

The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS special meeting held Tuesday, January 18, 2011 at the Cedar House Hotel Conference Room, 10918 Brockway Road, Truckee, CA at 8:30 a.m.

CALL MEETING TO ORDER: 8:35 a.m.

DIRECTORS PRESENT: President Kathleen Eagan
Vice President J. Thomas Van Berkem
Director Mary Hetherington
Director John Jones
Director Katie Morrison

STAFF PRESENT: Mr. Kevin Smith, General Manager
Mr. Phred Stoner, Director of Operations and Maintenance
Ms. Jane Dykstra, Director of Finance and Administration
Mr. Kevin Bumen, Director of Aviation/Community Relations and Communications
Mr. Brent Collinson, District Legal Counsel
Ms. Maria Martinez, District Clerk

CONSULTANTS PRESENT: Mr. Eric Douglas with Leading Resources, Inc.

VISITORS: There were no visitors present.

SPECIAL ORDERS OF BUSINESS

The Board reviewed their possible attendance to the upcoming Board Governance seminar presented by the California Special District Association (CSDA).

PUBLIC COMMENT: None

BOARD RELATIONS TRAINING

Mr. Douglas facilitated the discussion with the Board and Senior Staff in Board Relations Training. Among those areas discussed were:

- Evolution of High Performing Boards
- Discussion of Policy Governance
- Habits of High Performing Boards

Break: At 10:40 AM the Board recessed for a short break. At 10:50 AM President Eagan reconvened the meeting.

Mr. Douglas continued his discussion on Board Relations Training with the Board and Senior Staff. The facilitator's notes have been attached to the minutes and incorporated herein.

RECESS: At 12:39 PM the Board recessed for lunch. The meeting reconvened at 1:22 PM

P.I. AND S.P.I. TRAINING

Mr. Smith reviewed the current status of the District's Policy Instructions (P.I.) and Standard Procedure Instruction (S.P.I.). Currently not all policies and procedures are digitally available and a number of them are out-dated. Mr. Smith will be working with Ms. Martinez on updating the policies for the Board and staff. Mr. Smith will also be meeting with Mr. Douglas to possibly update the format of the current policies and procedures for Board approval.

PUBLIC COMMENT: None

BROWN ACT TRAINING

General Counsel Brent Collinson conducted Brown Act training with the Board. He also recommended California AB1234 training for the Board members to be done at their convenience.

BREAK: At 3:12 PM the Board recessed for a short break. At 3:18 PM President Eagan reconvened the meeting.

A.C.I.P. RUNWAY DISCUSSION

Mr. Smith reviewed the analysis and recommendations of the Runway Ad Hoc Committee with the Board. Based on the analysis presented, the Ad Hoc Committee recommended re-advertising the Pavement Management Plan to incorporate FWD testing and installing moisture and frost sensors. In addition the Committee recommended moving forward with the FAA programmed pavement rehabilitation funds set aside to complete the Runway 10/28 pavement work started in 2009. The Board reviewed all options presented.

PUBLIC COMMENT: None

MOTION #1 JAN-18-11: Vice President Van Berkem moved to direct staff to present a properly worded Request for Qualifications for the Consent Calendar at the January 27, 2011 Board meeting. Director Jones seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

ADJOURN

MOTION #2 JAN-18-11: Vice President Van Berkem moved to adjourn. Director Hetherington seconded the motion. President Eagan, Vice President Van Berkem, and Directors Hetherington, Jones and Morrison voted in favor of the motion. The motion passed.

At 3:48 PM the January 18, 2011 special meeting of the Truckee Tahoe Airport Board of Directors adjourned.

