

1 The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS special
2 meeting held Wednesday, April 23, 2014 at the Truckee Tahoe Airport District Community Room, 10356 Truckee
3 Airport Road, Truckee, California at 3:00 pm.

4 **CALL MEETING TO ORDER:** 3:03 p.m.

5 **DIRECTORS PRESENT:** President John B. Jones Jr.
6 Vice President James W. Morrison
7 Director Mary Hetherington
8 Director Lisa Wallace (arrived at 3:14 pm)
9

10 **DIRECTORS ABSENT:** Director J. Thomas Van Berkem
11

12 **STAFF PRESENT:** Mr. Kevin Smith, General Manager
13 Mr. Phred Stoner, Director of Operations
14 Mr. Hardy Bullock, Director of Aviation and Community Services
15 Ms. Jane Dykstra, Director of Finance and Administration (outgoing)
16 Ms. Sally Lyon, Director of Finance and Administration (incoming)
17 Mr. Brent Collinson, District Legal Counsel
18 Ms. Denae Granger, Administrative Clerk
19

20 **VISITORS PRESENT:** 0
21

22 **SPECIAL ORDERS OF BUSINESS:** None

23 **PUBLIC COMMENT:** None

24 **BUDGET MEMO – FISCAL YEAR**

25 Mr. Smith explained that the first section of the budget discussion will cover budget goals related to the strategic
26 plan directives. The document includes ongoing goals, new goals related to the upcoming fiscal year (Fiscal Year
27 2015 or FY2015) and completed goals which were budgeted for Fiscal Year 2014 (FY2014). Discussion occurred
28 regarding the following projects:

- 29
- 30 • Safety Management System (SMS) – Mr. Smith stated that Staff is recommending the District implement a
31 SMS. SMS is an FAA term for a safety program that is primarily geared toward part 139 airports; the
32 District would modify the program to be suited to our situation. Mr. Smith stated that at the May Board
33 meeting a memo will be presented that outlines what the program would look like. It would be based on a
34 nationally, federally recognized safety-assurance system. He anticipates approximately \$125,000 being
35 budgeted to complete the project, which will be integrated in the UNICOM enhancement project. Vice
36 President Morrison stated that he believes safety is the next issue for the District to tackle, and he believes
37 the Board is in support of the project. Director Hetherington stated that after she attended a session at the
38 NBAA conference on safety, she passed along information to Staff. President Jones stated that due to the
39 number of accidents in the vicinity of our airport, the safety concept needs to be elevated and funding
40 needs to be put behind it.
 - 41 • Replace Plow Truck - The District will request funding from the FAA; however, this would be an “end-of-
42 fiscal-year” funding project by the FAA, so the District will not know whether it will be funded until
43 September. If funding is not provided, the FY2015 budget will request the replacement plow truck be
funded by the District. Mr. Stoner stated that the old plow truck would be sold as surplus.

