,000 rental credit for Authority-approved tenant improvements to be made within a 12-month period; the tenant will be responsible for all expenses related to occupancy including maintenance, utilities, share of property insurance and applicable taxes. The forecasted revenue is expected to be \$309,872 for the first year and each subsequent year, the revenue will be \$559,872 with applicable adjustments.

Staff recommended that the Committee recommend to the Commission that is approve the proposed aviation hangar lease with Netflix and authorize the Authority President to execute same.

Motion

Commissioner Adams moved approval of Staff's recommendation, seconded by Commissioner Gharpetian.

Motion Approved

The motion was approved unanimously (3-0).

5. Items for Discussion

**a. Fiscal Year 2017/2018
("FY 2018") Budget
Development: Proposed
Staffing Program (continued)**

Staff continued the discussion with the Committee and answered questions pertaining to the proposed staffing program for FY 2018.

6. Adjournment

There being no further business, the meeting was adjourned at 9:38 a.m.

Approved June 5, 2017

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

MONDAY, MAY 15, 2017

A regular meeting of the Finance and Administration Committee was called to order on this date in the Airport Skyroom of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 9:42 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 Tornek and Gharpetian

Absent: Commissioner Adams

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Bob Anderson, Director, Engineering and Planning

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

2. Public Comment There were no public speakers.

3. Treasurer's Report

a. March 2017 A copy of the March 2017 Treasurer's Report was included in the agenda packet for the Committee's review. Staff noted that since reporting on the mid-year budget report that the EMAS Rehabilitation project would fall into the next fiscal year, that project will actually be completed by June 30, 2017, leaving Runway 15-33 to be programmed into FY 2018's budget.

Motion Commissioner Gharpetian moved that the Committee recommend to the Commission that it approve the March 2017 Treasurer's Report, seconded by Commissioner Tornek.

Motion Approved The motion was approved (2-0, one absent).

4. Items for Discussion

**a. Fiscal Year FY 2017/2018
("FY 2018") Budget
Development – Proposed Capital
Program: Financial Impacts**

Staff reviewed with the Committee the proposed FY 2018 budget capital program and funding sources and answered various questions from the Committee.

5. Items for Information

a. Committee Pending Items

There were no other contracts and leases to be discussed.

6. Other Contracts and Leases

There were no other contracts and leases to be discussed.

7. Adjournment

There being no further business, the meeting was adjourned at 11:17 a.m.

Approved June 5, 2017

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

MONDAY, MAY 22, 2017

A special meeting of the Finance and Administration Committee was called to order on this date in the Airport Skyroom of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 9:02 a.m., by Chairman Tornek.

ROLL CALL

Present:

Commissioners Tornek and Adams

Absent:

Commissioner Gharpetian

Also Present:

Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; David Freedman, Director, Strategic Planning and Business Development

1. Approval of Agenda

There were no adjustments to the agenda.

2. Public Comment

There were no public speakers.

3. Items for Discussion

**a. Fiscal Year 2017/2018
("FY 2018")
Budget Development**

Staff presented to the Committee a proposed complete balanced budget, including the projected revenues, O&M highlights and Facility Improvement Program for FY 2018.

4. Adjournment

There being no further business, the meeting was adjourned at 9:38 a.m.

Approved June 5, 2017

**MINUTES OF THE REGULAR MEETING OF THE
LEGAL, GOVERNMENT AND ENVIRONMENTAL AFFAIRS COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, MARCH 20, 2017

A regular meeting of the Burbank-Glendale-Pasadena Airport Legal, Government and Environmental Affairs Committee was called to order on this date in the Burbank Room of the Airport Authority, 2627 Hollywood Way, Burbank, California, at 9:25 a.m., by Chairman Wiggins.

AB 23 Disclosure: The Assistant Board Secretary announced that, as a result of the convening of this meeting of the Legal, Government and Environmental Affairs Committee, each Committee member is entitled to receive and shall be provided \$200.

ROLL CALL

Present: Commissioners Wiggins and Madison

Absent: Commissioner Quintero

Also Present: Staff: John Hatanaka, Senior Deputy Executive Director; Mark Hardymont, Director, Government and Environmental Affairs; Lucy Burghdorf, Director of Public Affairs and Communications; Maggie Martinez, Manager, Noise and Environmental Compliance; Dan Feger, Director, Development Services

Airport Authority Counsel: Terence R. Boga of Richards, Watson and Gershon

- 1. Approval of Agenda** The agenda was approved (2-0; one absent) as presented.
- 2. Public Comment** There were no public speakers.
- 3. Approval of Minutes**
 - a. February 6, 2017** The minutes of the February 6, 2017, meeting were approved (2-0; one absent) as submitted by Staff.

4. Contracts and Leases

a. Annual Review and Adjustment of Noise Violation Fines

The Airport Authority's Resolution No. 382 requires an annual review and adjustment of noise violation fines. This adjustment is based on year-over-year increases in the Consumer Price Index ("CPI") for the month of January. The January 2016 CPI for All Urban Consumers in the area of Los Angeles, Riverside, and Orange Counties was 252.37 according to U.S. Bureau of Labor Standards. This level represents an approximate increase of 2.11% when compared to the January 2016 index reading of 247.15. Accordingly, Staff recommended that the Committee recommend to the full Commission increases to the current Rules 8 and 9 violation fines by 2.11% effective April 1, 2017, as follows: Rule 8, first violation, increase from \$1,427 to \$1,457; Rule 8, subsequent violations, increase from \$2,073 to \$2,116; and Rule 9, each violation, increase from \$4,149 to \$4,236. Commissioner Wiggins suggested that this item move to the Commissions Consent Calendar.

Motion

Commissioner Wiggins moved approval of Staff's recommendation, seconded by Commissioner Madison.

Motion Approved

There being no objection, the motion was approved (2-0; one absent).

b. Environmental Impact Statement MOU with FAA

Staff recommended that the Committee recommend to the Commission approval of the proposed Memorandum Of Understanding ("MOU") with the Federal Aviation Administration ("FAA") to provide the framework in which the FAA will prepare an Environmental Impact Statement ("EIS") for the Replacement Passenger Terminal project for the Airport. Staff answered questions regarding the selection of the contractor who oversees the preparation of the EIS, reimbursement of funds to the Authority for the expenditures associated with the program and what role the Authority plays in the process along with FAA policy changes regarding the program. Staff further discussed ways that the process may be expedited and still meet the requirements of the law and get full community involvement.

Motion

Commissioner Wiggins moved approval of Staff's recommendation; Commissioner Madison seconded the motion.

Motion Approved

The motion was approved (2-0; one absent).

5. Items for Information

**a. Empire Avenue Metrolink
Station Maintenance Update**

Staff updated the Committee regarding the maintenance condition of the Empire Avenue Metrolink Station and the parties responsible for the station. Staff advised the Committee of the lack of attention to the station in photographic detail and took steps to rectify the immediate situation. Staff will confirm the party responsible for the ongoing operation maintenance of the station and will advise the Committee with any updates.

