

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Regular Meeting of Monday, April 6, 2015

9:00 A.M.

NOTE TO THE PUBLIC: Prior to consideration of business items, the Authority invites comment on airport-related matters during the Public Comment period. 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 discloseable 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 Bob Hope Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.

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

1. PLEDGE OF ALLEGIANCE

2. ROLL CALL

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT

5. CONSENT CALENDAR

a. December 2014 and January 2015 Treasurer's Reports

[See page 1]

b. Increase of Approved Contingency Project Number
E13-09 Terminal High Voltage Improvements

[See page 44]

6. ITEMS FOR COMMISSION APPROVAL

- a. Authorization to Engage an Art Consultant *[See page 46]*
- b. Approval to Execute Extension Option of the External Auditing Services Agreement with Macias Gini & O'Connell LLP *[See page 49]*
- c. Amendment to Investment Custodial Agreements with Bank of America *[See page 52]*
- d. Marathon Communications, Inc. Extension of Purchase Order For Outreach Services *[See page 76]*
- e. Parking Access and Revenue Control System Assure 4 Maintenance Service Contract *[See page 77]*
- f. Increase of Approved Contingency Project Number E14-12-14 Other Transaction Agreement Transportation Security Administration Baggage Recapitalization Design *[See page 80]*
- g. TBI Airport Management Contract Amendment *[See page 82]*
- h. Authorization to Proceed with B-6 Property Disposition *[See page 84]*

7. ITEMS FOR COMMISSION DISCUSSION

- a. Burbank-Glendale-Pasadena Airport Authority Airport Revenue Bonds, 2015 Series A and B *[No Staff Report]*
- b. Parking Update *[No Staff Report]*

8. ITEMS FOR COMMISSION INFORMATION

- a. Airline Schedule Analysis *[See page 86]*
- b. February 2015 Passenger/Cargo Statistics and Parking Information *[See page 92]*

9. CLOSED SESSION

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

Property:	B-6 Property Easements
Authority Negotiator:	Executive Director
Negotiating Party:	City of Burbank
Under Negotiation:	Price and Terms of Payment

Property:	B-6 Property
Authority Negotiator:	Executive Director
Under Negotiation:	Price and Terms of Payment

b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of Litigation (California Government Code Section 54956.9(d)(4)):
Three potential cases.

c. THREAT TO PUBLIC SERVICES OR FACILITIES
(California Government Code Section 54957(a))

Consultation with Director of Public Safety

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

1) Title: Executive Director

2) Title: Senior Deputy Executive Director

10. ADJOURNMENT

COMMISSION NEWSLETTER

April 6, 2015

[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. TREASURER'S REPORTS – DECEMBER 2014 AND JANUARY 2015 – No staff report is attached. Included in the agenda packet are Treasurer's Reports for December 2014 and January 2015. The reports were presented to the Finance and Administration Committee at its March 16, 2015, meeting at which time the Committee recommended 2-0 (one absent) that they be noted and filed by the Commission.
- b. INCREASE OF APPROVED CONTINGENCY PROJECT NUMBER E-13-09 TERMINAL HIGH VOLTAGE PROJECT – A staff report is attached. This item has been included in the Commission's agenda subject to the review and recommendation of the Operations and Development Committee at its meeting immediately prior to the Commission meeting.

Staff recommends to the Commission that it approve an increase to the approved contingency for the Terminal High Voltage Improvements project in the amount of \$80,000 to cover additional cost due to unforeseen conditions of the current high voltage system.

6. ITEMS FOR COMMISSION APPROVAL

- a. AUTHORIZATION TO ENGAGE AN ART CONSULTANT – A staff report is attached. At its meeting on March 16, 2015, the Legal, Government and Environmental Affairs Committee unanimously voted (3-0) to recommend that the Commission authorize Staff to conduct a search for a qualified art consultant and to negotiate an engagement of the consultant that would commence in July 2015 to coordinate the art selection and installation process to satisfy the City of Burbank Art in Public Places requirement for the Regional Intermodal Transportation Center at the Bob Hope Airport.
- b. APPROVAL TO EXECUTE EXTENSION OPTION OF THE EXTERNAL AUDITING SERVICES AGREEMENT WITH MACIAS GINI & O'CONNELL LLP – A staff report is attached. The purchase order and Professional Services Agreement ("Agreement") for External Auditing Services between the Burbank-Glendale-Pasadena Airport Authority ("Authority") and Macias Gini & O'Connell LLP ("MGO") ("Agreement") is nearing the end of the base period term, which expires on March 31, 2015. The Agreement, which was awarded on a competitive basis on May 7, 2012, provides for audits of the Authority's financial statements for fiscal years ended June 30, 2012, 2013 and 2014, with two one-year options to extend the Agreement, at the Authority's option with 30 days' prior written notice, for audits of the Authority's financial statements for fiscal years ending June 30, 2015, and 2016.

At its March 16, 2015, meeting, the Finance and Administration Committee unanimously recommended 2-0 (one absent) that the Commission authorize Staff to provide written notice to MGO of the Authority's intention to exercise Option No. 1 to extend the term of the Agreement with MGO for the period April 1, 2015, to March 31, 2016, for audits of the Authority's financial statements for fiscal year 2015.