- 44 • Replace Loader – Mr. Smith explained that the replacement of the loader will be submitted for FAA funding
45 during the upcoming year. If it is not funded, it will then be presented as a “shovel-ready” project at the
46 end of the next fiscal year. If no funding is offered, Staff will ask that District funds be used to provide a
47 replacement in the FY2016 budget.
- 48 • Wide Area Multilateration (WAM) Flight Tracking System Expansion – A study is being completed in the
49 current fiscal year that will detail what the possible enhancements are and what the related costs would
50 be. The Board will be informed of the status of the project once the study is complete.
- 51 • Treadmill Desk – Staff is considering setting up one treadmill desk workstation.
- 52 • GIS Funding – Director Hetherington questioned whether the \$45,000 in GIS funding was in addition to the
53 \$60,000 budgeted last year. Mr. Smith stated that it is an ongoing, annual expense of between \$30,000
54 and \$60,000, depending on the projects the District is trying to accomplish. He stated that the GIS funding
55 provides the basis for many of the presentations and maps that are created. Mr. Bullock listed the types of
56 expenses incurred relating to GIS; maintaining license structure, integrating the GIS data with new
57 information (e.g. the new utilities maintenance plan), and training. Mr. Smith stated that Staff could
58 present an overview of how the GIS monies are spent on an annual basis, if directed.
- 59 • Charted Visual Approach Procedures – Mr. Smith stated that this was discussed at the Joint ACAT meeting
60 in March 2014; he sees this as an excellent opportunity to get the District’s data regarding noise abatement
61 and safety procedures out to pilots. Director Hetherington asked if it was arrival and departure, and Mr.
62 Smith responded that there is the ability to do both.
- 63 • UNICOM Enhancements – Mr. Smith stated that the UNICOM assessment study would be out by the end of
64 the month. The study lists potential projects such as a letter of agreement with Oakland Center that would
65 allow District personnel to relay departure clearances and aid with closing flight plans. Decisions will have
66 to be made regarding which enhancements the District wants to put in place. Some of the funding for the
67 safety related enhancements would come from the amount budgeted for the SMS system.
- 68 • Install a glass wall near the UNICOM desk – Mr. Smith stated that noise from the first floor can interfere
69 with the UNICOM desk operations. The placement of a glass partition and door between the restrooms
70 and the counter would correct this issue.
- 71 • Refocus pilot and transient user education projects – Director Hetherington asked about outreach to the
72 passengers of aircraft using our airport. Mr. Smith stated that there are pros and cons to reaching out to
73 the passengers, as opposed to the pilots. Director Hetherington stated that she sees value in approaching
74 the passengers, as it is another stakeholder group that can be educated. Mr. Smith offered the option of
75 approaching carriers such as NetJets and asking them to pass along information to their customers;
76 however, he cautioned against approaching the customers on the ramp. Mr. Bullock cautioned against
77 placing undue pressure on the pilots, who are responsible for the safety of the aircraft, by having them in
78 the position of taking aviation direction from the passengers, who are essentially their employer. Mr.
79 Smith asked if the Board would like Staff to spend time on this in the upcoming year. Director
80 Hetherington is concerned about the issue slipping through the cracks and being forgotten. Director
81 Wallace stated that she is a proponent of more indirect/passive communication with passengers.
82 President Jones agreed with that approach and agreed that it would be awkward to approach passengers
83 on the ramp. Director Hetherington would never want to trump safety, but sees the benefit of placing an
84 article in the newsletters of specific communities presenting the Airport’s position. Mr. Collinson brought

85 up the fact that there are two separate issues: where to fly and when to fly. He suggested that it would not
86 be an impact on the safety of flights if the District communicated with the passengers and asked them to
87 be mindful of the timing of their flights. The consensus of the Board was to conduct more outreach to
88 users and passengers, but not direct targeting of passengers when they are on the ramp.

- 89 • Wireless Airport Surveillance Platform (WASP) replacement – Mr. Bullock stated that the WASP system was
90 installed in 2008. Due to weather conditions, it is due for replacement. The anticipated cost is somewhere
91 between \$25,000 and \$70,000, depending on the vendor we go with and the configuration. Director
92 Hetherington recalled that when the system was installed, there were more cameras proposed, but the
93 District limited it to four. She asked if that topic should be revisited. Mr. Bullock agreed that evaluation
94 will be included in the upgrade.

- 95 • Investigate a “crew car” option – Mr. Smith stated that Staff has consulted with our insurance carrier, and
96 that this does not seem to be a viable option at this time. The options of having a Zipcar based at the
97 Airport or Hertz allowing hourly rentals were discussed. There was general consensus that these options
98 should be pursued by Staff. Director Hetherington asked if the local taxi company contact information was
99 available for the pilots, and Mr. Smith responded that it is.

- 100 • Aviation Orientation Training Program – Mr. Smith stated that specific funds would be budgeted which
101 could be used in conjunction with the District’s tuition reimbursement policy for employees that want to
102 achieve a license. He stressed that having the UNICOM operators with more aviation/flight experience is
103 very valuable.