6. Adjournment

There being no further business, the meeting was adjourned at 9:40 a.m.

Approved June 5, 2017

**MINUTES OF THE REGULAR MEETING OF THE
LEGAL, GOVERNMENT AND ENVIRONMENTAL AFFAIRS COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, MAY 15, 2017

A regular meeting of the Burbank-Glendale-Pasadena Airport Legal, Government and Environmental Affairs Committee was called to order on this date in the Burbank Room of the Airport Authority, 2627 Hollywood Way, Burbank, California, at 10:45 a.m., by Chairman Wiggins.

AB 23 Disclosure: The Assistant Board Secretary announced that, as a result of the convening of this meeting of the Legal, Government and Environmental Affairs Committee, each Committee member is entitled to receive and shall be provided \$200.

ROLL CALL

Present: Commissioners Wiggins and Quintero

Absent: Commissioner Madison

Also Present: Staff: Frank Miller, Executive Director;
Mark Hardymont, Director, Government and
Environmental Affairs

Airport Authority Counsel: Terence R. Boga of
Richards, Watson and Gershon

Airport Authority Legislative Consultants (via
teleconference): Michael J. Arnold and Kristian Foy,
Arnold and Associates

1. Approval of Agenda The agenda was approved (2-0, one absent) as
presented.

2. Public Comment There were no public speakers.

3. Approval of Minutes

a. March 20, 2017

Draft minutes of the March 20, 2017, Legal,
Government and Environmental Affairs Committee
were presented for approval. Commissioner
Quintero abstained from commenting on the minutes
as he did not attend that meeting. The minutes were
held over until the next meeting due to a lack of
quorum.

b. May 1, 2017

The minutes of the May 1, 2017, meeting were approved (2-0, one absent) as submitted by Staff.

4. Items for Discussion

a. California Legislative Update

Via teleconference Kristian Foy and Michael J. Arnold of Arnold & Associates, the Authority's Sacramento legislative consultants, updated the Committee on airport related legislative issues which they have been monitoring and answered various questions from the Committee.

5. Adjournment

There being no further business, the meeting was adjourned at 11:10 a.m.

Subject to approval

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

MONDAY, JUNE 5, 2017

A regular meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order this date in the Airport Skyroom, 2627 Hollywood Way, Burbank, California, at 9:03 a.m., by President Wiggins.

1. PLEDGE OF ALLEGIANCE

Chief Skvarna led the assembly in the recitation of the Pledge of Allegiance to the Flag.

2. ROLL CALL

Present:

Commissioners Brown, Adams, Gharpetian, Wiggins, Quintero, Madison, Tornek and Selvidge

Absent:

Commissioners Sinanyan

Also Present:

Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Mark Hardymont, Director, Transportation and Environmental Affairs; Mary Tromp, Manager, Parking Revenue

Terence R. Boga, Counsel, Richard, Watson & Gershon

3. APPROVAL OF AGENDA

There were no changes to the agenda.

4. PUBLIC COMMENT

Burbank resident, Audrey Ford, commented on the noise level of planes flying over her neighborhood after 10 p.m. and before 7 a.m. Staff who was in attendance at the meeting, addressed her concerns and will follow up with Ms. Ford.

Frank Miller introduced Sarah Paulson-Sheehy, the new Senior Director for Government and Public Affairs.

5. CONSENT CALENDAR

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

Approved minutes of the following meetings were included in the agenda packet for information purposes: May 1, 2017, Operations and Development Committee; May 1, 2017, Finance

1) Operations and Development Committee

and Administration Committee; and May 1, 2017 Legal, Government and Environmental Affairs.

(i) May 1, 2017

2) Finance and Development Committee

(i) May 1, 2017

3) Legal, Government and Environmental Affairs Committee

(i) May 1, 2017

Draft minutes of the May 15, 2017, Commission meeting were included in the agenda packet for review and approval.

a. Commission Minutes (For Approval)

1) May 15, 2017

MOTION

Commissioner Quintero moved approval of the Consent Calendar, seconded by Commissioner Selvidge.

MOTION APPROVED

The motion was approved (8–0, one absent), by the following vote:

AYES	Commissioners Brown, Adams Gharpetian, Wiggins, Quintero, Madison, Tornek and Selvidge
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NAYS	None
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Absent	Commissioner Sinanyan
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5. ITEMS FOR COMMISSION INFORMATION

a. Airline Schedule Analysis

Staff reported changes in service, fleet mix and scheduled operating times from Southwest Airlines and United Airlines. Southwest Airlines is adding 2 additional flights per day to Denver and Sacramento. United Airlines will be adding 3 additional roundtrip flights to San Francisco on the weekend.

b. April 2017 Passenger/Cargo Statistics and Parking Information

Staff presented the Passenger/Cargo Statistics and Parking Information for the month of April 2017. Passenger travel reflected an overall increase of 18% during the month of April compared to the same month in 2016, with Jet Blue posting an increase of 14%.

6. CLOSED SESSION

The meeting recessed to closed session at 9:27 a.m, to discuss items listed on the closed session agenda as follows:

**a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(California Government Code Section 54957(b))**

Title: Executive Director

Meeting Reconvened to Open Session

The meeting reconvened to open session at 10:02 a.m. with the Commissioners present: Brown, Adams, Gharpetian, Wiggins, Quintero, Madison, Tornek and Selvidge.

Closed Session Report

President Wiggins announced that no reportable action was taken in closed session.

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:02 a.m.

Zareh Sinanyan, Secretary

Date

Bill Wiggins, President

Date

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JUNE 19, 2017**

TBI AIRPORT MANAGEMENT CONTRACT AMENDMENT

SUMMARY

Staff seeks the Commission's approval of a proposed Amendment No. 5 to the Authority's Third Amended and Restated Agreement for Airport Management Services ("Management Contract") with TBI Airport Management, Inc. ("TBI"). This amendment will revise the minimum staffing requirements for aircraft rescue and firefighting ("ARFF") services, and will update the lists of Senior Staff, additional management, and supervisory personnel.

BACKGROUND

Since its acquisition of the Airport in 1978, the Authority has utilized an independent contractor for management services and personnel. Currently, this arrangement is structured through the Management Contract with TBI. That agreement has a 12-year base term expiring on June 30, 2020, and it affords the Authority one 10-year extension option.

The Authority and TBI amended the Management Contract in 2008, 2013, 2015, and 2016. The first amendment addressed severance payments for certain TBI personnel. The second amendment established a pool for the Authority's reimbursement of unbudgeted legal fees incurred by TBI in the operation and management of the Airport. The third amendment added ARFF services to the scope of services and made associated contract revisions. Among other things, this amendment established a six person minimum staffing requirement for ARFF services, which must consist of five firefighters plus one supervisor (crew chief or shift captain) on duty at all times. The fourth amendment provided for the transition of the former Executive Director to the position of Director, Development Services.

