

1 The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS special
2 meeting held Wednesday, August 26, 2015 at the Truckee Tahoe Airport District Community Room, 10356 Truckee
3 Airport Road, Truckee, California at 1:00 p.m.

4 **CALL MEETING TO ORDER:** 1:18 p.m.

5 **DIRECTORS PRESENT:** President John B. Jones Jr.
6 Vice President Lisa Wallace (arrived at 1:30 p.m.)
7 Director Mary Hetherington
8 Director Tom Van Berkem

9 **DIRECTORS ABSENT:** Director Jim Morrison

10 **STAFF PRESENT:** Mr. Kevin Smith, General Manager
11 Mr. Phred Stoner, Director of Operations & Maintenance
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 **VISITORS PRESENT:** 1

17 **SPECIAL ORDERS OF BUSINESS:** None.

18 **PUBLIC COMMENT:** None.

19 **FY 2016 BUDGET PRESENTATION**

20 President Jones moved Tab 2, FY 2016 Budget Presentation to be presented before Tab 1. Mr. Kevin Smith stated
21 that this afternoon's presentation is the updated version of what was presented at the May Budget Workshop. Ms.
22 Sally Lyon stated that in addition to the updated presentation, a detailed budget description has been added to the
23 agenda attachments. Ms. Lyon presented two pie charts that represent Operating Revenues (and Other Income)
24 and Operating Expenditures for FY 2016. Discussion ensued between Directors and District staff regarding the pie
25 charts.

26 Director Wallace entered meeting at 1:30 PM

- 27
- Warehouse Building Upgrades

28 Upgrades to the warehouse building are an effort to make building more viable and marketable to future tenants.
29 Staff removed the funding request for esthetic upgrades, as the building was recently painted. The project will
30 focus on enhanced utility and safety of the building (ADA requirements and fire suppression improvements).
31 District staff reduced the project estimate to \$250,000 which is down from the original estimate (proposed in May)
32 of \$500,000 - \$700,000. President Jones inquired about the occupancy level of the warehouse. Ms. Lyon stated that
33 the warehouse building is fully occupied besides E3, which could be the future home for the Makerspace group.
34 There were no objections from the Directors regarding this project and it was not flagged in the FY 2016 Budget.

- 35
- Maintenance Building Addition

36 Ms. Lyon stated that the biggest difference in the project is an updated estimate of the project, after refinement by
37 the Project Manager, the new estimate is \$450,000 (included in the Budget) which is down from \$750,000. Mr.
38 Smith stated that cost reflects about just under \$200 per square foot. Mr. Phred Stoner stated that it is essentially
39 another bay to the building. Director Hetherington inquired if this item should be flagged in the FY 2016 Budget

40 due to the possible cost change in materials at the time of construction. Mr. Smith stated that if the project costs
41 over \$420,000 it will come back to the Board.

42 • Sustainability Management Plan

43 Ms. Lyon stated that the initial project for the Sustainability Management Plan is a Greenhouse Gas Inventory,
44 which would help establish a baseline for the District and allow us to be more knowledgeable on how to reduce the
45 current carbon footprint. In the May Budget workshop, it was estimated that this project would cost \$100,000, but
46 the current plan estimate is now \$35,000 (which was from the Sierra Business Council). In a meeting between the
47 District and the Sierra Business Council (SBC), SBC stated that \$25,000 would be for the Greenhouse Gas Inventory
48 and the additional \$10,000 to get better information to evaluate the impact of aircraft operating at the Airport.
49 Director Wallace expressed caution of the cost estimate for this project, as SBC low-balled a similar project that
50 was presented to the Town of Truckee. Director Wallace does not want the Airport District to be placed in the
51 same position. Ms. Lyon stated that SBC presented a Climate Action Plan to the Town, which is very different than a
52 Greenhouse Gas Inventory. Director Hetherington requested this item to be flagged and would like to see more
53 money to be placed into the project. Director Hetherington also requested the District to make their outreach
54 broader and look for other Airport consultants that would partner with this project. Mr. Smith stated that Mead &
55 Hunt was placed as a possible consultant to the project because staff knows that they actively do projects like
56 these, but agreed that outreach will be done for other consultant options. It was Board consensus to increase the
57 budget project to \$100,000 and be flagged.

