

The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS special meeting held Wednesday, May 27, 2015 at the Truckee Tahoe Airport District Community Room, 10356 Truckee Airport Road, Truckee, California at 2:00 p.m.

CALL MEETING TO ORDER: 2:10 p.m.

DIRECTORS PRESENT: President John B. Jones Jr.
Director Mary Hetherington
Director Jim Morrison
Director Tom Van Berkem

DIRECTORS ABSENT: Vice-President Lisa Wallace

STAFF PRESENT: Mr. Kevin Smith, General Manager
Mr. Hardy Bullock, Director of Aviation & Community Services
Mr. Phred Stoner, Director of Operations & Maintenance
Ms. Sally Lyon, Director of Finance and Administration
Mr. Brent Collinson, District Legal Counsel
Mr. Dave Hoffman, Operations & Maintenance Supervisor
Ms. Lauren Tapia, Administrative Clerk

VISITORS PRESENT: 0

SPECIAL ORDERS OF BUSINESS: None

PUBLIC COMMENT: None.

FY 2015-16 BUDGET HIGHLIGHTS PRESENTATION

Mr. Smith introduced the Budget Highlights Presentation for FY 2015-16. The first part of the presentation contained several pie charts and tables showing operating revenues, operating expenditures, 5 year capital/operating needs, the capital operating reserve and a table representing the new way Mr. Smith wishes to highlight TTAD's capital/operating reserves. Mr. Smith expressed the desire of expanding the District's non-aeronautical revenue; Mr. Smith indicated that Reno-Tahoe Airport's non-aeronautical revenue is 70% of its budget. By increasing the District's non-operating revenues, it will allow the District to be more self-sustaining. Mr. Smith explained the table highlighting the capital/operating reserves; the way the table is laid out is much easier for the general public to understand than what is currently being used, TTAD net position. The table will be more consistent with facility planning. Mr. Smith stated that each year, certain line items can be adjusted and funds moved around depending on what is needed each year.

- Budget Opportunities

Mr. Smith stated that the objective of the remaining time of the meeting is to review budget goals for FY 2015-16. Mr. Smith stated that staff has identified eleven budget opportunities for discussion. There will also be time allowed for the Board to discuss items in the budget summary they wish to delve in further.

- Warehouse Building Upgrades

Ms. Sally Lyon stated that the first opportunity to discuss is the Warehouse Building Upgrades. The upgrades are not addressed in the facility maintenance plan, but due to the vacancy in the warehouse building, staff feels the building is in need of upgrades. The upgrades would make the building more viable and marketable to future tenants, enhance aesthetic and architectural appeal, and enhance safety features. Ms. Lyon stated that the budget estimate for the upgrades would be \$500,000-\$700,000 over a two year period. President Jones inquired about the price per square foot of the District's warehouse space(s). Mr. Hardy Bullock stated that it averages about

\$1.00/square foot. Mr. Bullock stated that the vacant warehouse space has been shown to various interested tenants, but due to the space lacking specific features, which makes it solely just a storage space, the prospective tenants have lost interest. Director Hetherington stated that having a fire suppression system installed is important, but making the building more aesthetic is not a high priority for her. Director Hetherington expressed concern about having the warehouse space compete with private enterprises. Mr. Phred Stoner stated that if the District dedicates the space for a specific use outside of a storage facility, the space upgrades would be mandated.

- Maintenance Building Addition

Ms. Lyon stated that the maintenance building is 19 years old, and currently maintenance equipment is stored in multiple locations including two T-hangars. The multiple locations has made maintenance challenging for staff. The proposed addition would enhance safety by a more efficient layout of equipment and tools (recommended by the SMS consultant). The estimated cost of the project is \$750,000. Mr. Dave Hoffman stated that the addition would also provide a better way to store vehicles and keeping the maintenance personnel from retrieving maintenance equipment that is spread around the airfield on multiple locations. President Jones inquired about the size of the addition. Mr. Hoffman stated that the size would approximately be 40x60 ft. President Jones stated that he is in favor of moving forward, but the projected cost per square foot (\$300) is too high. Director Van Berkem expressed that he would like more information sent out about the project and it's reasoning, as spending a half a million dollars is very high for increased convenience.

- Sustainability Management Plan

Ms. Lyon stated that the goal of Sustainability Management Plan is to develop a plan to move towards zero waste. The estimate numbers are very rough. Director Hetherington stated the idea came about as a result of her attendance at the AAEE Environmental Management conference wherein both Chicago and Atlanta made presentations on how they are working toward a zero waste goal. This idea of zero waste could be a goal that would be extended to all special districts in our region.

The plan would look at each building on how waste could be reduced. A market survey would be desirable to consider, as the budget for this project is unknown. Ms. Lyon stated that there could be some cost savings (utilities) if the plan is implemented successfully. Director Morrison expressed favor of this project and is interested in receiving more information about it.

- Public Information and Outreach Manager

Mr. Smith stated that staff was looking into the amount of money the District was spending on marketing consultants, it was proposed that the District should consider bringing those services in house. This position would allow us the opportunity to do more pilot and public outreach. The position would assist in the successful launch into social media, manage the website, newsletters and public communication. Anticipated cost for the position would be budget neutral. The Board agreed if the position is budget neutral, the proposal should be explored.

