



April 1, 2021

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 Monday, April 5, 2021, at 9:30 a.m., or immediately following the Commission meeting, in the Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Commission or staff may participate in this meeting via teleconference. In the interest of maintaining appropriate social distancing, members of the public may observe and participate in the meeting telephonically through the following number:

Dial In: (978) 990-5000

Access Code: 880737#

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

REGULAR MEETING
OF THE
FINANCE AND ADMINISTRATION COMMITTEE

Skyroom

Monday, April 5, 2021

9:30 a.m., or Immediately Following
the Conclusion of the
Commission Meeting

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

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

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

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



The following activities are prohibited:

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



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



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

AGENDA

Monday, April 5, 2021

1. Roll Call
2. Staff Announcement: AB 23
3. Approval of Agenda
4. Public Comment
(For items not on the Agenda. Public Comment on specific Agenda items will be received at the time the item is presented.)
5. Approval of Minutes
 - a. March 15, 2021 *[See page 1]*
6. Items for Approval
 - a. Award of Service Agreement – Armored Vehicle and Cash Management Service *[See page 3]*
 - ***A staff report is attached. Staff seeks a Finance and Administration Committee recommendation to the Commission to approve a Service Agreement for Armored Vehicle and Cash Management Services (“Agreement”) with Brinks, Inc., for the rental of smart equipment and armored car pickup and delivery services. These services under the proposed Agreement are for a three-year period beginning May 1, 2021, with two one-year options.***
 - b. Exercise of Extension Option – External Auditing Services *[See page 6]*
Macias Gini & O’Connell LLP
 - ***A staff report is attached. Staff seeks a recommendation from the Finance and Administration Committee to the Commission to exercise the second one-year extension option of the Professional Services Agreement for External Auditing Services with Macias Gini & O’Connell LLP for the term beginning April 1, 2021 to March 31, 2022 and to undertake the audits of the Authority’s financial statements for the fiscal year ending June 30, 2021.***

7. Items for Discussion

a. FY 2022 Budget Development (Capital Projects)

[No staff report]

- ***No staff report is attached. Staff will update the Committee on the FY 2022 budget development with an emphasis on Capital Projects.***

8. Items for Information

a. Committee Pending Items

[See page 8]

9. Adjournment

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

MONDAY, MARCH 15, 2021

A regular meeting of the Finance and Administration Committee was called to order on this date in the Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California, at 12:00 p.m., by Commissioner Selvidge.

1. ROLL CALL

Present:

Commissioners Selvidge, Najarian (both via teleconference), and Adams

Absent:

None

Also Present:

Staff: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Scott Kimball, Deputy Executive Director, Operations, Properties and SMS; David Kwon, Director, Financial Services

2. Staff Announcement: AB 23

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

3. Approval of Agenda

The agenda was approved as presented.

4. Public Comment

There were no public comments.

5. Approval of Minutes

a. February 16, 2021

Draft minutes for the February 16, 2021, meeting of the Finance and Administration Committee meeting was presented for approval.

Motion

Commissioner Najarian moved approval of the minutes, seconded by Commissioner Adams.

Motion Approved

There being no objection a voice vote was taken to accommodate those participating via teleconference. The motion was approved (3–0).

6. Treasurer's Report

a. January 2021

A copy of the January 2021 Treasurer's Report was included in the agenda packet for the Committee's review.

Motion

Commissioner Najarian moved approval of the minutes, seconded by Commissioner Adams.

Motion Approved

There being no objection a voice vote was taken to accommodate those participating via teleconference. The motion was approved (3–0) that it be forwarded to the Commission for note and file.

7. Items for Discussion

a. FY 2022 Budget Development

Staff presented and discussed with the Committee the significant and noteworthy issues with developing the FY 2022 budget.

8. Items for Information

a. Committee Pending Items

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

9. Adjournment

There being no further business to discuss, the meeting was adjourned at 12:32 p.m.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
APRIL 5, 2021**

**AWARD OF SERVICE AGREEMENT
ARMORED VEHICLE AND CASH MANAGEMENT SERVICES**

Presented by David Kwon
Director, Financial Services

SUMMARY

Staff seeks a Finance and Administration Committee (“Committee”) recommendation to the Commission to approve a Service Agreement for Armored Vehicle and Cash Management Services (“Agreement”) with Brinks, Inc. (“Brinks”), copy attached, for the rental of smart equipment and armored car pickup and delivery services. These services under the proposed Agreement are for a three-year period beginning May 1, 2021, with two one-year options.

BACKGROUND

In October 2014, the Authority awarded a five-year agreement to Brinks for the rental of smart equipment units and armored car services for pickup and delivery services from the Airport’s parking operations. The smart equipment is a storage system with smart technology and provides additional security and reporting functionality. In October 2019, the agreement was extended for an additional one-year period and extended again to April 30, 2021, to maintain continuity of operations during the COVID-19 pandemic while Staff undertook the procurement process to pursue competitive bids for these specialized services.

The Authority’s parking operations has multiple locations where the smart equipment units are installed. The current smart equipment units were installed and are maintained by the current armored vehicle services vendor, Brinks.

Currently, the Authority has temporarily closed Lots A and C due to the reduction of passenger activity from the COVID-19 pandemic. As a result, three of the six smart equipment units are currently not being utilized. Additionally, Brinks is currently phasing out its older smart equipment models and has recommended that all its customers transition to a new smart equipment model. Due to the current uncertain environment and the fluid nature of the Authority’s parking operations, Staff prepared and issued a request for bids (“RFB”) that allows for flexibility in scope of services as the Authority’s needs change in the future, while still maintaining its current level of internal controls over the parking operations.