MANAGEMENT CONTRACT AMENDMENT

A proposed Amendment No. 5 to the Management Contract is attached. The amendment will establish a four person minimum staffing requirement for ARFF services, which must consist of three firefighters plus one supervisor (crew chief or shift captain) on duty at all times. Although it will be a reduction from the current contract requirement, the new minimum staffing level will be more than sufficient to satisfy Federal Aviation Administration standards.

The proposed Amendment No. 5 also updates the lists of Senior Staff, additional management, and supervisory personnel. Those lists, which are set forth in Exhibits C-1 and C-2 of the Management Contract, are out of date.

FISCAL IMPACT

The current ARFF services staffing levels are intended to remain in place and the proposed Amendment No. 5 is not expected to have any immediate fiscal impact. However, if ARFF positions are vacated in the future due to retirements or departures, then the flexibility

afforded by the revised minimum staffing requirement will create an opportunity for a cost savings to the annual budget for ARFF services.

RECOMMENDATION

Staff recommends that the Commission approve the proposed Amendment No. 5 to the Management Contract with TBI.

**AMENDMENT NO. 5 TO
THIRD AMENDED AND RESTATED AGREEMENT FOR
AIRPORT MANAGEMENT SERVICES**

THIS AMENDMENT NO. 5 ("Fifth Amendment") to the July 1, 2008 Third Amended and Restated Agreement for Airport Management Services ("Agreement") executed by the Burbank-Glendale-Pasadena Airport Authority, a public entity ("Authority"), and TBI Airport Management, Inc., a Delaware corporation ("Manager"), is made as of June 19, 2017.

RECITALS

A. The parties executed the Agreement to provide for the Authority's continued engagement of Manager as an expert in airport management and operation, and continued delegation to Manager of the day-to-day management and operation of the Bob Hope Airport (commonly known as Hollywood Burbank Airport) ("Airport").

B. The parties have executed the following amendments to the Agreement (collectively, the "Prior Amendments"):

1. A September 2, 2008 Amendment No. 1 to address severance payments for certain Manager employees appointed by the Authority Commission as Executive Director and Senior Deputy Executive Director.

2. A September 3, 2013 Amendment No. 2 to establish a pool for the Authority's reimbursement of unbudgeted legal fees incurred by Manager in the management and operation of the Airport.

3. An April 6, 2015 Amendment No. 3 to: (i) add aircraft rescue and firefighting services to the scope of services commencing May 1, 2015; (ii) extend the base term by two years; (iii) increase the management fee; (iv) update the lists of Senior Staff, additional management, and supervisory personnel; and (v) revise the insurance requirement.

4. An April 18, 2016 Amendment No. 4 to provide for the transition of the former Executive Director to the position of Director, Development Services.

C. The parties desire to further amend the Agreement to: (i) revise the minimum staffing levels for aircraft rescue and firefighting services; and (ii) update the lists of Senior Staff, additional management, and supervisory personnel.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, the parties amend the Agreement (as amended by the Prior Amendments) as follows:

1. **Amendment of Section 2.** Paragraph (b) of Section 2.4.4 ("ARFF Standards, Staffing and Equipment") of the Agreement is amended to read as follows:

“(b) Minimum staffing of ARFF personnel provided by Manager shall be four (4) firefighters, including one (1) crew chief or shift captain, at all times, twenty-four (24) hours per day, seven (7) days per week, each day of the year. One (1) full time fire chief and one (1) full time assistant fire chief shall supervise performance of all ARFF Services and ARFF personnel. Manager shall employ capable employees to enable it to perform the ARFF services. All personnel hired by Manager to perform the ARFF services shall have a valid Class C California drivers license and shall be a certified Emergency Medical Technician meeting all current requirements established by the State of California (“EMT Certified”). Within six (6) months after the date of hiring, each Manager employee performing ARFF services shall obtain either a valid California Class B drivers license with Firefighter, Airbrake, and Tank endorsements or a California Class C drivers license with Firefighter endorsement, failing which the employee shall no longer be qualified to perform ARFF services.”

2. Amendment of Exhibit F. Subparagraph (2) of Paragraph A (“Staffing”) of Section II (“Personnel Requirements and Staffing”) of Exhibit F (“Description of ARFF Services”) of the Agreement is amended to read as follows:

“2. A minimum of three (3) firefighters plus one (1) supervisor (crew chief or shift captain) on duty at all times.”

3. Amendment of Exhibit F. Item (11) of Subdivision (a) (“Duties”) of Subparagraph (3) (“Crew Chief or Shift Captain”) of Paragraph B (“Employee Qualifications and Duties”) of Section II (“Personnel Requirements and Staffing”) of Exhibit F (“Description of ARFF Services”) of the Agreement is amended to read as follows:

“(11) Shall supervise a minimum of three (3) firefighters on assigned shift.”

4. Substitution of Exhibits C-1 and C-2. Exhibits C-1 and C-2 of the Agreement are replaced with the attached Exhibits C-1 and C-2.

5. Preservation of the Agreement. Except as expressly amended or supplemented by this Fifth Amendment, all of the provisions of the Agreement (as amended by the Prior Amendments) shall remain unaltered and in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

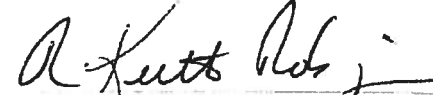
TO EFFECTUATE THIS FIFTH AMENDMENT, the parties have caused their duly authorized representatives to execute this Fifth Amendment by signing below.

Burbank-Glendale-Pasadena
Airport Authority

TBI Airport Management, Inc.

Bill Wiggins, President


☐ Chairman ☒ President ☐ Vice President


☐ Secretary ☐ Asst. Secretary
☒ Chief Finance Officer ☐ Asst. Treasurer

[Pursuant to California Corporations Code
Section 313, both signature lines must be executed
unless the signatory holds at least one of the offices
designated on each line.]

Approved as to form:

Richards, Watson & Gershon
A Professional Corporation

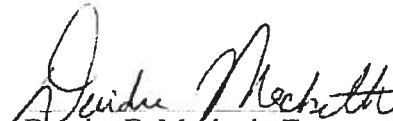

Deirdre E. Macbeth, Esq.
General Counsel
TBI US Operations Inc.

EXHIBIT C-1

Description of Senior Staff

Executive Director (unless Authority Executive Director is employed or appointed by the Authority)

Senior Deputy Executive Director

Deputy Executive Director, Finance and Administration

Deputy Executive Director, Operations and Airline Relations

Deputy Executive Director, Planning, Engineering and Maintenance

Senior Director, Government and Public Affairs

Director, Operations

Director, Information and Communications Technologies

Director, Financial Services

Director, Transportation, Noise and Environmental Programs

Director, Engineering and Construction

Director, Public Affairs and Communications

Director, Strategic Planning and Business Development

Fire Chief

EXHIBIT C-2

Description of Additional Management and Supervisory Staff

Assistant Fire Chief

Senior Manager, Operations

Assistant Manager, Operations

Manager, Revenue Parking

Manager, Procurement

Manager, Noise and Environmental Compliance

Manager, Engineering

Manager, Construction

Manager, Maintenance

Assistant Manager, Maintenance

Manager, Customer Experience and Air Service Development

Manager, Human Resources

Senior Manager, Business and Compliance

Manager, Business and Property

Assistant Controller

Operations Duty Supervisors (5)

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JUNE 19, 2017**

**FIRST AMENDMENT TO THE AIRPORT ACCESS AND FACILITIES USE AGREEMENT
CLASS VIII OPERATORS
(TRANSPORTATION NETWORK COMPANIES)**

SUMMARY

This item, subject to the recommendation of the Operations and Development Committee, has been placed on the Commission's agenda for consideration at its meeting immediately following the Committee's meeting.

