

1 The following is a **condensed** version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS
2 SPECIAL meeting held Tuesday, July 11, 2016 in the Truckee Tahoe Airport District Community Room A,
3 located at the Truckee Airport, 10356 Truckee Airport Road, Truckee, California at 9:00 a.m.

4 **CALL MEETING TO ORDER:** 9:05 a.m.

5 **PLEDGE OF ALLEGIANCE**

6 **DIRECTORS PRESENT:** President Lisa Wallace
7 Vice President Jim Morrison
8 Director Mary Hetherington
9 Director Tom Van Berkem
10 Director John B. Jones, Jr.

11 **STAFF PRESENT:** Mr. Kevin Smith, General Manager
12 Mr. Hardy Bullock, Director of Aviation and Community Services
13 Ms. Sally Lyon, Director of Finance and Administration
14 Mr. Phred Stoner, Director of Operations and Maintenance
15 Ms. Jill McClendon, Program Coordinator
16 Mr. Brent Collinson, District Legal Counsel
17 Ms. Lauren Tapia, District Clerk

18 **PUBLIC COUNT:** 5

19 **SPECIAL ORDERS OF BUSINESS:**

20 President Wallace thanked staff and the AirShow committee for the incredible event this past Saturday.
21 Director Van Berkem stated that he forwarded a few emails that he received from several people who
22 attended the show to Mr. Smith, they all stated they enjoyed the show in spite of the wind. Director Jones
23 inquired about the attendance numbers; Mr. Smith stated that he believes there were about 15,000
24 people who attended the show through the course of the day. Director Jones stated that he had never
25 seen the show run so smoothly. Director Hetherington stated that she had a wonderful time at the
26 AirShow, and that she was thankful that if the pilots did not feel the conditions were safe enough to fly
27 they didn't have to perform; but they all did! Vice President Morrison stated that he heard it was a
28 wonderful show, but stated from a pilots perspective, it was easy to use the airport before and after the
29 event. Ms. Sally Lyon stated that she enjoyed the STEM expo; it was a great event for the older kids, and
30 she was impressed with how many young kids were participating as well. Mr. Smith thanked the Board
31 for the funding they allocate to the AirShow annually.

32 Director Hetherington stated that the Tahoe Silicon Mountain Group is doing a forum about safely
33 integrating drones into the airspace. The forum will be at Pizza on the Hill in Tahoe Donner, it will cost
34 \$5.00 to attend.

35 **PUBLIC COMMENT:**

36 None.

37 **BUDGET PRESENTATION**

38 President Wallace stated that the budget workshop would typically be held in the late spring, but due to
39 many scheduling conflicts it's being held in July. President Wallace informed the Board that usually the
40 Board would have a second workshop in late July or August, and that she asked they evaluate at the end
41 of the meeting if they would like a second workshop to take place. President Wallace stated that before
42 the meeting, she asked for a modification of the sequence of agenda items for today's meeting. The full
43 budget presentation will go first and the Sponsorship/Partnership presentation will take place afterwards.
44 This is being done so the Board would have a complete context of the budget before they listen to the
45 Sponsorship/Partnership application presentation.

46 President Wallace stated that she would open public comment two times during today's meeting; one
47 after the budget presentation (in its entirety) and one after the sponsorship/partnership presentation.

48 **BUDGET OPPORTUNITIES FY 2017**

49 Mr. Smith stated that staff will be reviewing the budget goals for FY 2017 which will be presented via
50 PowerPoint. Mr. Smith indicated that this is a review of the preliminary budget and discussion of budget
51 goals and priorities; Staff has identified ten (10) budget opportunities. Mr. Smith stated that there will be
52 a period to discuss other items the Board would like to review as presented in the preliminary budget
53 narrative. Mr. Smith reminded the Board that there will be no action taking place in today's meeting, only
54 discussion, guidance and direction.

55 Mr. Smith stated that there will be further refinement and development of the budget after today's
56 meeting. There could be a budget review at the regular August 24th meeting or there could be another
57 special budget meeting the last week of August or the first week of September. Final Budget approval will
58 be at the September 28th regular Board meeting.