58 • Public Information and Outreach Manager

59 Ms. Lyon stated that at least 50% of the cost of the position is currently covered by an outside consultant (of which
60 would no longer be needed). This position would manage the website, social media, newsletters, pilot outreach
61 and public communication. Mr. Bullock stated that currently a lot of his time is coordinating between staff and
62 communication consultants and this position would take over those duties. Mr. Smith stated that this position as a
63 FTE at \$95,000 (salary and benefits). Director Wallace stressed that she would like to have assurance that the
64 position would maintain a high level of media outreach. There was Board consensus keep this item in the Budget
65 and to not flag it.

66 • Diesel Aircraft Technology for Home-based Rental Aircraft

67 Ms. Lyon wished to point out that this item is not included in the budget, if the Board would like to flag, it can be
68 placed in the budget. Mr. Bullock stated that the aircraft is 10 decibels quieter in all phases of flight. On the ground
69 one can tell a big difference between a diesel aircraft and a 100LL aircraft. The performance of the aircraft was
70 good. While the test data shows the aircraft as quieter than the 100LL aircraft, the perceived annoyance reduction
71 benefits were debatable. Mr. Bullock explained that the debatable aspect of the perceived annoyance reduction
72 changes from person to person. Some individuals perceived it to be less annoying, and others did not perceive it to
73 being any different. After Board consensus, the Board was not in favor of the project.

74 • Community/Agency Partnerships

75 Ms. Lyon stated that current examples of Community/Agency partnerships are already in place: Boys and Girls Club
76 of NLT, TART, Fire District and the TD Recreation and Park District. The Budget for this item includes \$215,000
77 (already committed \$50,000 to the BGCNLT and \$65,000 to TART). Staff proposes to flag this item, pending a
78 process and application procedure; the entire Board agreed with Staff's proposal. This item is flagged in the FY
79 2016 Budget.

80 • Tahoe Nordic Search and Rescue Collaboration – Snowcat & Trailer plus Radios

81 Ms. Lyon indicated that this project has not been included in the FY 2016 Budget. Ms. Lyon stated this project
82 would be handled in a similar fashion as the ARFF truck with the Fire District. The snowcat would provide access to

83 remote beacons and navigation aids. The estimated cost would be \$278,000. Mr. Smith stated that Tahoe Nordic
84 Search and Rescue are one of the primary responders in aircraft search and rescue incidents. Director Wallace
85 expressed that she is interested in learning more about the proposal, but that she would like the Community
86 Sponsorship Policy be developed first. Mr. Smith stated that once the policy is complete, the project could be
87 presented back to the Board. The Board agreed with Mr. Smith's statement.

88 • Open Space Endowment

89 Ms. Lyon stated that the District would collaborate with the Tahoe Truckee Community Foundation to set up a
90 perpetual funding source for forest management. Ms. Lyon stated that the initial investment of \$100,000 has been
91 included in the budget. And if the Board would like to move forward with this project, staff recommends flagging
92 this item and inviting the Community Foundation to conduct a presentation. Director Wallace clarified that an
93 Endowment and a Donor Advised Fund are very different, and that \$100,000 is not much to place in either fund for
94 forest management. Director Hetherington pointed out that a larger amount of money was previously proposed,
95 but was not well received by the Board. Director Hetherington expressed that she sees the need for the District to
96 place money in a protected fund that is dedicated for the management of District land. After Board Consensus, this
97 item was flagged in the FY 2016 Budget.

98 • Rideshare Bicycle Program Coordinated with Other Agencies

99 Ms. Lyon stated that this project has not been developed since it was presented at the May budget workshop. Mr.
100 Smith stated that he has held preliminary conversations with other agencies about potential partnerships. This
101 item is not currently included in FY 2016 Budget, but could be a flagged item as more information becomes
102 available. After Board consensus this item was not placed in the budget, but could be brought back to the Board at
103 any time if more information becomes available.