Staff seeks the Commission's approval of the First Amendment to the Airport Access and Facilities Use Agreement ("First Amendment"), copies attached, that relocates the pick-up location of the Transportation Network Companies ("TNCs") from the first floor of the short-term parking structure to a designated island curb of the redesigned ground transportation layout in front of the Hollywood Burbank Airport ("Airport") terminals.

BACKGROUND

At the August 15, 2016, meeting of the Legal, Government and Environmental Affairs Committee, Staff received the recommendation to seek approval of the Permanent Airport Access and Facilities Use Agreement Class VIII Operators ("Permanent Agreement") for TNCs and authorize the Airport Authority President to execute same. At the September 6, 2016, meeting of the Airport Authority ("Authority"), the Commission approved and executed the Permanent Agreement with several TNCs.

The current Permanent Agreement provides TNCs with authorized access to the Airport and allows for passengers to be dropped off at the curb in front of the terminal with the authorized pick-up location designated on the first floor of the short-term parking structure. The current rates assessed to the TNCs for each transaction is \$3.00 per each pick-up and/or drop off at the Airport. Pick-up fees are paid upon exiting the short-term parking structure while drop-off fees are remitted to the Authority on a monthly basis in arrears based on self-reporting of activity captured by the geo-fence whose parameters are defined in the Airport Access and Facilities Use Agreement.

Based on analysis of current operations and traffic congestion in the short-term parking structure, Staff presented to the Committee at its meeting of May 1, 2017, a proposed redesigned ground transportation layout in front of the terminals for all authorized ground transportation operators at the Airport. Based on the input of the Committee at this meeting, Staff has finalized the layout and met with all authorized ground transportation operators on June 1, 2017, to provide all ground transportation stakeholders the opportunity to publicly comment on the proposed changes to the designated drop-off and pick-up locations for all ground transportation operators. Staff has taken the comments received into consideration and has finalized the redesigned ground transportation plan.

While some of the other ground transportation operators will also be relocated, only the agreement with the TNC operators requires an amendment to reflect the change with their operation from the parking structure to a designated pick-up area on an island curb east of Terminal B and outside of the short-term parking structure. The proposed First Amendment defines the new pick-up location and requires all fees for passenger pick-ups and drop-offs to be remitted by the respective TNCs on a monthly basis. The current fee structure remains unchanged.

DETAILS

Key components of the First Amendment are as follows:

Rules:	Relocation of the authorized passenger pick-up location from within the short-term parking structure to a designated island curbside in front of the terminals.
Fee:	Three (\$3.00) dollars per pick-up and drop-offs each. Payment to be remitted on a monthly basis by each TNC based on the geofence report, in arrears.

IMPACT ON REVENUE

Because the pick-up location will not be in the short-term parking structure, the First Amendment is revenue positive in that the pick-up fees currently received from the TNCs will no longer be subject to the city of Burbank transient parking tax.

STAFF RECOMMENDATION

Staff seeks the Commission approval of the First Amendment to the Permanent Airport Access and Facilities Use Agreement Class VIII Operators for TNCs and authorize the Authority President to execute same.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JUNE 19, 2017**

**SHORT-TERM PARKING SPACE RESERVATION AGREEMENT
JP MOTORSPORTS, INC.**

SUMMARY

As the proposed tenant urgently seeks access to the available spaces in Parking Lot B for the purposes of temporarily parking of its partner's new motor cars, Staff is bringing this item to the Commission without a recommendation of the Finance and Administration Committee.

Staff seeks Commission approval of a Short-Term Parking Space Reservation Agreement ("Agreement"), copy attached, with JP Motorsports Inc. dba JP Logistics ("JP Logistics") for 523 spaces in Parking Lot B ("Lot B") located on Hollywood Way. JP Logistics is a business partner of Tesla Motors and due to an increase in business needs, JP Logistics has requested to utilize the available parking spaces in Lot B for the parking of new motor vehicles on a daily basis. Payment for these parking spaces will be in arrears and is subject to the City of Burbank's transient parking tax.

BACKGROUND

JP Logistics is located in Sun Valley, California and handles all logistics, storage and distribution for Tesla Motors in the Southern California region. Because of an increase in consumer demands, JP Logistics approached staff seeking space for the parking of new motor vehicles on a daily basis.

DETAILS

The key components of the proposed Agreement are as follows:

Premises:	523 parking spaces in Lot B
Use:	Parking of new motor vehicles
Term:	Daily parking
Revenue:	The daily parking rate is \$1.59/per stall/per day or \$24,947.10 per month. This amount is subject to the City of Burbank's Transient Parking Tax
Adjustments:	Daily parking rate is subject to an annual increase of 3% beginning June 19, 2018
Termination:	Termination may be invoked by either party by delivering thirty (30) days' prior written notice

IMPACT ON REVENUE

The proposed Agreement replaces a similar agreement with Universal City Nissan which recently terminated its use of the facility due to business reasons. JP Motorsports will pay the same monthly rent and subject to applicable rate adjustments as noted above. This Agreement is expected to generate approximately \$24,947 per month.

RECOMMENDATION

Staff seeks the Commission's approval of the Short Term Parking Space Reservation Agreement with JP Motorsports and to authorize the Executive Director to execute same.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JUNE 19, 2017**

**TRANSPORTATION SECURITY ADMINISTRATION
RECAPITALIZATION PROJECT
BAGGAGE SCREENING EQUIPMENT
PROJECT NUMBER E16-17**

SUMMARY

As part of a U.S. Department of Homeland Security – Transportation Security Administration (“TSA”) funded multi-phase project to enhance the baggage inspection system at Hollywood Burbank Airport (“Airport”), the Operations and Development Committee meeting, at its meeting on June 5, 2017, voted 2–0 (one absent) to recommend to the Commission that it authorize the following actions:

- Authorize the Executive Director to execute Amendment #3 to the existing Other Transaction Agreement (“OTA”) between the Department of Homeland Security Transportation Security Administration (“TSA”) and the Burbank-Glendale-Pasadena Airport Authority in the amount of \$1,870,130.
- Authorize the award of contract to G & S Mechanical USA, Inc. in the amount of \$998,600 to prepare the area for the installation and connection of new baggage screening equipment.
- Authorize the Executive to execute a lump sum Professional Services Agreement (“Agreement”) with Swanson Rink, Inc. in the amount of \$78,200 to provide construction administration services.
- Approve the deployment of TBI Staff for project/construction management services in an amount not-to-exceed \$163,000.
- Authorize the establishment of a Project Aggregate Contingency of \$123,980* which is approximately 10% of the estimated total project budget.