DETAILS

In December 2020 an RFB for these services was issued and posted on the PlanetBids platform. The RFB sought bids for: (1) smart equipment rental that provides a higher level of security, fraud detection, and real-time reporting functionality that meets the Authority’s bank

requirements; (2) once-a-week (business day) pickup services with same-day delivery to the Authority's bank; and (3) daily and weekly count reporting used to reconcile with parking shift reports and other activity reports. The RFB also included provisions to allow the Authority to update the number of smart equipment rentals and to change the locations and frequency of pickup services as the Authority's parking needs change in the future.

In response to this request, the Authority received only one response which was from the Authority's incumbent vendor, Brinks. Staff reached out to the other armored vehicle service providers to inquire why they did not respond to the request with various responses given from missing the deadline due to employees being out, an inability to respond to the required scope of services, and difficulty using PlanetBids. Based on the feedback from these companies, Staff re-issued the RFB on February 1, 2021, through both PlanetBids and direct e-mail with a response deadline of February 17, 2021. Again, the only response received was received from Brinks. Brinks is one of four armored vehicle service providers that has smart equipment that meets the Authority's bank requirements.

PROGRAM COSTS

Brink's proposal includes the rental of its smart equipment acceptable to the Authority's bank, a standard equipment warranty, cost for the armored vehicle services as well as applicable taxes. The proposal for the first year is \$17,532 with an increase of CPI plus 2% each year thereafter. This represents a decrease of \$26,604 in the first year attributable to the reduction of equipment rentals from six to three as well as a decrease in the per unit rental cost from \$613 to \$487 per month. The first year additionally has a one-time cost for removal of current equipment which is \$2,097, with no cost for the installation of the new equipment.

| Services | Current | Proposed |
|--|-----------------|-----------------|
| Rental and service cost (per unit) | \$613/mo. | \$487/mo. |
| Number of Equipment Rentals | 6 | 3 |
| Rental and service cost per month | \$3,678/mo. | \$1,461/mo. |
| Total Annual Cost | \$44,136 | \$17,532 |
| First Year Costs | Per Unit | Total |
| Remove Current Unused Equipment (3 units) | \$699 | \$2,097 |
| Equipment Shipping Fee | Included | \$0 |
| Equipment Replacement & Installation (3 units) | Included | \$0 |
| First Year One-Time Cost | | \$2,097 |

Over the tenure of the current agreement, Brinks has performed satisfactorily. Based on Staff's evaluation of Brink's proposed smart equipment specifications, armored vehicle and other services, overall ability of vendor representatives to meet the service requirements of the Authority, and overall cost of services, Staff is recommending an award of contract to Brinks for these services.

FUNDING

The funding for these services is included in the adopted FY 2021 budget. Appropriations for these services will be made in future year budgets.

STAFF RECOMMENDATION

Staff seeks the Committee's recommendation to the Commission to award the proposed Agreement to Brinks for the rental of smart equipment and armored vehicle services, and authorize the President to execute the same.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
APRIL 5, 2021**

**EXERCISE OF EXTENSION OPTION
EXTERNAL AUDITING SERVICES
MACIAS GINI & O'CONNELL LLP**

Presented by David Kwon
Director, Financial Services

SUMMARY

Staff seeks a recommendation from the Finance and Administration Committee (“Committee”) to the Commission to exercise the second one-year extension option of the Professional Services Agreement for External Auditing Services (“Agreement”) with Macias Gini & O’Connell LLP (“MGO”) for the term beginning April 1, 2021 to March 31, 2022 and to undertake the audits of the Authority’s financial statements for the fiscal year ending June 30, 2021.

BACKGROUND

As part of its required statutory fiduciary obligations, and as part of its grant requirements for receiving federal grants, the Authority routinely contracts with outside financial auditors to audit and report on its financial transactions.

The required financial statements of the Authority that are currently audited by MGO in accordance with the Agreement, include the following:

- Basic Financial Statements (“BFS”)
- Single Audit Reports (audit of federal grant programs)
- Passenger Facility Charge program (“PFC”)
- Customer Facility Charge program (“CFC”)
- Report on Compliance with Section 6.05 of the Bond Indenture

The Agreement is for an initial three-year term with two one-year extension options. These extensions are at the discretion of the Authority and the first extension was exercised last year. Since MGO has continued to perform satisfactorily, Staff is recommending to the Committee that it is in the best interest of the Authority to exercise the second of the available one-year extension options.

FUNDING

The Agreement sets a not-to-exceed annual fee for the audits of the Authority’s financial statements with an average annual increase of 3% for each succeeding year. The not-to-exceed fees for the audit of the fiscal year 2021 financial statements is \$115,517. Funding for these services were included in the approved FY 2021 budget. Appropriations for the proposed extension will be included in the FY 2022 budget development.

If necessary, the Authority may request MGO to perform additional services to either supplement the audit services or to perform additional work because of a specific recommendation included in any report related to the audits. If such services are required, the services would be separately identified and at rates for each staff classification as set forth in the Agreement.

STAFF RECOMMENDATION

Staff seeks the Committee's recommendation to the Commission to exercise the second one-year extension option of the Agreement with MGO to extend the term from April 1, 2021 to March 31, 2022 and to undertake the audits of the Authority's financial statements for the fiscal year ending June 30, 2021.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FINANCE AND ADMINISTRATION COMMITTEE
APRIL 5, 2021**

COMMITTEE PENDING ITEMS

Future

1. FY 2022 Budget Development (Budget Assumptions - continued)
2. Award of Hangar Lease (Renewal) – Hangar 37 (ATT Services Inc.)
3. Award of Hangar Lease (Renewal) – Hangar 2 (JetSuite)
4. Award of Ground Development Lease (Lot C)
5. Approval of Amendment of Concession Agreement - Hudson
6. Succeeding Lease - TSA