104 • Airport Economic Impact Study

105 Ms. Lyon informed the Board that staff has estimated this study would cost \$50,000 (which is included in the
106 budget). This study would evaluate an economic value the Airport brings to the District, which would then provide
107 valuable insight for decision making. This study needs to be carefully prepared to assure the validity of its results.
108 Mr. Smith stated that Director Morrison supports this project and would like to see it move forward. **Director
109 Hetherington questioned the value of this type of study as it typically addresses only the economic side of a
110 development and not the environmental or social aspects of a facility or development. She noted that within such a
111 study, the negative components need to be analyzed as well as the assumed positive economic impacts. The study
112 needs to be honest and responsible in the balancing.** After Board consensus, this item was flagged in the FY 2016
113 Budget.

114 President Jones indicated that he would like to add an additional FTE to mitigate noise and annoyance. President
115 Jones expressed that he will explain this suggestion in his presentation.

116 **PUBLIC COMMENT:** Mr. Andrew Terry, ACAT Member and Truckee Resident, stated that typically economic impact
117 studies are done by specialists in aviation. It is typically an economic benefit study rather than a real world impact
118 study. Mr. Terry wished to urge extreme caution and to manage their expectations of this study.

119 At 3:00 p.m. President Jones called for a 5 minute Break. At 3:08 p.m. the Board returned to session.

120 • Spending Priorities Review

121 Director Wallace had questions regarding the Hangar rental CPI increase under "other revenues." Ms. Lyon stated
122 that the CPI is .5% and that staff is recommending on passing on in it, as it is a lengthy process, it will cost more in
123 staff time processing such a small CPI. Staff is recommending to roll it over to be processed next year. This will not
124 be the case for the other business leases, they will see a CPI increase.

125 Director Hetherington had questions about the benefit liability with CalPERS and asked about the \$1.5 million set
126 aside that is required for the Classic CalPERS contribution. Ms. Lyon stated that the \$70,000 is strictly for the classic
127 PERS members to cover the percentage contribution change which was lowered by CalPERS from 16% to 11%.

128 Director Wallace had questions about the employee CPI increase, as it is also .5%. Ms. Lyon stated that 3.5% was
129 placed in the budget as employees have the potential of receiving a 3% merit increase. Ms. Lyon stated that the
130 .5% could be taken out if the Board felt like it needed it to be. The CPI was based on the May/June CPI, it could
131 change by the time staff looks at it again in September. Mr. Smith stated that a Salary Survey is included in the
132 Budget, it will allow District to evaluate the step and range system to see if it is in line with other Districts. A Salary
133 Survey is also a requirement to keep the District Transparency Certificate with the Special District Leadership
134 Foundation. The survey should be complete by spring of 2016.

135 Ms. Lyon stated that the "Ground Maintenance" is a new line item, which was pulled out of "Repairs and
136 Maintenance."

137 Director Van Berkem inquired about the playground structure upgrade. Mr. Smith stated that the playground is
138 extremely popular, and this upgrade will cater to the 5-10 year olds. The landscape would also be expanded
139 between the playground and hangar 2.

140 Ms. Lyon stated that the property tax revenue numbers along with the financial forecast will be fine-tuned the
141 month of September and will be presented at the September 30th regular Board meeting.

142 **BUDGET PRESENTATION BY PRESIDENT JOHN B. JONES, JR.**

143 President Jones stated that his presentation stems from the conversation amongst Board members regarding
144 Liberty Utilities requesting easements for their powerline upgrades in August. The conversation quickly
145 transitioned into a growth discussion and if District and Board members should be commenting on projects by
146 other entities outside the Airport influence area. President Jones expressed concern that the Board is not
147 representing both communities the District represents: Aviation and Non-Aviation.

148 President Jones stated that the District has not spent funds on infrastructure (hangars, and additional facilities
149 other than pavement) in the last five years, yet the Airport has seen an increase in jet traffic of 113%. The increase
150 in traffic is due to the rebound of the economy, the draw of Lake Tahoe tourism, new developments, and within
151 the last 20 years the development has been in the Truckee area due to Tahoe Regional Planning Area (TRPA)
152 locking down development in the Tahoe Basin. Though recently, there has been mention of three hotel
153 developments in the Tahoe Basin that could come to fruition. President Jones expressed concern about the Board
154 giving Direction to Airport staff to slow down those projects, which is outside the Airport influence area. President
155 Jones stated the Board needs to re-direct their view back to noise reduction which is the main issue of the District.