BACKGROUND

In 2012, the TSA approached the Authority with a project that TSA implementing and funding at airports across the country. Specifically at this Airport, the project will replace four CTX 9900 in-line inspection devices with newer technology. The TSA split the project into two phases. The initial phase, project design, included the preparation of construction documents for bidding and a detailed estimate of the construction costs. At the October 1, 2012 Authority meeting, the Commission approved an “Other Transaction Agreement” (“OTA”) with TSA for

* The OTA amount for this phase of \$1,870,130 is inclusive of estimated additional work scope that has yet to be defined by the TSA in the amount of \$506,350.

the cost of the design and construction document preparation for the upgrade/replacement of the computerized tomographic x-ray ("CTX") equipment at Hollywood Burbank Airport that is used to inspect all checked baggage.

This OTA was divided into two sub-phases making solicitation of construction bids the first sub-phase, and the physical implementation of the construction effort as the second sub-phase phase. The OTA was executed by staff and the first sub-phase in the amount of \$12,100 was completed and the bid accepted by the TSA. TSA has now provided the attached Amendment #3 to the OTA seeking Authority execution for the construction phase of the project in the amount of \$1,870,130.

PROJECT DETAILS

Bid Process

Staff solicited sealed bids by using PlanetBids and advertising in the Dodge Construction News and local and minority newspapers, reaching out to local construction companies, and providing public postings on the Internet and in the Burbank, Glendale and Pasadena city halls. Bids were opened publicly on December 14, 2016 and only one contractor submitted a bid with the following results:

CONTRACTOR	BID
G&S Mechanical USA, Inc. (Wichita, KS)	\$998,600

Staff reviewed the bid and determined that the bid was responsive. Staff believes only one bid was received due to the specialized scope of work required for the installation of baggage inspection equipment. G&S Mechanical has satisfactorily completed other projects baggage inspection projects for the Authority.

FUNDING

The bidding phase of the project was not included in the proposed FY 2017-2018 budget because this is a pass-through project with a full reimbursement OTA from the TSA. There should not be any impact on the proposed budget and Staff has been assured by TSA that funding is in place and available for disbursement.

SCHEDULE

Construction will commence during a period of time that is mutually acceptable to the Authority, TSA and the Air Carriers which will have the least impact on airport operations and customer convenience.

IMPACT ON OPERATIONS

Construction work will be phased to keep the majority of the baggage inspection system operational during each phase of the construction work.

RECOMMENDATION

At the June 5, 2017, meeting of the Operations and Development Committee, it was voted 2-0 (one absent), that the Commission authorize the following actions:

- Authorize the Executive Director to execute Amendment #3 to the existing OTA between the Department of Homeland Security TSA and the Burbank-Glendale-Pasadena Airport Authority in the amount of \$1,870,130.
- Authorize the award of contract to G & S Mechanical USA, Inc. in the amount of \$998,600 to prepare the area for the installation and connection of new baggage screening equipment.
- Authorize the Executive to execute a lump sum Agreement with Swanson Rink, Inc., in the amount of \$78,200 to provide construction administration services.
- Approve the deployment of TBI staff for project/construction management services in an amount not-to-exceed \$163,000.
- Authorize the establishment of a Project Aggregate Contingency of \$123,980* which is approximately 10% of the estimated total project budget.

* The OTA amount for this phase of \$1,870,130 is inclusive of estimated additional work scope that has yet to be defined by the TSA in the amount of \$506,350.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JUNE 19, 2017**

**ARNOLD AND ASSOCIATES
LEGISLATIVE REPRESENTATION SERVICES CONTRACT**

SUMMARY

At the June 5, 2017, Legal, Government and Environmental Affairs Committee ("Committee") meeting, it voted unanimously (3–0) to recommend to the Commission that it award a three-year professional services agreement to Arnold and Associates ("Arnold") for legislative representation services in Sacramento. The proposed contract will retain the current compensation rate of \$8,000 per month plus expenses.

BACKGROUND

Arnold has provided legislative representation services in Sacramento for the Authority since 2002. The two principals at Arnold are Michael Arnold and Kristian Foy, and they bring over 65 years of combined experience to their practice of representing local governments in Sacramento. The firm has additional staff and the ability to retain outside services if needed.

Arnold was chosen through a competitive proposal selection process. Until 2014, the Authority reviewed and renewed the agreement with Arnold on an annual basis. In 2014, the Authority and Arnold executed a three-year professional services agreement with compensation set at a monthly flat fee plus expenses. That contract had a fee of \$7,000 per month in the first year and \$8,000 per month for the remaining two years. Immediately prior to that contract, Arnold's monthly fee was \$4,000 in Fiscal Year 2012, \$5,000 in Fiscal Year 2013, and \$6,000 in Fiscal Year 2014.

Staff has negotiated with Arnold a proposed new professional services agreement covering current services for a three-year term, and Arnold has proposed to continue the existing compensation rate (\$8,000 per month flat fee plus expenses) for the duration of the new contract. Monthly expenses, if any, have generally totaled between \$90 and \$100. The new agreement would be effective July 1, 2017, and would run through June 30, 2020, subject to termination for convenience by either party with 15 days' notice. A copy of Arnold's proposal and a copy of the new professional services agreement signed by Arnold are attached.

During the past three years, there has been increasing volume of proposed legislation affecting airports in the state as well as legislation which specifically involved the Hollywood Burbank Airport that has required activity and support by Arnold. Efforts by the California Airports Council ("CAC"), while effective, are required to be balanced for all of the group's members. In a number of situations, Arnold's immediate representation achieved positive results by ensuring that the Authority's unique concerns and needs were presented to the Legislature.

Arnold routinely helps identify proposed bills of interest to the Authority at the start of the legislative year and tracks proposed legislation throughout the process. Arnold periodically briefs the Committee and will assist the Authority's new Senior Director of Government and

Public Affairs with communications with members of state government, the CAC, and the legislative representatives of other airports and the aviation industry group Airlines for America.

The firm's familiarity with state lawmakers, state staff, state agencies and other legislative representatives has permitted constructive involvement in numerous issues, including:

- Extension and amendment of the Customer Facility Charge ("CFC") legislation, which provided flexibility for the permitted use of CFC revenue from rental car transactions used to finance bonds for construction of the Regional Intermodal Transportation Center;
- Reduction of CFC revenue auditing expense and oversight by the State Controller;
- Amendment of the proposed new countywide system for taxi regulation, which will ensure that the Authority retains the ability to regulate taxis at Hollywood Burbank Airport; and
- Amendment of the bill concerning airport facilities for nursing mothers to remove onerous provisions originally proposed in the measure and to provide flexibility to facilitate compliance.