- c. AMENDMENT TO INVESTMENT CUSTODIAL AGREEMENTS WITH BANK OF AMERICA – A staff report is attached. Bank of America, N.A. ("BofA") provides investment custody services for the Authority's Operating and Passenger Facility Charge ("PFC") investment portfolios. These portfolios are managed by Columbia Management Investment Advisors, Inc. ("CMIA") in accordance with the Authority's annual investment policy. BofA is amending all custody agreements with clients of CMIA to establish custody fees that will now be based on the balance held in such custody accounts. Previously, these services were provided free of charge.

At its March 16, 2015, meeting, the Finance and Administration Committee ("Committee") unanimously recommended (3-0) that the Authority amend the investment custody agreements with BofA effective April 1, 2015, per the attached proposed amendments (Attachments 1 and 2) and authorize the Authority Treasurer to execute same. However, the Committee also directed Staff to further discuss the rates for custody services with Bank of America to seek a lower fee. Based on discussions with BofA, BofA has agreed to reduce its fee from an estimated annual cost of \$21,000 to \$18,000. The attached proposed amendments reflect this fee reduction.

- d. MARATHON COMMUNICATIONS, INC. EXTENSION OF PURCHASE ORDER FOR OUTREACH SERVICES. A staff report is attached. At its meeting on March 2, 2015, the Legal, Government and Environmental Affairs Committee voted 2-0 (one absent) to recommend that the Commission authorize the Executive Director to extend the current Purchase Order with Marathon Communications, Inc. ("Marathon") in the not-to-exceed monthly amount of \$10,000 plus reimbursement of up to \$500 per month for out-of-pocket expenses such as preparation of meeting handout materials, mileage, photocopy, etc. on a month-to-month basis cancelable with 30 days' notice.
- e. AWARD OF CONTRACT – PARKING ACCESS AND REVENUE CONTROL SYSTEM ASSURE 4 MAINTENANCE CONTRACT. A staff report is attached. This item has been included in the Commission's agenda package subject to the review and recommendation of the Operations and Development Committee at its meeting immediately prior to the Commission meeting.

Subject to the recommendation of the Operations and Development Committee, Staff seeks the approval of the Commission that it enter into a new five-year Assure 4 Maintenance Service Contract, copy attached, with Sentry Control Systems, LLC for maintenance of the Skidata Parking Access and Revenue Control System in the amount of \$1,006,461.36, payable in future budget years. Included in this cost is the replacement of all system computers in year four of the contract.

- f. INCREASE OF APPROVED CONTINGENCY PROJECT NUMBER E14-12-14 OTHER TRANSACTION AGREEMENT TRANSPORTATION SECURITY ADMINISTRATION ("TSA") BAGGAGE RECAPITALIZATION DESIGN – A staff report is attached. This item has been included in the Commission's agenda package

subject to the review and recommendation of the Operations and Development Committee at its meeting immediately prior to the Commission meeting.

Staff recommends that the Commission approve an increase to the approved contingency for the Baggage Recapitalization design project in the amount of \$15,000 to cover additional design costs caused by TSA delays and changes in design requirements. This is a pass-through OTA with 100% reimbursement from the TSA. There is no expected impact on the budget.

- g. TBI AIRPORT MANAGEMENT CONTRACT AMENDMENT – A staff report is attached. The TBI Contract Ad Hoc Committee (“Committee”) unanimously (3-0) recommends that the Commission approve Amendment No. 3 to the Authority’s Third Amended and Restated Agreement for Airport Management Services (“Management Contract”) with TBI Airport Management, Inc. (“TBI”). This amendment will: (i) add aircraft rescue and firefighting (“ARFF”) services to the scope of services commencing May 1, 2015; (ii) extend the base term by two years (until June 30, 2020); (iii) increase the management fee by \$200,000; (iv) update the lists of Senior Staff, additional management, and supervisory personnel; and (v) provide TBI an ARFF services insurance subsidy to cover actual out-of-pockets costs associated with commercial general liability and airport premises liability insurance coverage for the ARFF personnel.
- h. AUTHORIZATION TO PROCEED WITH B-6 TRUST PROPERTY DISPOSITION – A staff report is attached. Staff seeks Commission authorization for CBRE, Inc. (“CBRE”) to undertake the disposition of the portion of the B-6 Property held in trust (“Trust Property”). This item is being brought directly to the Commission to expedite the selection of one or more qualified purchasers for the parcels that constitute the Trust Property.

7. ITEMS FOR COMMISSION DISCUSSION

- a. BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY AIRPORT REVENUE BONDS, 2015 SERIES A AND B – No staff report is attached. Staff will update the Commission on the pricing results for the 2015 Refunding Bonds.
- b. PARKING UPDATE – No staff report is attached. Staff will brief the Commission on the proposed steps to be taken to pursue alternate approaches to maximize parking revenues, enhance service and improve efficiencies.

8. ITEMS FOR COMMISSION INFORMATION

- a. AIRLINE SCHEDULE ANALYSIS
- b. FEBRUARY 2015 PASSENGER/CARGO STATISTICS AND PARKING INFORMATION – No staff report is attached. The February 2015 passenger count was 284,496, up 2.2% from last year’s 278,420. The year-to-date count of 581,705 is up by 0.2%. Cargo volume increased 2.7% for the month and is up 4.9% year-to-date at 17.4 million pounds. Airline operations fell 2.31% for the first two months of the year while General Aviation activity has increased from last year’s level by 5.5% through February. Airline seats declined 2.2% for the month from 407,542 in 2014 to 398,461 this year, but the load factor was higher this year at 71.4% versus 68.3% in 2014. A report is included at the end of the agenda packet.