

1 The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS special
2 meeting held Thursday, September 8, 2011 at the Truckee Tahoe Airport Conference Room, 10356 Truckee
3 Airport Road, Truckee, CA 96161 at 6:00 p.m.

4 **CALL MEETING TO ORDER:** 6:00 p.m.

5 **DIRECTORS PRESENT:** President Kathleen Eagan
6 Vice President J. Thomas Van Berkem
7 Director Mary Hetherington
8 Director John B. Jones, Jr.
9 Director James W. Morrison

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11 **STAFF PRESENT:** Mr. Kevin Smith, General Manager
12 Mr. Phred Stoner, Director of Operations and Maintenance
13 Ms. Jane Dykstra, Director of Finance and Administration
14 Mr. Kevin Bumen, Director of Aviation and Business Services
15 Ms. Maria Martinez, District Clerk
16 Mr. Brent Collinson, District Legal Counsel

17
18 **VISITORS:** There were two (2) visitors present

19 **SPECIAL ORDERS OF BUSINESS:** None

20 **PUBLIC COMMENT:** None

21 **BUDGET SUMMARY – DRAFT BUDGET AND ASSUMPTIONS**

22 Ms. Dykstra presented the budget for the Truckee Tahoe Airport District for fiscal year 2011-2012. The revenue
23 estimates do not take into account any changes to rates related to revisions to PI 621.1. The expenses
24 associated with the new building assume occupancy of nine months for the upcoming fiscal year (January –
25 September 2012). “Other Income” also reflects receipt of the long term receivable in the amount of \$500,000
26 from the Joerger family. The Runway 10/28 project is estimated to last eight weeks during the early summer of
27 2012. In addition, Frito-Lay has given a 30-day notice. Therefore, the Warehouse Revenues will have to be
28 adjusted to reflect a decrease in revenue as the new tenant will not take occupancy until November 1, 2011.
29 Also, there is an adjustment to the PERS contribution as it was overstated by .5% which equates to a change of
30 approximately \$47,000.

31 • **FUEL REVENUES**

32 Ms. Dykstra noted that 100LL fuel has been forecast to sell the same number of gallons as in this fiscal year
33 however JetA sales have been adjusted to reflect the decrease in sales during the Runway 10/28 project next
34 summer. The margin of gallons sold to tenants was adjusted to reflect their discount. The number of truck rolls
35 in fiscal year 2010 was used as an estimate to forecast the number of events for fiscal year 2012. An estimate of
36 \$20 for 250 events was forecast. Vice President Van Berkem requested clarification on calculating the adverse
37 impact of jet traffic during the Runway 10/28 project. Mr. Smith noted that staff reviewed the activity during
38 the last Runway 10/28 closure to help forecast the proposed budget figures. Director Morrison asked if staff
39 had done any research on the effect lower fuel prices would have on fuel revenues. Mr. Smith explained that
40 this was staff was preparing a presentation for discussion at the September 22, 2011 meeting on PI 621.1. The
41 rates and fees structure is being reviewed based on existing jet traffic to determine how the District can capture
42 more revenue.

43 • **OTHER AIRSIDE REVENUES**

44 Ms. Dykstra stated that tiedowns and transient use fees were forecasted using current rates. An adjustment of
45 \$28,000 was made as an anticipated potential loss in transient use fees due to the decrease in larger jet traffic
46 during the runway closures forecasted during the runway project. Lav carts and possibly the GPU will be
47 operational this fall/winter. Revenues have been estimated in this area based on research done from other
48 FBOs.