- 104 • Create and implement an Open Space Acquisition Plan – There was general discussion regarding the land
105 under and around the Alder Hill beacon. Mr. Smith mentioned that the parcel referred to as the Schwarz
106 property is interesting from a staff perspective, but not at the price that has been mentioned. If all of the
107 easements can be recorded related to the beacon, the District would not need to acquire that property.
108 Vice President Morrison inquired as to when the lot the District purchased in Alder Hill Estates will be sold.
109 Mr. Smith stated that the District needs to hold it until some necessary easements are recorded and the
110 beacon refurbishing is complete, as it is needed for staging. If real estate prices continue to rise, the
111 District will recognize a gain on the sale, once it is sold.

- 112 • Hire a Part-time Education/Day Camp Coordinator position – Mr. Smith asked the Board for ideas regarding
113 this topic; he is envisioning an expansion of the Civil Air Patrol’s *Mission to Mars* summer program. It could
114 involve the hiring of a seasonal, 15-hour per week position spanning summer and a portion of the school
115 year so that there is an opportunity to get into the classrooms. Director Wallace is very supportive of the
116 *Mission to Mars* program. She would also be supportive of working with AimHigh or ARC (Adventure, Risk,
117 Challenge), both of which are focused-youth programs, to dovetail with the *Mission to Mars* curriculum.
118 Mr. Smith mentioned that the concept of working with the school district to provide a STEM (Science,
119 Technology, Engineering and Mathematics) teacher is complicated by the fact that it requires a two or
120 three year commitment on the District’s part. Mr. Smith would have to develop that concept with the
121 school district before presenting it to the Board; the option of hiring a seasonal position to work with
122 younger children is easier to implement. Mr. Smith offered to develop the idea a little further, but
123 recognized it would not be available until the next fiscal year. The Board indicated support for this idea.

- 124 • Trail Around the Airport – Mr. Smith stated that this would be funding to complete a basic trails plan. It
125 would not involve surveying, trail design or ADA accessibility issues, but rather funds to look at the

126 District's property around the Airport and say, "we think these are good locations for trails." Then the
127 organizations in the community that create trails will know what areas on Airport property the District
128 considers appropriate for trails. Director Wallace asked if the Truckee Trails Foundation could be consulted
129 in the determination of the scope of work for the consultant who would be making the determination
130 about where the trails should be. Mr. Smith agreed.

131 • Play Area Enhancement – Mr. Smith stated that there needs to be a play structure added to the playground
132 for older (seven to twelve-year-old) children.

133 • Residential Sound Insulation – Director Hetherington requested that the previously completed study be
134 considered in the evaluation that is proposed for the upcoming year. Director Jones suggested that Mr.
135 Peter Kirsch be contacted as the work progresses to insure a smooth project, if the District goes forward
136 with the program. Mr. Smith stated that the District is not anticipating any FAA funding for the project.

137 • Redesign of the District website – Director Wallace noted various issues relating to access to Board meeting
138 information with the new website, and she asked that they be resolved by the May meeting. Mr. Bullock
139 asked that any comments be submitted to him; he will then forward them to the developer on a weekly
140 basis.

141 • Continue to fund ACAT Road Show and continue focused transient user outreach and look for new ways to
142 communicate with transient pilots – Director Hetherington referenced the previous discussion regarding
143 transient user education.

144 • Look for new ways to communicate with impacted residents – Mr. Smith discussed impacted resident
145 outreach. He stated that the door-to-door neighborhood visits will begin soon.

146 • Data Content Management System (CMS) / Website Expansion – President Jones requested additional
147 information on the CMS. Mr. Bullock explained that the District has terabytes worth of data that has to be
148 managed, secured, and indexed in a manner that it can be easily located. A vendor has been hired in the
149 current fiscal year to run this project. The enhancements that are in the budget for FY2015 are related to
150 business process changes that will take some of the District's paper-based systems and convert them to a
151 more modern process, perhaps allowing payments through a web portal.

152 Ms. Dykstra discussed the spending priorities that are contained in the strategic plan. Staff asked that the Board
153 review the spending priorities as listed and make any necessary changes, as this will be one of the guiding
154 documents used by Staff as decisions are made about including items in the budget. After review, it was suggested
155 by Mr. Smith that the word safety should be added to the first priority. There was general consensus among the
156 Board members. Mr. Smith stated that he would find some way to work that concept into the priorities.