59 Mr. Smith reviewed the FY 2015 Operating Revenues and Operating Expenditures pie charts as well as the
60 projected 5 year Capital/Operating funding needs. Mr. Smith noted that the Capital/Operating funding
61 needs chart could be extended to a 10 year projection as well. President Wallace stated that she would
62 appreciate seeing that project at the next budget discussion.

63 - *Community Survey*

64 Ms. Lyon introduced the first budget opportunity, Community Survey (aka: Godbe Survey). Ms. Lyon
65 stated the last time the survey was completed was in 2013. It will cost approximately \$30,000 and is
66 included in the preliminary budget.

67 Director Hetherington expressed concerns regarding the survey and how they would get statistically
68 significant results due to people rapidly giving up the use of landlines. Director Hetherington indicated
69 that the last time the survey was conducted it had taken longer to complete, and questioned if \$30,000 is
70 enough. Director Hetherington also requested a methodology paragraph to be included in the proposal,
71 specifically due to the lack of landlines. Director Jones stated that they should leave it in the budget and
72 form a Board ad hoc committee for the project. Director Jones also mentioned the idea of exploring other
73 survey opportunities that aren't bound to the existence of land lines.

74 There was consensus from the Board to leave the opportunity in the budget, but the project should have
75 an entire proposal submitted, specifically including a methodology paragraph.

76 - *North Tahoe Trail*

77 Ms. Lyon stated that this project was submitted by Director Jones. It is specifically a donation to the Tahoe
78 Fund to help fund the section of trail between Dollar Hill and North Tahoe PUD's Regional Park (6 miles).
79 It provides an important link for the North Tahoe regional trail system, it also provides a benefit and value
80 for constituents living in the Lake Tahoe basin. The proposal is for \$100,000 and is currently included in
81 the preliminary budget.

82 Director Jones stated that the Executive Director of the Tahoe Fund would be happy to make a
83 presentation to the Board regarding the project at a future date. Director Van Berkem inquired why this
84 project was not submitted as a Partnership request. Mr. Smith stated that this was submitted as a budget
85 request by a Board Member that all staff and Board members can submit items they want considered.
86 The District was not personally approached by the Tahoe Fund. President Wallace stated that she would
87 like this project to be discussed under the Sponsorship/Partnership presentation.

88 • *Soaring Way Utility Upgrades*

89 Mr. Smith stated that the District was approached by the developer of the new grocery store potentially
90 going in the PC-3 property to help share the costs to upgrade the utilities on Soaring Way. Mr. Smith
91 indicated that upgrading the utilities will be required when we develop property and we may be able to
92 save money by participating now. Mr. Smith stated that if they have to do it this year, it is prudent to have
93 it included in the preliminary budget. Estimated cost is \$400,000 - \$600,000. There was consensus from
94 the Board for staff to provide more detail for cost basis and scope, and that the Board would appreciate
95 that information before they make a decision to include it in the budget.

96 • *Maintenance Building Addition*

97 Ms. Lyon stated that this project was proposed last year in the budget, roughly at \$500,000. Part way
98 through the year, it was discovered the project would cost more. The new projected cost is between
99 \$620,000-\$950,000. The addition is estimated at \$373/square foot with a storage mezzanine and
100 \$270/square foot without a mezzanine (which is included in the preliminary budget). Ms. Lyon noted that
101 \$390,000 of the project cost would be carried over from this year, which is not currently included in the
102 preliminary budget. Mr. Stoner indicated that they had a professional estimator come out and look at the
103 project, and he estimated it, including the mezzanine, at \$915,000. Director Van Berkem stated that \$1m
104 is a lot for a ¼ of an addition, and requested more information about the reasoning behind the project.
105 President Wallace noted that when the project was proposed last year, the cost was more "in line" with
106 the project. There was consensus from the Board to have staff provide more background information
107 regarding the project.

