

1 The following is a **condensed** version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS
2 SPECIAL meeting held Wednesday, August 22, 2018 in the Truckee Tahoe Airport District Community
3 Room A, located at the Truckee Airport, 10356 Truckee Airport Road, Truckee, California at 9:00 a.m.

4 **CALL MEETING TO ORDER:** 1:31 PM

5 **PLEDGE OF ALLEGIANCE**

6 **DIRECTORS PRESENT:** President Rick Stephens
7 Vice President Jim Morrison (arrived at 1:34 PM)
8 Director Lisa Wallace
9 Director Teresa O’Dette
10 Director John B. Jones, Jr. (Via Teleconference)

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. Brent Collinson, District Legal Counsel
15 Ms. Lauren Tapia, District Clerk

16 **PUBLIC COUNT:** 1

17 **SPECIAL ORDERS OF BUSINESS:**

18 Mr. Kevin Smith noted that today’s meeting will end at 4:00 PM at the latest. If the Board does not finish
19 the Budget workshop, a follow up workshop will be scheduled at a later date.

20 **PUBLIC COMMENT:**

21 None.

22 **TTAD BASIC FINANCIAL POSITION**

- 23 • *5 year Budget Forecast – Hansford Consulting*

24 Vice President Jim Morrison entered the meeting at 1:34 PM

25 Mr. Smith introduced Ms. Katherine Hansford of Hansford Consulting. Ms. Hansford will be reviewing the
26 District’s 5 year Budget Forecast.

27 Ms. Hansford reviewed that that 5 year forecast is simply a planning tool, its purpose is to assist the Board
28 in making decisions, particularly with regard to capital projects (financing and timing) and to show
29 projected changes in revenues and expenses over the next five years.

30 Ms. Hansford reviewed some changes that were made to the forecast from the March 2018 presentation,
31 specifically increases in revenues, expenses and infrastructure and capital projects. Ms. Hansford
32 explained several graphs that showcased the annual projection of District expenditures, revenue
33 assumptions and projections (property tax, FAA grants, Airside and Hangar revenues), as well as the
34 District’s cash balance projections based on specific capital projects.

35 After Ms. Hansford's presentation, Mr. Smith noted that all of the projections noted in the five year
36 forecast assume the District is spending every single dollar budgeted (on an annual basis).

37 Mr. Smith stated that the next part of the presentation, Budget Opportunities, will review projects that
38 have come from the surveys that were turned in by staff. Mr. Smith noted that the projects listed in the
39 presentation are not prioritized. Mr. Smith also stated that the ADS-B was not placed in the five year
40 forecast as Staff couldn't project where that project would be going, but staff just received additional
41 information and it will be detailed later in the afternoon.

42 President Stephens noted that after reviewing the forecast report, that the District can't do every single
43 project; prioritization and deliberation will need to occur. There was consensus from the rest of the Board
44 with President Stephens's statement.

45 **PUBLIC COMMENT:** Ms. Mary Hetherington, Truckee Resident, stated that the District should consider
46 exploring the opportunity to purchase Martis Valley West with the District's property tax revenues.

47

- *Budget Opportunities Identified by Staff*

48

- *Community Sponsorships and Partnerships*

49 Mr. Smith introduced the first budget opportunity, Community Sponsorships and Partnerships. The CY
50 2019 Budget included \$50,000 for Sponsorships and \$500,000 for Agency Partnerships. The District is on
51 track to spend \$50,000 on individual sponsorships for CY 2018.

52 There was consensus from the Board to leave the sponsorships as proposed

53

- *Funding for Regional Housing Solutions and Opportunities*

54 Mr. Smith stated that the District, along with the greater community, is working on housing solutions
55 through the Truckee Tahoe Community Foundation's Regional Mountain Housing Council. Mr. Smith
56 noted that the CY 2019 Budget includes \$360,000 for the Rick Lee Lazando Project (\$60,000 has been paid
57 out in CY 2018). An additional \$500,000 in unallocated funds specific to housing projects, for a total of
58 \$860,000.