156 President Jones shared some talking points which were made at the Special District Leadership Academy
157 Conference in Napa Valley (November 2013) which several District Board Members attended. The moderator at the
158 conference was Mr. Brent Ives, Mayor of Tracy, California. The talking points included the following statements:
159 When we (Directors) assume a public trust, we should consider ourselves as public property. The Mission is why we
160 are here as an Organization, the mission justifies our existence, the mission is the engine of the organization, the
161 mission must be right, the mission only rarely changes. President Jones read the District's mission statement, and
162 shared that the District's mission statement does not direct the Board or staff to limit growth within the District.
163 President Jones expressed that he is not opposed to have a discussion on growth of the airport.

164 President Jones shared District population statistics. Per the 2010 census, the District has an approximate
165 permanent population of 31,704 people. There are 25,100 permanent voters. Approximately 13,039 primary
166 housing units, approximately 18,595 second homes, and approximately 2 million annual visitors. President Jones
167 shared that 35% of the District's property tax revenue comes from Nevada County property owners and 65% comes
168 from Placer County property owners. President Jones stated that the property owners with in the Town of Truckee

169 zip codes (which includes Northstar, Martis Camp, Lahonton and Schafer's Mill all of which are in Placer County)
170 contribute 49% (permanent residents in the Town of Truckee Zip codes contribute 40%, 2nd homeowners 50%, and
171 commercial entities 10%) of the District's property tax revenue. And Non-Town of Truckee zip codes contribute
172 51% of the District's property tax revenue.

173 President Jones shared the multiple surveys the District has conducted to seek out the representation of the
174 Airport District. The District has spent over \$145,000 in the last two years on surveys and outreaches: the Godbe
175 survey; Master Plan outreach; Freshtracks; et.al. There are a lot of differing opinions, but there was also a number
176 of common views of the airport: 52% of those surveyed have used the Airport. 69% have favorable opinions of the
177 Airport. 88% are in favor of the Board managing the growth of the Airport Operations to be consistent with the
178 community stakeholder needs. President Jones expressed that noise mitigation should be the Boards focus, with
179 increased funds spent on that project.

180 President Jones stated that he took the month of June 2015 to calculate the amount of time District staff is using
181 on noise mitigation (please refer to Exhibit 4 of President Jones' presentation for a detailed breakdown). There are
182 approximately 368 staff hours allocated to the Noise Reduction & Fly Quiet Programs. In June, there were 43
183 complaints from 18 households. Staff spent approximately 312 hours (or 85%) of the 368 staff hours focused on Fly
184 Quiet and Noise Reduction Programs reacting to noise comments. Which is an average of 7 hours and 15 minutes
185 of staff time spent on each complaint or \$3,690.85 per complaint (see Exhibit 3 of President Jones' presentation).
186 President Jones stated that proactive action needs to take place and not reactive action. President Jones expressed
187 that the Board needs to help staff create a solution in working with habitual comments stemming from a few
188 household. Mr. Bullock stated that so far, for the month of August, one commenter represents 42 comments out of
189 100 comments.

190 President Jones stated that he would like to add another FTE specifically for pilot outreach whose duties include
191 walking the ramp, calling aviation companies, handing out maps and flyers, working in the UNICOM office directly
192 with pilots. The District needs to get visual approaches that are published and updated every 56 days. To do this,
193 the District needs surveillance around the airport with an ADSB Ground Station, and President Jones expressed the
194 Board should aggressively seek it out. President Jones also stated that the District needs to investigate a temporary
195 or seasonal tower to direct pilots where to exactly fly or to clear pilots to fly visual flight procedures. President
196 Jones expressed that the District cannot legally do anything to slow down operations at the Airport; the only thing
197 that has the ability to slow down operations is the economy.