108 • *Sustainability Management Plan*

109 Ms. Lyon stated that Phase I of the Greenhouse Gas (GHG) Emissions Inventory is currently underway.
110 This projects budget includes \$80,000 to continue the Climate Action Planning. Phase II would be to
111 identify measures to reduce GHG once identified in the inventory. Phase III would be to implement Phase
112 II measures. This project has the potential to reduce the District's current carbon footprint. There was
113 consensus from the Board to flag this item in the preliminary budget pending further information on the
114 project.

115 • *Regional Air Service Corporation (RASC)*

116 Mr. Smith stated that the District has been a member of RASC for eighteen (18) months at the \$10,000
117 (one vote) level. Membership within RASC provides a benefit and value to all District constituents by
118 advocating for better and cheaper air services to Reno Tahoe International Airport; which also may reduce
119 operational demands to KTRK. Mr. Smith proposed an additional \$30,000 (three additional votes) to
120 \$40,000 membership with RASC, which has been included in the preliminary budget. There was Board
121 consensus to flag the proposal at \$40,000 and to come back with additional information.

122 • *Seasonal Air Traffic Control Tower (temporary)*

123 Ms. Lyon stated the Board decided to deploy a seasonal control tower for the summer of 2017. The tower
124 is an experiment to see its effects on safety and annoyance mitigation. The proposal is to fund the tower
125 for one summer, from mid-June to the end of September of 2017. The cost of the project is \$500,000
126 which includes Midwest ATC's bid plus a small contingency. This is included in the preliminary budget.
127 There was consensus to leave this in item in the budget.

128 Director Van Berkem requested that a representative from Midwest ATC present an update regarding the
129 time they are spending up in UNICOM this summer. Vice President Morrison agreed with Director Van
130 Berkem regarding a project update.

131 • *Regional Housing Solutions*

132 Mr. Smith stated that the greater community is working on housing solutions through the Truckee Tahoe
133 Community Foundation's regional housing study. The District may have an opportunity to partner with
134 other local public agencies and for profit companies to advocate and fund solutions related to increasing
135 supply of moderate income housing. The initial investment is unknown, but the Board could allocate
136 \$100,000 in the preliminary budget as a place holder as more information becomes available. This item is
137 not included in the preliminary budget.

138 President Wallace agrees that this item should be flagged, as there are a lot of questions regarding who
139 would get the funds. Director Hetherington stated that a big proponent is how all of the public entities
140 can come together and try to help play a part in this issue. Vice President Morrison stated that the housing
141 issue is a regional issue, quite simply, the only way to solve it is to build housing. There was Board
142 consensus to add the item in the preliminary budget with it being flagged at \$100,000.

143 • *Rideshare Bicycle Program*

144 Mr. Smith stated that this item is to essentially develop a "check-out" bike program partnered with several
145 other agencies. The Town of Truckee and other local agencies have expressed interest in the program.
146 This project could also be expanded into the Lake Tahoe Basin. The potential cost of the District's portion
147 is \$12,000 (dependent on agency collaboration), which has been included in the preliminary budget. Vice
148 President Morrison stated that he has several connections that have initiated ride share programs in
149 Colorado and other locations that could help provide information for this project. There was board
150 consensus of support for the project and to include it in the budget.

151 **PRELIMINARY BUDGET AND ASSUMPTION NARRATIVE DISCUSSION**

152 Mr. Smith indicated that staff will be taking questions from the Board members regarding the Preliminary
153 Budget and Assumption Narrative by their line numbers displayed in the report. A more detailed budget
154 report will be provided by the regular August Board meeting.

155 Director Hetherington questioned Jet A sales on Page 2, line 3, regarding the gross profit of \$2.20 per
156 gallon, and if that also includes the contract sales of Jet A. Ms. Lyon stated she relies on historical gross
157 profit figures of all gallons sold.

158 Director Hetherington inquired about a COLA increase for employees stated on line 36 for Employee
159 Payroll and if it would be the same as the proposed CPI for the hangars. Mr. Smith stated that a COLA is
160 calculated quite differently than the CPI for commercial lease rates. There will be an in-depth report from
161 Bryce Consulting regarding the COLA when they present their report.