In addition, Arnold has been a consistent voice for the Authority when bills affecting joint powers agencies are introduced, ensuring there is no adverse impact on the Authority. Arnold also works in tandem with the CAC to promote a broad-based aviation presence in the Capitol.

FUNDING

Subject to the approval of the Commission, the proposed FY 2017/2018 budget includes an appropriation covering the expense for this line item. If the proposed agreement is approved, funding for the second and third years of the agreement will be requested in subsequent budgets.

RECOMMENDATION

At the June 5, 2017, Legal, Government and Environmental Affairs Committee ("Committee") meeting, it voted unanimously (3–0) to recommend to the Commission that it award a three-year professional services agreement to Arnold for legislative representation services in Sacramento

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JUNE 19, 2017**

**AWARD OF CONTRACT
EXTERNAL AUDITING SERVICES
MACIAS GINI & O'CONNELL LLP**

SUMMARY

At the June 5, 2017, meeting of the Finance and Administration Committee ("Committee"), the Committee voted unanimously (3-0) to recommend to the Commission that it approve a Professional Services Agreement (copy attached) to Macias Gini & O'Connell LLP ("MGO") in a not-to-exceed amount of \$605,426 for external auditing services for the fiscal years ("FY") 2017 through FY 2019 with two one-year option periods for FY2020 and FY2021, and with an option for a Forecasted Revenues and Costs audit. The contract will have a not-to-exceed amount of \$322,947 for the three-year base period, not-to-exceed amounts of \$112,962 and \$115,517 for the option periods, and a not-to-exceed amount of \$54,000 for the Forecasted Revenues and Costs audit.

BACKGROUND

The Authority requires annual audits of its Basic Financial Statements ("BFS"), as well as its federal grant programs ("Single Audit"), Passenger Facility Charge program ("PFC"), Customer Facility Charge program ("CFC"), and compliance with covenants of its bond indenture. These audits must be performed by a qualified independent external auditing firm.

Upon completion of the FY2016 audit and issuance of all related reports, Staff issued a request for proposals ("RFP") for external auditing services of the Authority's financial statements identified above for the fiscal years ending June 30, 2017 through 2019, with two one-year option periods. The RFP, issued on February 15, 2017, was issued through the PlanetBids System.

The PlanetBids system provided a significant outreach to potential external audit firms and the Authority received proposals from sixteen firms. Upon review, seven proposals were deemed to be responsive to the RFP requirements. The seven firms were, in alphabetical order:

- BKD LLP
- Crowe Horwath
- LSL CPAs
- Macias Gini & O'Connell LLP
- Moss Adams LLP
- Vasquez & Co.
- Vavrineck, Trine, Day & Co., LLP

EVALUATION PROCESS

The evaluation of each proposal consisted of the following criteria:

- Firm suitability and capability
- Expertise and experience
- Audit and technical approach
- Price including level of staff and audit hours proposed
- References

A five-person evaluation team reviewed the technical and cost proposals of the respondents. The evaluation team consisted of: the Assistant Controller; the Director, Engineering and Planning; the Director, Operations and Maintenance; the Deputy Executive Director, Finance and Administration; and the Senior Deputy Executive Director. The respondents represent a cross-section of sizes of independent auditing firms ranging from a large national public accounting firm, mid-size regional firms, and smaller local firms.

Using an equally weighted average points-allocation process for each of the criteria above, out of 500 total available points (100 points per evaluator) the scoring, ranking and pricing for each firm was as follows:

<u>Firm</u>	<u>Score</u>	<u>Rank</u>	<u>Price (5 Year)</u>
• BKD LLP	430	2	\$ 710,380
• Crowe Horwath	410	3	\$ 651,845
• LSL CPAs	382	7	\$ 503,470
• Macias Gini & O'Connell LLP	471	1	\$ 605,426
• Moss Adams LLP	404	4	\$ 581,750
• Vasquez & Co.	397	6	\$ 548,141
• Vavrineck, Trine, Day & Co., LLP	403	5	\$ 600,285

Each of the evaluators ranked the firms differently and MGO was ranked the highest by four out of the five evaluators. While each firm has a level of experience auditing governments and transportation agencies, BKD LLP and MGO have the most depth and experience auditing commercial airports. However, MGO has greater experience with commercial airports as a firm and has a local office presence in Southern California. While not proposing the lowest level of fees, based on its audit approach and its estimated audit hours by audit segment and staff classification for tasks required, MGO was deemed by the evaluation team to have the best grasp of the nature of these audits.

MGO has served as the Authority's external auditor and performed satisfactorily during the past ten years. It is also credited with assisting the Authority in successfully issuing the State's first CRCF Forecast Report under the amended CFC enabling legislation.

FEES

The proposed not-to-exceed fees for the base period, the option periods, and the additional service for an audit to adjust the CFC for the CRCF are as follows:

Basic contract:	
FY 2017	\$ 105,167
FY 2018	107,413
FY 2019	<u>110,367</u>
Total basic contract	<u>322,947</u>
Option periods:	
FY 2020	112,962
FY 2021	<u>115,517</u>
Total option periods	<u>228,479</u>
Total annual audits	551,426
CRCF Forecast audit (*)	<u>54,000</u>
Grand total	<u>\$ 605,426</u>

(*) – if required

BUDGET IMPACT

Appropriations for the external audit services will be included in the proposed FY2018 Budget and subsequent fiscal years during the term of the agreement.

RECOMMENDATION

With the recommendation from the Finance and Administration Committee, Staff seeks a Commission approval to award a Professional Services Agreement to MGO in a not-to-exceed amount of \$605,426 as set forth above for external auditing services for FY 2017 through FY 2019 with two one-year option periods for FY2020 and FY2021, and with an option for an audit of Forecasted Revenues and Costs to support a rate level change in the CFC.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JUNE 19, 2017**

**REVIEW OF THE PROPOSED
FISCAL YEAR 2017/2018 ("FY 2018") ANNUAL BUDGET;
AND
PROPOSED RESOLUTION NO. 475,
A RESOLUTION OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTING THE FISCAL YEAR 2017/2018 ("FY 2018") ANNUAL BUDGET**

RECOMMENDATION

Staff seeks Commission approval of the attached Resolution No. 475, which adopts the proposed Fiscal Year 2017/2018 ("FY 2018") budget. This proposed budget provides a comprehensive balanced financial program which identifies all anticipated expenditures for the next year including the estimated Operations and Maintenance expenditures and the proposed Facility Improvement ("Capital") Program. The budget identifies all proposed funding sources as detailed in the Revenue Summary section of the attached documents.

At the June 5, 2017, Finance and Administration Committee meeting, the Committee voted unanimously (3–0) to recommend to the Commission that it approve the proposed FY ("FY 2018") 2017/2018 budget.

Enclosed in the agenda package is a workbook which provides detailed information regarding the proposed FY 2018 financial budget program.

