

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

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

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

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

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

**VISITORS PRESENT:** 0

**SPECIAL ORDERS OF BUSINESS:** None

**PUBLIC COMMENT:** None

#### **BUDGET MEMO – FISCAL YEAR**

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

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

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

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

- Wireless Airport Surveillance Platform (WASP) replacement – Mr. Bullock stated that the WASP system was installed in 2008. Due to weather conditions, it is due for replacement. The anticipated cost is somewhere between \$25,000 and \$70,000, depending on the vendor we go with and the configuration. Director Hetherington recalled that when the system was installed, there were more cameras proposed, but the District limited it to four. She asked if that topic should be revisited. Mr. Bullock agreed that evaluation will be included in the upgrade.
- Investigate a “crew car” option – Mr. Smith stated that Staff has consulted with our insurance carrier, and that this does not seem to be a viable option at this time. The options of having a Zipcar based at the Airport or Hertz allowing hourly rentals were discussed. There was general consensus that these options should be pursued by Staff. Director Hetherington asked if the local taxi company contact information was available for the pilots, and Mr. Smith responded that it is.
- Aviation Orientation Training Program – Mr. Smith stated that specific funds would be budgeted which could be used in conjunction with the District’s tuition reimbursement policy for employees that want to achieve a license. He stressed that having the UNICOM operators with more aviation/flight experience is very valuable.
- Create and implement an Open Space Acquisition Plan – There was general discussion regarding the land under and around the Alder Hill beacon. Mr. Smith mentioned that the parcel referred to as the Schwarz property is interesting from a staff perspective, but not at the price that has been mentioned. If all of the easements can be recorded related to the beacon, the District would not need to acquire that property. Vice President Morrison inquired as to when the lot the District purchased in Alder Hill Estates will be sold. Mr. Smith stated that the District needs to hold it until some necessary easements are recorded and the beacon refurbishing is complete, as it is needed for staging. If real estate prices continue to rise, the District will recognize a gain on the sale, once it is sold.
- Hire a Part-time Education/Day Camp Coordinator position – Mr. Smith asked the Board for ideas regarding this topic; he is envisioning an expansion of the Civil Air Patrol’s *Mission to Mars* summer program. It could involve the hiring of a seasonal, 15-hour per week position spanning summer and a portion of the school year so that there is an opportunity to get into the classrooms. Director Wallace is very supportive of the *Mission to Mars* program. She would also be supportive of working with AimHigh or ARC (Adventure, Risk, Challenge), both of which are focused-youth programs, to dovetail with the *Mission to Mars* curriculum. Mr. Smith mentioned that the concept of working with the school district to provide a STEM (Science, Technology, Engineering and Mathematics) teacher is complicated by the fact that it requires a two or three year commitment on the District’s part. Mr. Smith would have to develop that concept with the school district before presenting it to the Board; the option of hiring a seasonal position to work with younger children is easier to implement. Mr. Smith offered to develop the idea a little further, but recognized it would not be available until the next fiscal year. The Board indicated support for this idea.
- Trail Around the Airport – Mr. Smith stated that this would be funding to complete a basic trails plan. It would not involve surveying, trail design or ADA accessibility issues, but rather funds to look at the

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

- Play Area Enhancement – Mr. Smith stated that there needs to be a play structure added to the playground for older (seven to twelve-year-old) children.
- Residential Sound Insulation – Director Hetherington requested that the previously completed study be considered in the evaluation that is proposed for the upcoming year. Director Jones suggested that Mr. Peter Kirsch be contacted as the work progresses to insure a smooth project, if the District goes forward with the program. Mr. Smith stated that the District is not anticipating any FAA funding for the project.
- Redesign of the District website – Director Wallace noted various issues relating to access to Board meeting information with the new website, and she asked that they be resolved by the May meeting. Mr. Bullock asked that any comments be submitted to him; he will then forward them to the developer on a weekly basis.
- Continue to fund ACAT Road Show and continue focused transient user outreach and look for new ways to communicate with transient pilots – Director Hetherington referenced the previous discussion regarding transient user education.
- Look for new ways to communicate with impacted residents – Mr. Smith discussed impacted resident outreach. He stated that the door-to-door neighborhood visits will begin soon.
- Data Content Management System (CMS) / Website Expansion – President Jones requested additional information on the CMS. Mr. Bullock explained that the District has terabytes worth of data that has to be managed, secured, and indexed in a manner that it can be easily located. A vendor has been hired in the current fiscal year to run this project. The enhancements that are in the budget for FY2015 are related to business process changes that will take some of the District's paper-based systems and convert them to a more modern process, perhaps allowing payments through a web portal.

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

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

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

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

Director Hetherington discussed the need for District prioritization, not just in terms of finances but in terms of staff time. She noted that there is a great deal of expense and staff time represented by the programs included in the memo, and she would like to see thought as to scheduling both of these assets. Mr. Smith has a spreadsheet that lays out the District's cash requirements related to the capital facility plans; he offered to have it updated and distributed to the Board.

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

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

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

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

- Director Hetherington questioned whether the CLUP structure improvements related to the Rec & Park District building should be included in the FY2015 budget.
- President Jones asked to have design and permitting for a row of box hangars included. Mr. Smith stated that this will be discussed in conjunction with the Master Plan.
- Vice President Morrison cautioned that any work done on trails be coordinated with Truckee Trails Foundation.
- Director Hetherington asked that joint meetings with either other local agencies or other airport districts be pursued. Mr. Smith suggested that CSDA could be invited to hold a meeting of the many special districts in the area. TTAD could host the meeting, and that is an event that some of the other local agencies may be more likely to attend. The Board suggested that concept be explored by Staff.

**BOARD MEMBER ANNOUNCEMENTS:** None

**PUBLIC COMMENT:** None

**ADJOURN**

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

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

John B. Jones, Jr., President of the Board

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Kevin Smith, Secretary of the Board

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