157 President Jones made comments regarding the use of a vacancy allowance in the hangar rental revenue line. He
158 stated that in the financial statements for the quarter ended March 31, 2014, the District is ahead of the budgeted
159 amount for hangar revenues, due to the inclusion of the vacancy allowance. He is worried that the Board will focus
160 on the fact that the revenues are ahead of budget, and will not recognize the lost revenue related to the vacant
161 hangars. After discussion, Ms. Dykstra suggested that in the FY2015 budget the dollar amount of "lost revenue"
162 represented by the vacancy factor be highlighted in the narrative that accompanies the budget. The Board agreed
163 and directed Staff to do so. Ms. Dykstra then reviewed some of the budget assumptions contained in the memo:

- 164 • Fuel sales will be budgeted to increase as follows: 100LL gallons sold will be increased 3% over the prior
165 year and gallons of JetA sold will be increased by 10%.
- 166 • Hangar Revenues will reflect the short-term lease of surplus hangars as approved at the March meeting.
- 167 • The Sierra Aero lease revenues will be budgeted in accordance with their lease addendum, which includes
168 an increase of \$300 per month, as opposed to a CPI-based adjustment.
- 169 • Deli space revenues will be budgeted in accordance with the lease that will be before the Board for
170 approval at the April regular meeting.
- 171 • Payroll and Employee Benefits will be budgeted using a vacancy factor – the factor may be adjusted from
172 what was used in the prior year based on the number of position changes and the length of time positions
173 were vacant in the current year. President Jones asked if there would be any impact of changes made by
174 the CalPERS Board to their discount rate or actuarial assumptions. Ms. Dykstra informed him that the
175 District has been notified that there will be increases to the employer contribution, but they are not
176 scheduled to impact the District’s rates until the next fiscal year. Ms. Dykstra mentioned that the
177 employee medical insurance benefit cost will not be known until the policy renewal date is closer. She
178 stated that the Board will be informed of any premium changes. Ms. Dykstra stated that the District’s
179 experience factor for Worker’s Compensation coverage has decreased from 119% to 90%, which will allow
180 the District some savings. She also stated that the decrease was the result of safe work practices by Staff.
181 Mr. Smith stated that some of the training included in the SMS program will be related to the AAAE
182 “airport certified employee” program, which may include an incentive program, where AAAE will match an
183 incentive the District would offer its employees for achieving a certified status. He will evaluate if the
184 District will offer this benefit.
- 185 • President Jones then reviewed the Operating, General and Administrative Expenses and the Repair and
186 Maintenance Expenses. Ms. Dykstra noted that the amounts shown in the document are preliminary and
187 tentative numbers just to give the Board an idea of the amount of funding a particular project would
188 require. Director Hetherington wanted to be sure that the Aviation Safety Initiatives listed in the document
189 were not the only projects contemplated. She inquired as to the funding of the SMS, which Mr. Smith
190 noted will be spread across various budget lines, including ACAT. Director Wallace suggested that the
191 “Aviation Safety Initiatives” line should represent incremental safety initiatives and that safety should be
192 represented in each budget line; to the extent that it cannot be pulled out and detailed separately. Vice
193 President Morrison encouraged the District to have funding set aside so that if anyone were to have an
194 idea that would increase safety, there would be funding available. It was determined that the amount
195 spent on safety should be highlighted, and Mr. Smith stated that the SMS would be the communications
196 method for that information. Director Hetherington asked what the coverage limits are for the Elected
197 Officials Liability Policy. Ms. Dykstra said she would look into it and let the Directors know. Vice President
198 Morrison and Director Hetherington questioned the estimated expense related to the Admin Building
199 HVAC system. Mr. Smith assured the Board that he does not like the thought of spending any funds on the
200 HVAC system and that Staff is doing their best to resolve the issues.
- 201 • Capital Projects listed were discussed, Vice President Morrison asked if the “funding likely” designation
202 could be changed on the “Remove Pavement and Reconstruct the Jet Ramp” line from ‘No’ to ‘Yes.’ Mr.
203 Smith agreed. Mr. Smith noted that the budget will show the District funding the purchase of the Plow
204 Truck, if FAA funds are not received, but that the Loader replacement will be listed in the budget as an FAA

205 funded item. The replacement of the 1986 Jet Refueler was discussed, with the Board recognizing the
206 need to have a working JetA truck at all times; they were supportive of the project.