RESOLUTION NO. 475

**A RESOLUTION OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTING THE FISCAL YEAR 2017/2018 ("FY 2018") ANNUAL BUDGET**

THE BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY DOES
RESOLVE AS FOLLOWS:

SECTION 1. The proposed financial budget for the fiscal year commencing July 1, 2017, and ending June 30, 2018, is set forth in that certain document entitled "Burbank-Glendale-Pasadena Airport Authority Adopted FY 2017/2018 ("FY 2018") Budget" and the same is hereby approved and adopted.

SECTION 2. There is hereby appropriated to each account as set forth in the "REVENUE SUMMARY," the "EXPENDITURE SUMMARY" and accompanying exhibits of the Burbank-Glendale-Pasadena Authority Adopted FY 2017/2018 ("FY 2018") Budget the sums shown for the categories therein set forth, and the Director, Financial Services, is hereby authorized and empowered to expend such for the purposes of such accounts subject to the review and approval of the Executive Director and/or his/her designee.

SECTION 3. The authorization granted to the Director, Financial Services, in Section 2 of this resolution is hereby made subject to the terms of the Authority's Expenditure policy.

ADOPTED, this 19th day of June 2017.

Bill Wiggins, President
Burbank-Glendale-Pasadena Airport Authority

Attest:

Zareh Sinanyan, Secretary

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2017/2018 ("FY 2018") BUDGET

SOURCES OF FUNDS: SUMMARY

	Adopted Budget FY 2018	Adopted Budget FY 2017	\$ Change
Rentals	\$13,840,000	\$13,140,000	\$700,000
Parking	19,125,000	20,175,000	(1,050,000)
Concessions	8,850,000	8,560,000	290,000
Landing Fees	3,235,000	2,950,000	285,000
Investment Income	2,650,000	2,100,000	550,000
*1) Ground Transportation	2,145,000	465,000	1,680,000
Other Revenues	1,035,000	1,055,000	(20,000)
Total Operating Revenues	\$50,880,000	\$48,445,000	\$2,435,000
PFC Revenues / Reserves	\$5,242,120	\$8,009,065	(\$2,766,945)
AIP / Other Grants	10,737,880	16,275,935	(5,538,055)
Facility Development Reserve Funds	4,680,000	7,680,000	(3,000,000)
CFC Fees: 2012 Bond Issue	5,040,000	5,040,000	0
Facility Rent - RAC: 2012 Bond Issue	794,996	793,563	1,433
Facility Rent - RAC: Loan Principal	255,930	322,498	(66,568)
Total Nonoperating Sources	\$26,750,926	\$38,121,061	(\$11,370,135)
Total	\$77,630,926	\$86,566,061	(\$8,935,135)

USES OF FUNDS: SUMMARY

	Adopted Budget FY 2018	Adopted Budget FY 2017	\$ Change
Bond P & I (2012 Issue)	\$5,834,996	\$5,833,563	\$1,433
Bond P & I (2015 Issue)	4,565,750	4,563,950	1,800
Subtotal Debt Service	10,400,746	10,397,513	3,233
Operations and Maintenance	43,682,720	41,353,040	2,329,680
Total Operating Expenses	\$54,083,466	\$51,750,553	\$2,332,913
Facility Improvements			
Noise Mitigation / Abatement	\$1,000,000	\$500,000	\$500,000
Other Improvements	16,460,000	26,865,000	(10,405,000)
Development	3,200,000	4,600,000	(1,400,000)
Total Improvement Program	\$20,660,000	\$31,965,000	(\$11,305,000)
Additional O & M Reserve	\$582,420	\$366,400	\$216,020
Facility Dev. Fund Reimbursement	\$255,930	\$322,498	(\$66,568)
Parking Tax	\$2,049,110	\$2,161,610	(\$112,500)
Total	\$77,630,926	\$86,566,061	(\$8,935,135)

*1) Ground Transportation is a new category, commencing in FY 2018, that reflects both TNC drop-off and pick-up fees. Also included in this new category are taxi, shuttle and off-airport parking operator fees. All of these fees were previously reported as part of the Other Revenues category, with the exception of TNC pick-up fees, which were previously reported as part of Parking Revenues.

**ADOPTED FY 2017/2018 ("FY 2018") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENDITURES**

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2018	ADOPTED BUDGET FY 2017	\$ AMOUNT CHANGE
8000	Regular Wages	\$2,882,067	\$2,568,249	\$313,818
8012	Overtime Wages	310,000	310,000	0
8100	Sick Leave	243,420	222,032	21,388
8102	Vacation	237,675	238,770	(1,095)
8103	Payroll Taxes	289,213	262,973	26,240
8104	Workers' Compensation Insurance	485,000	440,000	45,000
8105	Group Insurance	372,858	339,318	33,540
8106	State Unemployment Insurance	5,000	5,000	0
8107	Retiree Medical Trust	49,200	0	49,200
8109	Holiday	193,998	174,608	19,390
8110	Employee Retirement Plan	248,238	225,263	22,975
8111	Employee Medical Opt Out	43,200	37,800	5,400
8115	FSA Admin.	900	900	0
8120	Certification Pay	75,100	44,100	31,000
8125	Training Pay	12,300	11,700	600
8200	Office Supplies	65,000	63,250	1,750
8202	Periodicals, Maps and Pamphlets	6,500	9,700	(3,200)
8204	Printing and Binding	14,100	14,100	0
8206	Special Office / Other Supplies	89,700	89,700	0
8208	Postage	14,500	15,790	(1,290)
8210	Office / Noise Equipment Service	142,000	140,500	1,500
8212	Copy Machine Lease	19,575	15,000	4,575
8214	Office Equipment Rent	700	700	0
8216	Photographic Expense	2,250	3,300	(1,050)
8252	Recruitment Expense	40,000	40,000	0
8254	Membership Dues	125,000	109,000	16,000
8256	Uniform Expense	85,350	79,650	5,700
8258	Commission Meeting	190,000	198,000	(8,000)
8260	Conference Meeting	95,000	87,750	7,250
8261	Training Expense	330,000	247,310	82,690
8302	Fuel, Oil and Lubricants	425,000	465,000	(40,000)
8303	Low Value Communications Equipment	12,000	13,000	(1,000)
8304	Low Value Machinery / Equipment	26,500	31,500	(5,000)
8305	Low Value Furniture / Fixtures	21,250	24,500	(3,250)
8306	Vehicle Repair / Maintenance Supplies	67,700	63,500	4,200
8308	General Repair / Maintenance	168,950	135,500	33,450
8316	Shop Supplies	77,600	75,550	2,050
8318	Electrical Supplies	73,850	68,250	5,600
8320	Plumbing, Heating and Air Conditioning	85,000	78,875	6,125
8322	Building / Construction Supplies	86,250	99,250	(13,000)
8324	Telephone Expense	325,000	325,000	0
8326	Communications Maintenance	53,200	48,700	4,500
8332	Industrial Chemical Supplies	19,200	12,500	6,700