49 • **HANGAR REVENUES**

50 The reduction for potential vacancy was factored in at 2% as there has been an increase in hangar vacancies
51 over the last 3 months. Mr. Bumen stated that the timeliness in which staff has been able to turn the hangars
52 around has decreased as people are reluctant to act expediently to take a hangar. It is currently taking double
53 or triple the time that it did in the past to process a hangar than in the past. Director Jones requested
54 clarification on the revenue associated with the rental of executive hangars relative to a fully leased 12 month
55 tenant. Mr. Bumen stated that the District has more information on T hangars for reference than executive
56 hangars. The occupancy on T hangars from a typical month in the winter is approximately 10 nights a month.
57 Using the executive hangar for an overnight hangar may be more beneficial to the District as it can
58 accommodate a wider variety of aircraft. Mr. Smith added that with regards to the Master Plan, staff wants to
59 review what the usage is during the winter to decide if the District should have this type of hangar space
60 available on a regular basis as an overnight hangar.

61 • **OTHER BUSINESS LEASING AND WAREHOUSE REVENUES**

62 Ms. Dykstra stated that she has budgeted for the occupation of the Emergency Crew Quarters as of November 1,
63 2011. For Hangar 2, there is some interest by an individual to occupy the space as of January 1, 2012. In
64 addition, per the current contract, the rate of the Runway Café will not change upon occupancy of the new
65 building. The lease for this contract is up in 2013.

66 • **OPERATING EXPENDITURES**

67 Total Payroll and Employee Benefits are budgeted to increase 10% from the amount budgeted for 2010-2011.
68 The increase associated with salaries and wages is 4% which includes the 3.5% COLA, potential merit increases
69 and two part-time intern positions. President Eagan requested clarification on the addition of intern staff. Mr.
70 Smith stated that there are a lot of areas where an intern can take care of research projects and free up valuable
71 staff time. It also provides a benefit to the student population as some of these students need an internship to
72 graduate. More information will be brought to the Board on this subject at the September 22, 2011 Board
73 meeting. President Eagan requested this item be flagged for further analysis and Board approval. The Board
74 agreed.

75 Ms. Dykstra stated that staff has included \$530,000 for pavement maintenance projects and crack sealing
76 supplies. These amounts may be adjusted based on the Pavement Management Program. These expenses are
77 assuming no FAA grant funding. Mr. Smith noted that this item should be flagged as the ad-hoc committee will
78 be meeting on this item to review the proposed pavement maintenance over the next 5 years. The Board
79 agreed.

80 President Eagan requested clarification on the Land Management figures. Mr. Stoner stated that these included
81 surveying and the removal of trees. All Land Management items are being flagged for Board approval.

82

83 • **CAPITAL EXPENDITURES**

84 Capital Expenditures have been distributed into three major categories: FAA grant eligible, non-grant eligible
85 and land purchase/development. Mr. Smith stated that the District is still trying to get funding for some of the
86 projects. The next step will be to update the Annual Capital Improvement Plan. Some of the non-grant eligible
87 projects will need to be flagged such as the helipad for the Emergency Medivac Quarters. The District will be
88 spending approximately \$25,000 of the designated \$50,000 to get the quarters finished. Staff will provide a 4
89 year return on investment amortization. The helipad will be brought back to the Board for approval. Ms.
90 Dykstra stated that there will be just one flag for both parts of the Medivac Quarters project, \$25,000 of which is
91 related to the completion of the Medivac Quarters. Other items to be flagged include the Jiffy Wash, the GPU,
92 the playground and the snowmobile equipment. President Eagan and Director Morrison requested staff explore
93 the pros and cons of acquiring used equipment where prudent. The Board and staff agreed.

94 Ms. Dykstra concluded her budget discussion highlighting property tax revenues for Placer and Nevada Counties
95 and the associated Budget Parameters. President Eagan stated that it's important for staff and the Board to
96 understand where the property tax funds are being allocated.