**Truckee Tahoe Airport District
January 18, 2011
Meeting Synopsis prepared by Eric Douglas, LRI**

I. Evolution of High Performing Boards

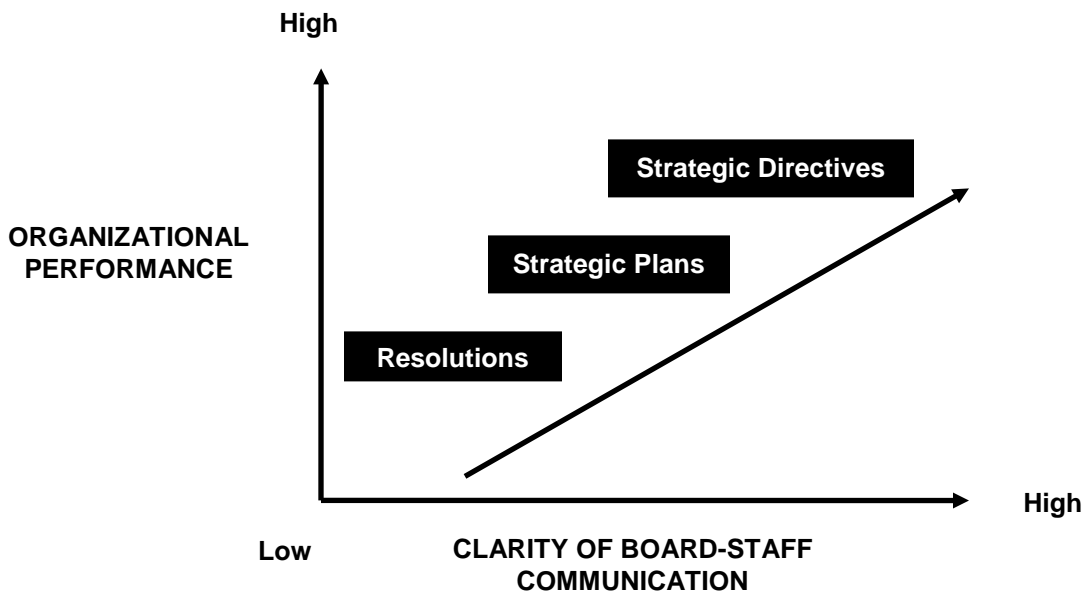
Boards of non-profits and public agencies typically move through three stages of evolution:



Non-profit and public agency Boards typically have three different systems for communicating priorities to staff:

- Resolutions (policies, procedures)
- Strategic Plans
- Strategic Directives

The most effective form for a non-profit or public agency Board is strategic directives.



Benefits of each system:

- Resolutions can slip into micro management by Board.
- Strategic plans typically are developed by staff and so the distinction between what the Board is directing staff to achieve, and how staff plans to achieve it, is fuzzy.
- Strategic Directives, which the Board uses to define the results it wants to see (along with performance metrics and targets), keep the relationship between Board and staff clear.
 - Eric shares examples of strategic directives from the Sacramento Municipal Utility District e.g. Customer Satisfaction, Reliability.

II. Discussion of Policy Governance

In his book, "Boards that Make a Difference," John Carver lays out four categories of policies. Eric has trimmed the system to three types of policies:

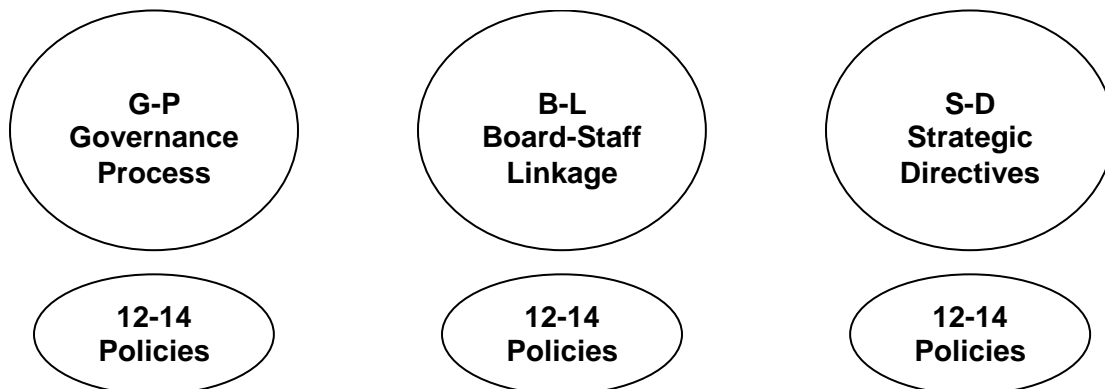
Governance Process: A set of policies that define what the Board's role is and how it is supposed to operate.