198 Director Van Berkem stated that there was valuable data in the report, but sees that the discussion should be held
199 in the Managed Growth Workshop. Director Van Berkem expressed who the Board represents and what the
200 "community" is, is a fundamental question. Director Van Berkem noted that the Truckee some residents bought
201 into is disappearing, and some may contribute that to Growth. Director Van Berkem expressed a danger in
202 government being self-serving, in that, government grows by increasing their tax base. Organizations in the public
203 sector evaluate themselves by the use of growth numbers. Director Van Berkem stated that the Board should do
204 everything to impede growth, or slow growth from a safety perspective. President Jones asked Director Van
205 Berkem if he would support a full time employee dedicated specifically for pilot outreach and an ADSB Ground
206 Station with surveillance to the ground. Director Van Berkem stated that he is not opposed to most of the
207 suggestions made in the presentation, but feels that there are ways to mitigate how staff responds to habitual
208 commenters, if that improves, it could negate an additional FTE.

209 Director Hetherington stated that there was a lot of items captured in the report, and expressed that many of the
210 items are currently being done and many are not being implemented as quickly as they should (i.e.: enhancement
211 of UNICOM) due to lack of staff time with the many projects they currently have on their table. Director
212 Hetherington stated that the commercial operator outreach is being done. Director Hetherington believes having
213 surveillance is an interesting idea, and stated that the District should be cautious of it, as it could have unintended
214 consequences. Sometimes one would think you are solving an issue but actually can create negative issues.
215 Director Hetherington stressed that there are pros and cons with having a tower at the airport, as operators have
216 control up to a point, and questions if that feature would actually increase operations. Director Hetherington

217 expressed concern over the significant percentage increase in jet traffic (113% in over five years); this huge
218 increase leads her to reconsider the current mission statement and revisit if it represents the current state of the
219 District. Director Hetherington stated that the Town of Truckee commented on the Squaw Valley's potential
220 development, and that the District does have the ability to take such stances. She went on to say that she feels she
221 represents the voters that elected her. Director Hetherington expressed that she would like to see more outreach
222 with the Tranquility Campaign which specifically targets the passengers on the aircraft. Director Hetherington
223 noted Marin County's infrastructure decision makings which assured they would not become San Jose. President
224 Jones asked if Director Hetherington would support an additional staff specifically dedicated for pilot outreach as a
225 flagged item in the budget. Director Hetherington stated she would, but with a big flag. Though it was noted by
226 Director Hetherington that Staff can bring forth the idea of an additional FTE at any time throughout the year, it
227 doesn't always have to be included in the budget.

228 Vice President Wallace stated that a lot of good information was captured in the presentation. Vice President
229 Wallace stated the most significant piece of new information that was captured was the substantial amount of time
230 Mr. Cooke spends reacting to noise comments. Director Wallace expressed that effort needs to be made how Mr.
231 Cooke is interacting with whom. Mr. Smith stated that issue has been highlighted during the summer months as it
232 is peak operating season, it typically drops off during the shoulder seasons. Director Wallace stated she is on the
233 fence with adding an additional FTE, she questions when the discussion should happen.

234 President Jones added that the District will not be able to solve most of the problems from most of the people
235 commenting on noise until the Airport can dictate where the planes fly. The Airport cannot start to dictate where
236 the planes fly until the Airport gets surveillance to the ground.

237 Director Van Berkem stated that he would like the proposed FTE be flagged in the budget, as doing so would assure
238 a discussion on the topic.

239 Director Wallace expressed that she would like to see an additional level of involvement from ACAT regarding
240 Noise Mitigation. Mr. Bullock stated that he welcomes that conversation.

241 **PUBLIC COMMENT:** Mr. Terry stated that he believes it is encouraging to see the Board discussion a possible
242 proactive approach to Noise Mitigation rather than a reactive approach. Mr. Terry stated that conversation about
243 the top 5 households that submit noise complaints should be handled with compassion, as they seem to be living in
244 misery with the noise. Those households are probably speaking for a whole lot more people as well. The effort that
245 has been taken to submit the comment should be respected.

246 **ADJOURN**

247 **MOTION #1 AUGUST-26-15:** Director Tom Van Berkem motioned to adjourn. Vice President Wallace seconded the
248 motion. President Jones, Vice President Wallace, Directors Hetherington and Van Berkem voted in favor of the
249 motion. The motion passed.

250 At 4:15 p.m. the August 26, 2015 special meeting of the Truckee Tahoe Airport Board of Directors adjourned.