207 Director Hetherington discussed the need for District prioritization, not just in terms of finances but in terms of
208 staff time. She noted that there is a great deal of expense and staff time represented by the programs included in
209 the memo, and she would like to see thought as to scheduling both of these assets. ~~She would like to be sure that~~
210 ~~if all of those programs are initiated, there will still be sufficient funding for the work outlined in the various capital~~
211 ~~facility plans and other capital projects the District has planned.~~—Mr. Smith has a spreadsheet that lays out the
212 District’s cash requirements related to the capital facility plans; he offered to have it updated and distributed to the
213 Board.

214 A discussion of the budgeting parameters ensued. The Board reviewed both the suggested parameters from July of
215 2011 and the summary of the actual results for the last seven years. Ms. Dykstra informed the Board that unless
216 they wanted to place an absolute limit on a category or change the categories listed, there is no additional
217 information required. Staff will continue to report the information in this manner. Director Hetherington
218 questioned the Loss from Operations included in the FY2014 budget, which is partially related to the capital
219 facilities maintenance plan work. She inquired whether the programmed work would be completed; Mr. Smith and
220 Mr. Stoner responded that the projects will be aggressively worked on this summer. He stated that the work would
221 likely cost less than was budgeted, as some of it may be done in-house. Ms. Dykstra stressed that the work
222 presented in the plan needs to be addressed each year, if the plan is going to be of any value. Vice President
223 Morrison concurred.

224 Director Hetherington raised the issue of Staff time requirements and prioritization. She stated that the budget
225 can become unrealistic if Staff places all the capital facility plan projects and pavement maintenance projects in the
226 budget, but does not have the manpower to get the work done. She would prefer to set some priorities and have
227 the budget more realistic. Mr. Smith stated that the facilities maintenance plan, the pavement management plan
228 and the forest management plan are the District’s priorities. He will update the Capital Facility Plan Summary
229 Spreadsheet and distribute it to the Board.

230 Director Wallace referred to the CSDA training she attended where 20 to 30 year planning horizons were
231 suggested. Mr. Smith stated that the majority of our capital facility plans go out ten years. There was not
232 consensus on the Board to extend the planning horizon; however, the need to keep the plans updated was
233 stressed.

234 Mr. Smith asked what items the Board would like to see in the upcoming budget that were not included:

- 235 • Director Hetherington questioned whether the CLUP structure improvements related to the Rec & Park
236 District building should be included in the FY2015 budget.
- 237 • President Jones asked to have design and permitting for a row of box hangars included. Mr. Smith stated
238 that this will be discussed in conjunction with the Master Plan.
- 239 • Vice President Morrison cautioned that any work done on trails be coordinated with Truckee Trails
240 Foundation.
- 241 • Director Hetherington asked that joint meetings with either other local agencies or other airport districts
242 be pursued. Mr. Smith suggested that CSDA could be invited to hold a meeting of the many special districts

243 in the area. TTAD could host the meeting, and that is an event that some of the other local agencies may
244 be more likely to attend. The Board suggested that concept be explored by Staff.

245 **BOARD MEMBER ANNOUNCEMENTS:** None

246 **PUBLIC COMMENT:** None

247 **ADJOURN**

248 **MOTION #1 APR-23-14S:** Director Wallace moved to adjourn. Director Hetherington seconded the motion.
249 President Jones, Vice President Morrison, and Directors Hetherington and Wallace voted in favor of the motion.
250 The motion passed.

251 At 4:57 p.m. the April 23, 2014 special meeting of the Truckee Tahoe Airport Board of Directors adjourned.

DRAFT