59 There was consensus from the Board to leave this item, as proposed, in the FY 2018 budget.

60

- *Pavement Management*

61 Mr. Smith reviewed the Pavement Management budget item. The 2019 Pavement Management budget
62 is pending FAA and engineering detail. Staff will likely propose in the CY 2019 Budget to include \$700,000
63 for pavement projects. As well as \$2.6 million in FAA grant revenue (combined 2018 and 2019
64 entitlement). Mr. Smith noted that staff will have final project cost estimates in September.

65

- *H Row Roof*

66 Mr. Smith stated that the H Row Hangar building roof is in poor condition and needs to be replaced. The
67 project is noted in the District's Facility Maintenance Plan for replacement in 2017 and 2019. Due to new
68 building codes, the roof needs to be completely replaced and cannot be overlaid. The bid for this project
69 came in just under \$600,000, Mr. Smith noted that the bid only covers 5 of the 10 hangars.

70 • *950 B Loader*

71 Mr. Smith noted that staff is recommending to replace the 950 B Loader with a smaller 938 Loader, which
72 is a needed tool to get in some of the tighter areas around the District. The total projected cost is
73 \$260,000, which includes sales tax, plow blades and radios. Staff anticipates to get \$38,000 in sales
74 proceeds for the 950 B Loader. There was Board consensus to leave this item in the budget.

75 • *Administration Building Addition*

76 Mr. Lyon noted that current staff count has maximized occupancy of the Administrative offices. Staff is
77 looking at options to expand the staff offices between the reception counter to the break room in the
78 front of the office. This option has the potential to add three offices and increase the size of the break
79 room, which is currently undersized, as well as increase the size of the Restaurant's kitchen. The CY 2019
80 budget includes the project cost estimate \$450,000, though the project price is still under review. There
81 was some concern that \$450,000 was not enough. There was Board consensus for more pricing info, and
82 that this item is considered a high priority.

83 • *Hangar 2 Reconstruction Project*

84 Mr. Smith stated that the Board approved \$160,000 in CY 2018 for programming and design of the new
85 Hangar 2 structure. Staff recommends budgeting \$4.5 million to begin construction of the building in CY
86 2019. The project will span two fiscal years, and staff estimates and additional \$3 million will be required
87 in CY 2020 to complete the project.

88 The Budget forecast includes \$4.5 million for the project, which includes budget carry-forwards from CY
89 2018 of \$2 million.

90 • *Consideration of 12 Super T-Hangars*

91 Mr. Smith stated that the District has a significant demand of Executive Hangars. There are 40+ individuals
92 on the District's Executive Hangar waitlist, with an additional 40+ individuals on the T-Hangar waitlist.
93 With staff review of the aircraft fleet mix on both lists, staff recommends the Board to look further into
94 constructing "Super T Hangars" that would be able to accommodate PC-12 type aircrafts. Staff proposes
95 \$100,000 for a feasibility study for the project in CY 2019. The Budget considers commencing construction
96 in 2019 and includes \$3.7 million in CY 2019 and CY 2020.

97 There was Board consensus to only budget \$100,000 for the feasibility study in CY 2019 and to shift
98 construction dollars to later in the year.

99 • *Greenhouse Gas Emissions Inventory and Sustainability Management Initiatives*

100 Ms. Lyon stated that the Greenhouse Gas Emissions Reduction Plan is almost complete and will be
101 presented to the Board in the Fall of 2018. The CY 2019 Budget includes \$100,000 to begin the initiatives
102 that will be laid out in the Reductions Plan.

103 There was consensus from the Board to leave this item, as proposed, in the CY 2019 budget.

104 • *ADS-B Installation*

105 Mr. Bullock stated that this project is considered to be the most effective tool to move aircraft to
106 predetermined routes that will avoid noise sensitive areas. Staff continues to advocate for an ADS-B
107 ground station on Airport property. Mr. Bullock stated that the District has been very successful
108 negotiating agreements with the FAA and Harris for this project. The initial challenge with the project is
109 the associated costs for the agreement which could be as high as \$1.75 million. Staff is working on this to
110 understand better why the costs are this high and if there is associated revenue from the data the ground
111 station generates.