Board-Staff Linkage: A set of policies that define the relationship to the General Manager and the delegations to the GM. This set also includes Unity of Control Policy, which lays out the principle that only the Board, acting as a Board, can direct the GM. No individual Board member can direct the GM. And the Board cannot direct any other staff person, unless that person is reporting directly to the Board (e.g. general counsel).

Strategic Directives: A set of policies that define the results the Board wants staff to achieve, along with performance metrics and targets.

Carver's fourth category is called **Executive Limitations**. These inform the GM what he or she should not do e.g. "not cause the organization to suffer reputational damage."

Three Sets of Policies



Q: What are the benefits to this system of governance?

- Simplicity – all the Board’s policies are contained in one place and organized in three categories. It is easy for Board members to refer to them, and to be guided by them.
- Alignment of Board and staff around a clear set of goals and performance measures via the SD policies. As a result, the organization acts more cohesively.
- The ongoing process of monitoring results enables the Board to keep tabs on the organization’s progress without micromanaging.
- The monitoring process also enables the Board to refine its SD policies as circumstances change.
- This clarity enables trust to grow between Board and staff, resulting in the ability to attract and retain top talent to staff.

Q: What inhibits a Board from evolving to this system?

- The lack of a clear governance framework toward which to point the organization.
- Reluctance on the part of Board members to give up control when they are the primary connecting points to constituents.
- A lack of experience for Board members in setting goals and performance measures, and trusting that they can manage via the monitoring process.
- Board members not fully understanding their role as Board members.

III. Habits of High Performing Boards

Eric shares his tool on the 5 Habits of High Performing Boards

Habit 1: Board members cultivate the Board as a distinct entity.

- Board members recognize the Board as a distinct entity that governs the organization.
- The Board is different from Board members.
- The Board directs the organization via the chief executive.
- Individual Board members do not direct staff, except when authorized to do so.
- Board members may offer suggestions or ask for information from staff.

Habit 2: The Board focuses on results – and on monitoring results.

- The Board’s job is to define the results that the organization is to achieve.
- The Board expresses its goals through a written plan or policies.
- The Board regularly monitors the goals, via measures of success.
- The feedback loop established through the monitoring process creates strong levels of performance.

Habit 3: The Board ensures sufficient resources are on hand and that those resources are managed effectively.

- The Board regularly reviews the finances of the organization.
- The Board helps develop and approves the organization’s budget.
- The Board raises money and other resources to support the organization.
- The Board assures an audit is conducted of the organization’s finances.

Habit 4: The Board develops itself so that it can effectively serve the organization’s needs.

- The Board regularly monitors its effectiveness and structure.

- The Board regularly clarifies the roles of the Board, Board members, and staff.
- The Board assures an orderly succession of Board leadership.
- The Board recruits and approves new Board members and orients them to be effective as Board members.

Habit 5: The Board provides feedback and support to the chief executive.

- The Board regularly evaluates the executive director on the basis of the organization's success in achieving the goals.
- The Board assures the chief executive receives the coaching, mentoring, and training support that he or she needs.
- When a vacancy occurs, the Board selects a new chief executive based on his or her ability to achieve the Board's goals.

Q: What are the top habits for the TTAD Board to work on?

Answer (from Board members): #2 is the top priority, followed by #4 and #3.

Q: How could we go about defining strategic directives as a Board?

Examples:

- "The load-bearing capacity shall be less than or equal to 100,000 lbs."
- "Runway PCI shall be greater than or equal to 80."

Q: What are the policy areas where the TTAD Board might want to define SDs?

- Runway maintenance
- Load-bearing capacity
- Open space
- Facility use
- Standards of (customer) service
- Rates/fees
- Community perception
- Financial
- Employee relations
- Safety
- Ethics
- Community benefit
- Noise

IV. Possible Next Steps

- The Board could define performance measures tied to the new strategic plan.
- The staff could sort through existing policies and categorize them according to this system.

V. Possible Schedule

March – Adopt strategic plan

April – Budget workshop

For next budget cycle – Define strategic directives with performance metrics