162 Director Hetherington inquired about the additional Fly-Quiet tier that was stated in line 51-54 under
163 Annoyance Reduction Programs. Mr. Bullock stated that staff is investigating the idea of adding an
164 additional tier to bridge the 6:30-7:00 AM and 9:30-10:00 PM voluntary night curfew gap.

165 Vice President Morrison inquired specifically about meals and meeting supplies under line 64 for Directors
166 Fees and Expenses. Mr. Smith stated that when the Board has offsite meetings, staff pulls the funds for
167 meeting materials (supplies) out of this category. Mr. Smith stated that he could provide a detailed
168 summary for this category. Vice President Morrison noted that the District spends \$85,000 per year on
169 Board Member medical insurance.

170 Director Jones requested more information regarding the county fees the District pays to both Placer and
171 Nevada County which is mentioned in line 62 under County Support. Ms. Lyon stated that the District pays
172 a collection and processing fee to both counties regarding the administration and distribution of property
173 taxes to the District.

174 Vice President Morrison inquired why the District pays \$25,000 in total to both counties (around \$12,000
175 for each) for Election Expenses (line 67). Mr. Smith stated that those are the fees the counties charge to
176 hold an election.

177 Director Hetherington asked if Staff can look into the possibility of wrapping some of the fees associated
178 with processing credit card payments back into the hangar rents. Mr. Smith stated that he can show the
179 Board how the fees are wrapped back into the billing.

180 Director Hetherington requested more information regarding line 74 under Home Basing Incentives,
181 specifically regarding the amount of money that comes into the county due to tenant's home basing. Mr.
182 Smith stated that he can provide more information.

183 Vice President Morrison indicated that he would like to see the Temporary Tower to be pulled out
184 separately from line 89-90 under Other Professional. Mr. Smith stated that if the Board continues this
185 program beyond one (1) year, staff will make it its own line item.

186 Director Hetherington indicated that she would like to see the department allocations listed in the budget.
187 Mr. Smith stated that he and Ms. Lyon were preparing for this request and it will be broken out and
188 submitted to the Board members shortly.

189 Director Van Berkem requested more information regarding the Putting Green that was mentioned under
190 Facility Maintenance. Mr. Smith stated that the project has been brought up three times in the last six
191 years; it is quite common for airports to have.

192 Vice President Morrison inquired about the Mustang Orientation course mentioned on lines 91-98 under
193 Pilot Outreach. Mr. Smith stated that there is a 2 day course in Long Beach which includes simulator time
194 and an hour in the actual citation aircraft. Mr. Smith stated that the District would like to send Mr. Bullock
195 and Ms. Katie Greenwood, the new Pilot and Passenger Outreach Coordinator. Board consensus was that
196 this could be valuable training and will give a unique perspective to staff.

197 Director Jones noted that the District's Property Tax revenues have increased to \$5.4m, up \$900,000 in
198 the last two to three years.

199 Director Morrison inquired about other possible investments the District can explore. District Counsel
200 Collinson stated that after Orange County went bankrupt, the government code restricts what public
201 agencies can invest in. Mr. Smith indicated that there may be a few other options to consider such as the
202 Placer County Investment Fund. Staff will investigate the topic further.

203 Director Hetherington inquired about the Forest Land Management plan. Mr. Smith stated that it's just a
204 continuation of the fuels reduction. Director Hetherington stated that she would like to see an updated
205 map of which areas have been maintained and the other areas that are next in line. Mr. Stoner stated that
206 updated maps have been requested and have been budgeted as well as another five year Forest
207 Management Plan.

208 Director Van Berkem stated that he does not see the idea of a new runway alignment project anywhere
209 in the budget. Mr. Smith stated that it is not in the Budget. That project is more involved than meets the
210 eye. Mr. Smith stated that he can bring forth more information about that particular process. Mr. Smith
211 noted that it is a \$70m project. Discussion ensued regarding the idea of constructing a new runway verses
212 lengthening and widening of runway 2/20.

213 Mr. Smith explained the Non-Operating Costs-Capital Expenditures to the Board. Mr. Smith stated the
214 most questionable FAA grant eligible project is the Oshkosh snow blower. Vice President Morrison stated
215 that the District is trying to obtain \$999,000 in FAA grant funding. Mr. Smith acknowledged Vice President
216 Morrison's statement that it is the District's goal to obtain the grant funding.