97 • **GENERAL BUDGET DISCUSSION**

98 Mr. Smith discussed the use of a Public Art Coordinator for the new building. The Board agreed to add this to
99 the budget to accommodate the use of an Art Coordinator. Ms. Dykstra added that staff would like to
100 investigate the extension of the ramp approximately 48 feet toward Taxiway A to facilitate aircraft movement
101 and the upgrading of outside lighting. This would provide a safety enhancement to the existing ramp. Ms.
102 Dykstra noted that another item not currently budgeted is the purchase of iPads for the Board that ACAT will be
103 bringing to the Board's attention for approval. Mr. Bumen noted that televising the Board meetings was also
104 not budgeted. President Eagan expressed a strong desire to include this in the Budget. This would allow people
105 to tune in remotely to Board meetings in the new building. There was consensus among Board members to
106 include \$75,000 in the Budget for this project. She requested that this item be flagged for further discussion as
107 this is an item of interest to the public. Vice President Van Berkem requested that staff also clarify what
108 method would be used to broadcast the meetings.

109 • **SUMMARY**

- 110 ○ *Flag line 39 – Employee Insurance*
- 111 ○ *Flag line 128 – Pavement Management*
- 112 ○ *Flag line 133 - Land Management*
- 113 ○ *Flag line 180 – Ground Power Unit*
- 114 ○ *Flag line 181 – Emergency Services Helipad*
- 115 ○ *Flag line 182 – Jiffy Wash*
- 116 ○ *Flag line 185 - Snowmobiles*
- 117 ○ *Revise budgeted amount for PERS to reflect updated amounts provided by Ms. Dykstra*
- 118 ○ *Add budget amount for Board Meeting Broadcasting*
- 119 ○ *Ms. Dykstra will provide a spreadsheet which will detail budget information for the last 10 years*
120 *including budgeted and actual numbers and a breakdown of the 4% historical loss of operations as a*
121 *percentage of property taxes.*

122

123 **PUBLIC COMMENT:** None

124 **Break:** At 8:29 PM the Board recessed for a short break. At 8:34 PM President Eagan reconvened the meeting.

125 **2012 PAVEMENT MANAGEMENT PLAN REVIEW**

126 Mr. Smith stated that this item has been discussed briefly during the budget presentation and flagged for Board
127 approval. More information will be forthcoming in the fall. The ad-hoc committee will be meeting later this
128 month to review.

129 **PUBLIC COMMENT:** None

130 **DETAIL OF CASH CARRYFORWARD 2004/2005 THROUGH 2011/2012**

131 Ms. Dykstra reviewed the "Detail of Cash Carryforward" from fiscal 2004/2005 through the budgeted 2011/2012
132 fiscal year with the Board. This schedule includes an estimate of activity for the current 2010/2011 fiscal year
133 and the budget information for 2011/2012. This schedule will be updated with final fiscal 2010/2011 amounts
134 and included in the final, printed budget.

135 **PUBLIC COMMENT:** None

136 **FIVE YEAR FINANCIAL FORECAST AND EQUIPMENT REPLACEMENT SCHEDULE**

137 Ms. Dykstra reviewed the Five-Year Financial Forecast and Equipment Replacement Schedule with the Board.
138 Director Jones requested clarification on the amount shown for Miscellaneous in 2014. Ms. Dykstra noted she
139 would review her records for accuracy.

140 **PUBLIC COMMENT:** None

141 **CLOSED SESSION**

142
143 At 8:45 PM the Board entered closed session pursuant to government code section:
144

- 145 • GOVERNMENT CODE SECTION 54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
146 Property: Alder Hill Estates Subdivision, Lot 8 Acquisition, Nevada County
147 Agency negotiator: Kevin Smith
148 Negotiating parties: Truckee Tahoe Airport District and Mr. Rich Wood
149 Under negotiation: Price and terms of payment
150

151 At 9:15 PM the Board recessed out of closed session and reported the following actions:

- 152
153 • GOVERNMENT CODE SECTION 54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
154 *Direction was given to staff.*
155

156 **ADJOURN**

157 **MOTION #1 SEP-08-11:** Director Jones moved to adjourn. Director Hetherington seconded the motion.
158 President Eagan, Vice President Van Berkem, Directors Hetherington, Jones and Morrison voted in favor of the
159 motion. The motion passed.
160

161 At 9:16 p.m. the September 8, 2011 special meeting of the Truckee Tahoe Airport Board of Directors adjourned.

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