112 Director Wallace expressed that this project is of higher priority than the Super T-Hangars, though, states
113 that the District needs to drum up more conversations with the community regarding the Tower, ADS-B
114 and routes and how they all integrate with each other. Director Jones noted agreement with Director
115 Wallace. Discussion ensued amongst the Board and Staff regarding public outreach, and noted getting
116 help from an outside source (Abbi Agency) to help with the messaging.

117 **PUBLIC COMMENT:** Ms. Mary Hetherington noted that as a community member, she has not experienced
118 any reduction in annoyance with the Temporary Control Tower. Ms. Hetherington acknowledged that
119 there may be benefits with ADS-B but expressed concern regarding the unintended consequences by
120 installing an ADS-B ground station at the Airport, specifically related to Night Time Operations. Ms.
121 Hetherington again stated the idea of purchasing Martis Valley West, as that will prevent an additional
122 500 home sites from noise and annoyance of aircraft flying the Lake Tahoe Approach to Runway 29.

123 There was Board consensus to add this project to the Budget, and noted it being a high priority project
124 for staff.

125 • *Proposed Studies for 2019*

126 Ms. Lyon reviewed the following proposed studies for 2019:

- 127 ○ Vehicle Parking Facilities Development Plan: \$50,000
- 128 ○ Facilities Maintenance Plan: \$75,000
- 129 ○ Land Management Plan: \$50,000
- 130 ○ Communications Master Plan: \$30,000
- 131 ○ Wildlife Hazard Study: \$25,000
- 132 ○ Water System Master Plan: \$50,000

133 • *Personnel and Staffing*

134 Mr. Smith stated that with the increase in operations and revenue, staff recommends one additional FTE
135 in O&M, as well as another FTE in Finance. The Finance position would combine a current FTE who is
136 splitting time between O&M and Finance, thus creating an FTE in each department.

137 Mr. Smith stated that a fully benefited O&M Technician position is \$80,000/year and is included in the CY
138 2019 budget

139 Mr. Smith noted that the District uses scalable seasonal labor for summer and winter peaks, four summer
140 O&M tech positions and 4 O&M Tech (winter equipment operators) are budgeted for CY 2019. There was
141 Board consensus to approve both the summer and winter seasonal positions.

142 Mr. Bullock stated that he and Mr. Smith continue to re-evaluate the Noise Coordinator position in
143 connection with the IT functions of the District. Due to increases in technology systems and annoyance
144 mitigation responsibilities, staff sees a need to have distinct noise coordinator and an Operations
145 Analyst/IT Manager. Mr. Bullock stated that the Noise Coordinator needs to be a full time employee, as
146 of now it is a Summer Seasonal position. There was Board consensus to transition the seasonal Noise
147 Coordinator to a full time permanent position.

- 148 • *Additional List of Budget Items for CY 2019*
 - 149 ○ \$241,000 for 2019 Air Show from the previous \$226,000 to account for CPI increases.
 - 150 ○ \$125,000 for Runway and Taxi way stripping.
 - 151 ○ \$100,000 to upgrade aging IT and server equipment.
 - 152 ○ \$175,000 for Forest Management improvements.
 - 153 ○ \$350,000 for Facility Maintenance Plan projects.
 - 154 ○ \$125,000 for Warehouse Improvements.
 - 155 ○ \$140,000 for replacement of Backup Generator and expansion of storage building for the
156 Administration Building.
 - 157 ○ \$35,000 to upgrade and replace broadcasting equipment in Board Room

158 There was Board consensus to include the additional items above in the budget.

159 **PUBLIC COMMENT:** None

160 Director Jones left meeting at 3:54 PM.

161 **BOARD MEMBER ANNOUNCEMENTS:** None.

162 **ADJOURN**

163 **PUBLIC COMMENT:** None

164 **MOTION #1 AUGUST-22-2018:** Director O’Dette motioned to adjourn. Vice President Morrison seconded
165 the motion. President Stephens, Vice President Morrison, Directors Wallace and O’Dette voted in favor of
166 the motion.

167 The meeting adjourned at 3:54 PM.