217 Vice President Morrison inquired about the mountain beacons and its purpose. Discussion ensued on the
218 subject. Mr. Stoner stated that in the FY 2017/18 budget, staff will be asking to help convert one of the
219 beacons to solar, specifically Dry Lake beacon, as that would eliminate the powerlines running through
220 Martis Valley. There was consensus from the Board to hear more about this project before the FY 2017/18
221 with interest to possibly attempt the project ahead of what is planned.

222 **PUBLIC COMMENT:**

223 Mr. Rick Stevens, Truckee resident, stated that he supports the District becoming more involved in the
224 regional housing process. Mr. Stevens stated that \$100,000 is a drop in the bucket, but it's a start.

225 **REVIEW LEVEL II & III SPONSORSHIP/PARTNERSHIP REQUESTS**

226 President Wallace stated that today's presentation will be the first implementation of the new policy, PI
227 311, which was adopted in December of 2015. It is possible, as the Board works through the requests,
228 that they will be taking notes which may, in turn, make some modifications to the policy. President
229 Wallace reminded the Board that the Policy itself is not on the agenda, therefore the possible changes

230 will not be made during the meeting. President Wallace noted that there are two potential items that
231 came in under the Budget request process that might be rolled into the Sponsorship/Partnership requests.

232 President Wallace acknowledged that there are a few groups who have turned in requests that are present
233 at today's meeting. President Wallace stated that if the Board has any questions about the requests, they
234 would like the questions to be answered by District staff. There will be no official presentation by the
235 requesting groups.

236 Ms. Jill McClendon, Project Coordinator, stated that she will be reviewing the Level II & III requests for the
237 Board. Ms. McClendon stated the requests will be reviewed in the order that they were submitted (via
238 date).

239 • *Level II Sponsorships*

240 The first request under the Level II request is the Trout Creek Pocket Park submitted by Mountain Area
241 Presentation (MAP). Ms. McClendon stated that MAP submitted a complete application which also
242 included an endorsement letter from the Town of Truckee as well as a detailed project budget. MAP is
243 asking for \$50,000 to fund park site finishing's which include benches, game tables, asphalt paving, trash
244 can footings and the Washoe grinding stone plaque. Director Van Berkem stated that for a fair number of
245 the requests he asked himself what is the involvement of the Truckee Donner Recreation and Park District.
246 Vice President Morrison stated that the project was privately done on their own, other agencies choose
247 not to do the project. Ms. McClendon stated that she can go back to any organization and ask any follow
248 up questions the Board may have.

249 After Board deliberation there was consensus from the Board to simply ask questions about each
250 application rather than go through the PowerPoint due to the lack of time remaining in the meeting.
251 District Counsel Collinson stated that the Board can handle the topic in that fashion, but when the Board
252 approaches the Watershed Council's request, President Wallace will need to step out of the room due to
253 a conflict of interest. District Counsel Collinson requested the Board discuss all of the requests except for
254 the Truckee River Watershed Council's and to discuss theirs at the end.

255 The Board had the following questions regarding the Trout Creek Pocket Park project: what is the
256 relationship between the park and the Truckee Donner Recreation and Park District, how much of the
257 money has been raised, and who is maintaining the park.

258 President Wallace transitioned the discussion to AYSO of Truckee and North Tahoe's request of \$31,500
259 to supplement the cost of their Field & Facility Charges. Director Van Berkem stated confusion by their
260 requests, as it states in the District's policy that funds given should not go towards an operating cost. Vice
261 President Morrison stated that it is a fantastic organization but inquired about their overall budget.
262 Director Hetherington stated that their total budget was \$115,500. Director Hetherington stated that the
263 field and facility charges make up 30% of their entire budget, and questioned how the fees to the families
264 are going to be reduced if AYSO is granted the Level II sponsorship from the District. Vice President
265 Morrison reiterated Director Van Berkem's question regarding operating costs, and would like further
266 clarification on the subject. Ms. McClendon stated that she would gather the answers to their questions.