**ADOPTED FY 2017/2018 ("FY 2018") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENDITURES**

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2018	ADOPTED BUDGET FY 2017	\$ AMOUNT CHANGE
8334	Operating / Maintenance Equipment Lease	\$54,300	\$49,300	\$5,000
8335	Other Leases / Rentals	36,000	36,000	0
8336	Utility – Gas	37,000	37,000	0
8338	Utility – Electric	1,590,000	1,575,000	15,000
8340	Utility – Water	395,000	395,000	0
8341	Sign Repair and Maintenance	60,000	69,500	(9,500)
8342	Landscaping Expense	205,500	195,500	10,000
8344	Paint Expense	115,100	115,100	0
8604	ARFF Services	3,030,992	3,030,992	0
8606	Tenant Janitorial Services	525,000	490,000	35,000
8607	Janitorial Services	720,000	720,000	0
8608	Refuse Collection	171,500	140,000	31,500
8610	Contractual Building Repair	158,000	149,750	8,250
8612	Contractual Systems Repair	903,900	842,850	61,050
8620	Contractual Vehicle Maintenance	385,400	425,000	(39,600)
8622	Other Contracted O & M Costs	1,141,960	896,635	245,325
8625	Contractual Parking Ops. (Self-Park / Valet)	4,690,000	4,690,000	0
8626	Contractual Transportation Services	2,363,574	2,350,000	13,574
8702	Noise Consultants	68,500	66,000	2,500
8704	Legal Services	650,000	650,000	0
8706	Audit Services	115,000	110,000	5,000
8708	Professional Management Services	12,900,325	12,140,450	759,875
8709	Engineering Services	100,000	60,000	40,000
8710	Financial Services	805,700	808,000	(2,300)
8711	Other Professional Services	1,546,000	1,362,400	183,600
8715	Environmental Services	65,000	44,500	20,500
8804	Bad Debt Expense	4,000	4,000	0
8816	Insurance	1,575,000	1,450,000	125,000
8818	Public Relations / Advertising	120,000	113,000	7,000
8819	Air Service Retention and Development	609,425	375,000	234,425
8822	Licenses, Permits and Fees	125,000	118,275	6,725
8825	Uninsured Loss	10,000	10,000	0

TOTAL O & M EXPENSES	\$43,386,520	\$40,954,840	\$2,431,680
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O & M EQUIPMENT AND PROJECTS

9010	Vehicles / Equipment	\$108,000	\$297,700	(\$189,700)
9022	Other Machinery / Equipment	93,200	49,500	43,700
9024	Furniture / Fixtures	10,000	10,000	0
9026	Office Equipment / Systems	85,000	41,000	44,000

TOTAL O & M EQUIPMENT / PROJECTS	\$296,200	\$398,200	(\$102,000)
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TOTAL OPERATIONS AND MAINTENANCE	\$43,682,720	\$41,353,040	\$2,329,680
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Burbank-Glendale-Pasadena Airport Authority
ADOPTED FY 2017/2018 ("FY 2018") - Facility Improvement Program ("Capital") Budget

PRIORITY CODE / PROJECT DESCRIPTION		Cost	Funded By PFC	Funded By Grant	Airport Share
BUILDING IMPROVEMENTS					
H	Hangar #34 Roof Replacement <i>(completion)</i>	\$ 485,000	\$ -	\$ -	\$ 485,000
H	Maintenance Bldg. Electrical Upgrade <i>(completion)</i>	225,000	-	-	225,000
H	Building #36 Server Room Upgrade <i>(completion)</i>	100,000	80,000	-	20,000
H	Terminal High Voltage Electrical Upgrades	250,000	175,000	-	75,000
M	Minor Building Improvements	250,000	-	-	250,000
TOTAL BUILDING IMPROVEMENTS		\$ 1,310,000	\$ 255,000	\$ -	\$ 1,055,000
OTHER IMPROVEMENTS					
H	Airport Branding: Infrastructure and Sign Modifications	\$ 250,000	\$ -	\$ -	\$ 250,000
TOTAL OTHER IMPROVEMENTS		\$ 250,000	\$ -	\$ -	\$ 250,000
IT / COMMUNICATIONS / SECURITY					
H	Interactive Employee Training (IET) System Replacement	\$ 200,000	\$ 200,000	\$ -	\$ -
H	DVSS Camera Replacement	100,000	100,000	-	-
H	Network Switch Replacement	100,000	-	-	100,000
H	Primary LAN Blade Server Replacements	80,000	-	-	80,000
TOTAL IT / COMMUNICATIONS / SECURITY		\$ 480,000	\$ 300,000	\$ -	\$ 180,000
EQUIPMENT					
H	Parking Revenue Control Equipment - Valet	\$ 185,000	\$ -	\$ -	\$ 185,000
M	Airfield Maintenance Equipment	425,000	425,000	-	-
TOTAL EQUIPMENT		\$ 610,000	\$ 425,000	\$ -	\$ 185,000
RUNWAY / TAXIWAY / ROADWAY PROJECTS					
H	Runway 15-33 Rehabilitation	\$ 11,300,000	\$ 2,193,330	\$ 9,106,670	\$ -
H	Taxiway C & D and GA Ramp Rehabilitation - Design	900,000	174,690	725,310	-
H	Ramp / Taxiway Rehabilitation	700,000	700,000	-	-
H	Airside Paving Replacement	350,000	-	-	350,000
M	Landside Paving Replacement	360,000	-	-	360,000
M	Public Parking Lot Improvements	200,000	-	-	200,000
TOTAL RUNWAY / TAXIWAY / ROADWAY		\$ 13,810,000	\$ 3,068,020	\$ 9,831,980	\$ 910,000
NOISE MITIGATION					
M	Residential Acoustical Treatment Program <i>(multi-year)</i>	\$ 1,000,000	\$ 194,100	\$ 805,900	\$ -
TOTAL NOISE MITIGATION		\$ 1,000,000	\$ 194,100	\$ 805,900	\$ -
DEVELOPMENT					
H	Replacement Passenger Terminal Project <i>(multi-year)</i>	\$ 3,100,000	\$ 1,000,000	\$ -	\$ 2,100,000
M	Transportation Planning <i>(multi-year)</i>	100,000	-	100,000	-
TOTAL DEVELOPMENT		\$ 3,200,000	\$ 1,000,000	\$ 100,000	\$ 2,100,000
TOTAL FACILITY IMPROVEMENT PROGRAM		\$ 20,660,000	\$ 5,242,120	\$ 10,737,880	\$ 4,680,000

Notes:

- 1) The FY 2018 budget utilizes reserves previously set aside in the Facility Development Fund to cover the Airport share of capital project costs.
- 2) RPZ Land Acquisition - Hollyona Property subject to City of Burbank PUC Application currently in process. No appropriation request included in FY 2018 Capital budget.
- 3) An additional TSA funded Recapitalization Project (Checked Baggage Screening Equipment replacement program) governed under an Other Transaction Agreement ("OTA") is a pass-through project which does not yield an asset to the Authority. Therefore, it is not included in the above.