- Diesel Aircraft Technology for Home-based Rental Aircraft

Mr. Smith stated that this topic was discussed at the joint ACAT meeting. The diesel aircraft would replace a current training aircraft (N1968F). The District will need to get a plane to the District to see it and how it would operate up here at the airport. This type of aircraft is gaining a lot of industry traction, but it would be a substantial upfront cost to the District. Although there are leasing options for it, the estimated pay-back costs could be provided to help understand the financial impact. Director Van Berkem inquired about the plane it would be replacing and Mr. Smith replied that the replaced aircraft could be utilized as a long term lease, which is currently not available for pilots to rent. Director Van Berkem asked about the cost per mile on fuel efficiency. Mr. Smith stated that the diesel engine burns about 4.5 gallons of jet fuel per hour as opposed to 6 gallons per hour in a non-diesel engine aircraft.

- Community/Agency Partnerships

Ms. Lyon stated that this is a new collaboration program currently in development by the Ad Hoc committee. Partnerships are earmarked for larger collaborations that exceed the sponsorship level. Current examples of community partnership are the Boys and Girls Club of NLT collaboration, TART (hwy 267 route), the Fire District (ARFF Truck) and the Tahoe Donner Rec and Park District (swimming pool). The Board agreed that there should be a separate line item in the budget for this program, but at a smaller amount than \$200,000 (which is what is proposed).

- Tahoe Nordic Collaboration-Snowcat, Trailer and Radios

Mr. Smith stated that this topic is a potential partnership that the District can participate in. Staff is considering a partnership with the Tahoe Nordic Search and Rescue Team (TNSRT). The snow cat will provide access to remote beacons and navigational aids. Also, TNSRT is one of the primary first responders in aircraft search and rescue incidents. This partnership will provide an enhanced level of safety for staff while providing general community benefit. Director Van Berkem stressed that he would like to know the usage amount of the vehicle by TNSRT.

- Open Space Endowment

Mr. Smith stated that this project would be in partnership with the Tahoe Truckee Community Foundation which would help set up a perpetual funding source for forest management. The Tahoe Truckee Community Foundation has a presentation they would like to give to the Directors explaining the project in further detail. There was Board consensus to hear the presentation by the Tahoe Truckee Community Foundation.

- Rideshare Bicycle Program Coordinated with Other Agencies

This program will develop a "Check Out" bike program that will be partnered with several other agencies that have expressed interest in the program. This program could be expanded into the Tahoe Basin. Mr. Smith stated that staff would like to get a proposal together that would get a system that has the potential to be expanded. A video of the Denver B-Cycle Bike Share program was shown. Mr. Smith stated that if the District is able to commit some funds, other Districts and Agencies will follow.

- Non-aeronautical Revenue Goals

This topic was deferred for discussion later in the year.

- Airport Economic Impact Study

Mr. Smith stated that the District would like to prepare a study to evaluate an economic value the Airport brings to the District. This study would provide a valuable insight for future decision making. The study would need to be carefully prepared to assure the validity of the results. AAE highly recommends every airport should know their fiscal impact on their region.

BOARD IMPUT

Director Van Berkem requested more information on the office furniture request for the terminal building (page 2 of the Budget Goals). Director Van Berkem stated that if the District is going to give up a conference room, he would not be in favor of setting up the 2 desk workstation. Mr. Smith stated that the room where the two workstations would be located is programmed as an office.

Director Van Berkem requested more information regarding the request for hangar A-9 heaters (page 4 of the Budget Goals). Mr. Stoner stated that heating the hangar has two purposes, community events and deicing aircraft.

Director Hetherington asked if staff could defer the heavy duty vehicle purchases since Phred and his crew do stellar maintenance on the vehicles. Mr. Smith stated that the fuel truck is 12 years old and the other one is even

older. Mr. Stoner stated that the vehicles that are up for replacement have been deferred multiple times before; it is time to replace them.

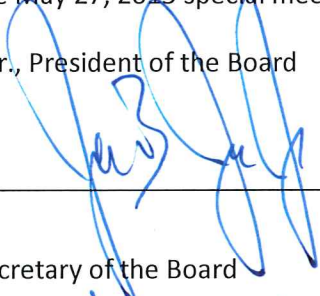
Director Hetherington also asked if the District would be under budget for the Capital Facilities Plan. Mr. Stoner stated that they are slated to be under budget.

ADJOURN

MOTION #1 MAY-27-15: Director Van Berkem motioned to adjourn the May 27, 2015 special Board meeting. Director Hetherington seconded the motion. President Jones, Directors Van Berkem, Morrison and Hetherington voted in favor of the motion. The motion passed.

At 4:01 p.m. the May 27, 2015 special meeting of the Truckee Tahoe Airport Board of Directors adjourned.

John B. Jones, Jr., President of the Board

A handwritten signature in blue ink, appearing to be "John B. Jones, Jr.", written over a horizontal line.

Kevin Smith, Secretary of the Board

A handwritten signature in blue ink, appearing to be "Kevin Smith", written over a horizontal line.