267 • *Level III Partnerships*

268 Mr. Smith clarified to the Board that this is the first year of the sponsorship/partnership requests. They
269 had a deadline of February 28th of this year, but several came in after that date. Mr. Smith asked the Board
270 to pay attention to the submission date that is on all applications and on the slide show.

271 The first of the partnership requests was the KidZone Museum’s Scientastic project. Director Hetherington
272 expressed concerns about the purchase of a bus, and questioned if they tried to seek out partnerships
273 with TART or the School District’s transportation department. Director Van Berkem stated that it is a big
274 responsibility of owning a bus and the reoccurring maintenance it needs to stay in service. Director
275 Hetherington expressed concern regarding the funds being used towards staffing, as that could affect
276 future grant opportunities for the museum. Director Jones stated that he is a huge supporter of the
277 KidZone Museum, but that he has a hard time supporting the request because the amount requested is a
278 large chunk of their operating budget. Director Jones expressed that the District needs to give more
279 information to the applicants about what the District can or can’t accept per the policy, so that they can
280 submit appropriate requests.

281 President Wallace stated that Tahoe Nordic Search and Rescue Team submitted a request for \$398,000
282 for off-field service needs (Snowcat, Truck/Snowcat Hauler, and Handheld Radios). President Wallace
283 stated that she appreciated the robust application they submitted. Director Jones stated that they were
284 the first responders to the aircraft incident that took place two years ago on Martis Peak. Mr. Smith noted
285 that the District’s flight tracking system helped guide them there as well. Director Van Berkem inquired
286 how this group overlaps with Placer County Search and Rescue. Director Morrison requested more
287 information regarding their budget. Director Hetherington inquired how the group will maintain the heavy
288 equipment.

289 President Wallace stated that Biking for a Better World is requesting \$202,500 for the Truckee Bike Park
290 Project Phases V & VI. Director Morrison stated that they have a pretty detailed budget, but inquired
291 about other participants that might be helping fund the last two phases of the project, their current
292 fundraising efforts the phases.

293 President Wallace suggested that the Sponsorship/Partnership ad hoc committee reconvene with Mr.
294 Smith and Ms. McClendon to help the groups refine their requests, and to look at the District’s policy to
295 see if it might need revisions. Vice President Morrison stated that if this were a grant cycle, the District
296 should have a grants committee that would review all of the grants before it comes to the Board. Mr.
297 Smith stated that the Ad Hoc committee could be formed on a yearly basis to review the application
298 requests much like a grants committee. Director Hetherington suggested the idea of obtaining an
299 individual that has grant (cycle) selection experience, or maybe hand over this process to a community
300 foundation. Director Hetherington expressed the idea of supporting one “big” project instead of a bunch
301 of small ones. There was Board consensus to have the ad hoc committee review the applications and
302 sponsorship policy and come back with further recommendations.

303 **PUBLIC COMMENT:**

304 Mr. Stevens stated that this is a grant cycle, and it is an exhaustive process. Mr. Stevens suggested the ad
305 hoc committee should get together with the Tahoe Truckee Community Foundation to get
306 information/help on their grant selection process.

307 Ms. Alexis Ollar, Executive Director of MAP, thanked the Airport for these type of funding opportunities.
308 Ms. Ollar stated that MAP has been engaged with Mr. Smith since January, and understands that there
309 has been delays, but that MAP did turn their application in on time. Currently MAP is utilizing other grants

310 to pay for parts of the park, and would appreciate if they could receive some clarity of when the decision
311 making process will take place.

312 The Board discussed whether or not they need another budget meeting. There was Board consensus to
313 have a budget update at the regular August Board meeting, with budget approval at the regular
314 September meeting and not to hold a separate budget workshop in August.

315 **MOTION #1 JULY-11-2016:** Director Jones motioned to adjourn. Director Morrison seconded the motion.
316 President Wallace, Vice President Morrison, Directors Van Berkem, Jones and Hetherington voted in favor
317 of the motion.

318 The meeting adjourned at 12:10 p.m.