

The following is a **condensed** version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS SPECIAL meeting held Wednesday, September 20, 2017 in the Truckee Tahoe Airport District Community Room A, located at the Truckee Airport, 10356 Truckee Airport Road, Truckee, California at 9:00 a.m.

CALL MEETING TO ORDER: 9:05 a.m.

PLEDGE OF ALLEGIANCE

DIRECTORS PRESENT: President Lisa Wallace
Vice President Rick Stephens
Director Jim Morrison
Director Teresa O’Dette
Director John B. Jones, Jr.

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

PUBLIC COUNT: 0

SPECIAL ORDERS OF BUSINESS:

Mr. Kevin Smith noted that today’s meeting will end at 11:45 AM at the latest. If the Board does not finish the Budget workshop, a follow up workshop will be scheduled in October.

PUBLIC COMMENT:

None.

TTAD BASIC FINANCIAL POSITION

- *Projection of Capital and Operating Reserves – FY 2018*

Mr. Smith stated that staff will be reviewing the budget goals for FY 2018 which will be presented via PowerPoint. Mr. Smith indicated that this is a review of the preliminary budget and discussion of budget goals and priorities; Staff has identified multiple budget opportunities. Mr. Smith stated that there will be a period to discuss other items the Board would like to review as presented in the preliminary budget and assumption narrative. Mr. Smith reminded the Board that there will be no action taking place in today’s meeting, only discussion, guidance and direction.

Mr. Smith stated that there will be further refinement and development of the budget after today’s meeting. There could be a budget review at the regular October Board meeting if it is warranted. The final Budget approval will be at the November 29th regular Board meeting.

Ms. Lyon reviewed the FY 2016/17 Operating Revenues and Operating Expenditures pie charts. Mr. Smith reviewed the projected 5 year Capital/Operating funding needs (2018-2022).

Director Morrison inquired about payroll and airside operations. Director Jones clarified Director Morrison's statement and asked how much property tax dollars went to support the operations at the airport and if the District can run the airport without property tax income. Both Directors wished for Ms. Lyon to resurrect an old table the previous Financial Director used to reflect what the Directors requested. President Wallace requested the table reflect the last five years. Staff acknowledged the request and will send out the table to the Board members.

Mr. Smith reviewed the Capital Operating Reserve table.

- *Budget Opportunities Identified by Staff*
 - *Community Sponsorships and Partnerships*

Mr. Smith introduced the first budget opportunity, Community Sponsorships and Partnerships. The FY 2017 Budget included \$40,000 for Sponsorships and \$350,000 for Agency Partnerships. Staff is requesting to increase both "buckets" to include \$50,000 for Sponsorships and \$250,000 for Agency Partnerships in the FY 2018 budget.

There was consensus from the Board to leave the sponsorships as proposed, but raise agency partnerships to \$500,000 in the FY 2018 budget.

- *Tahoe City Ice Rink Expansion and Tahoe Vista Trails Project*

Mr. Smith stated that these items were submitted by Director O'Dette and Vice President Stephens. The Directors would like the Board to consider providing funding to expand and improve the Tahoe City Ice Rink in partnership with the Tahoe City PUD and various other public agencies and non-profits. Mr. Smith reviewed the two options the TCPUD is considering for the Ice Rink. Mr. Smith noted that this project would meet the program requirements of the Community Partnership Policy Instruction.

Both Director O'Dette and Vice President Stephens would again like the Board to consider providing funding for the trailhead and access improvements at the North Tahoe Regional Park, which would also be in partnership with the North Tahoe PUD and other public agencies. The North Tahoe PUD is proposing a multi-use trailhead access improvements in the park. There are multiple project options including repaving of the parking area, improving access, trail construction and ADA access. There are eight (8) phases of the project. Mr. Smith noted that this project would meet the program requirements of the Community Partnership Policy Instruction.

There was Board consensus to raise the Agency Partnership funding to \$500,000 and to have these two projects go through the Agency Partnership application process.

- *Funding for Regional Housing Solutions and Opportunities*

Mr. Smith stated that the District, along with the greater community, is working on housing solutions through the Truckee Tahoe Community Foundation's Regional Mountain Housing Council. Mr. Smith noted that the FY 2018 Budget includes \$600,000 for the Rick Lee Lazando Project, as well as \$500,000 in unallocated funds specific to housing projects, for a total of \$1.1 million dollars.

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

- *Hangar 2 Reconstruction Project*

Mr. Smith stated that the Board approved \$160,000 in FY 2016/17 for programming and design of the new Hangar 2 structure. Staff recommends budgeting \$2.5 million to begin construction of the building in FY 2018. The project will span two fiscal years, and staff estimates an additional \$2 million will be required in FY 2019 to complete the project.

There was consensus from the Board to leave this item, as proposed, in the FY 2018 budget (\$2.5 million for FY 2018).

- *Pavement Management*

Mr. Smith reviewed the Pavement Management budget item. The FY 2018 Budget includes \$700,000 for pavement projects as well as \$453,000 in FAA grant revenue. Mr. Smith noted that staff will have final project cost estimates in October.

- *Cessna 172 JTA Aircraft Purchase*

Mr. Bullock stated that this project has been discussed numerous times with the previous Board of Directors. The cost to acquire the aircraft is approximately \$475,000. Staff noted that they will test the C172 JTA in October. HMMH will conduct sound measurements of the aircraft and information will be provided to the board at the October 25th Board meeting. Staff estimates on leaseback proforma that the District will receive \$10,000 - \$20,000 annually to offset the acquisition costs.

There was consensus from the Board to leave this item, as proposed, in the FY 2018 budget pending further information be brought to the Board at a future date (performance and sound testing conducted by District staff).

- *Greenhouse Gas Emissions Inventory and Sustainability Management Initiatives*

Ms. Lyon stated that Phase I of the Greenhouse Gas Emissions Inventory is complete and will be presented to the Board and to the public at the October 25th Board meeting. The final report of Phase I Inventory outlines various steps the Airport can take to reduce its carbon footprint. The FY 2018 Budget includes \$100,000 to begin these initiatives.

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

- *Seasonal Air Traffic Control Tower Program*

Mr. Bullock reviewed the Seasonal Air Traffic Control Tower request for the winter season as well as for summer of 2018. Staff will present a full report on the Tower's performance for the summer of 2017 at the October 25th Board meeting. The cost for the tower for the summer of 2018 is \$420,000 (which includes Midwest ATC bid plus a small contingency) and the cost of the winter tower (December 15 – February 28) is approximately \$144,000. Staff proposes \$520,000 in the FY 2018 budget. There was board consensus of support for the proposed project, though a decision will be pending the review of the Tower Performance Report for 2017 which will be presented at the October Board meeting.

- *ADS-B and Published Visual Procedures*

Mr. Bullock stated that this project is considered to be the most effective tool to move aircraft to predetermined routes that will avoid noise sensitive areas. Staff continues to advocate for an ADS-B ground station on Airport property. Mr. Bullock noted that predetermined and charted flight procedures require a Tower, ADS-B, and published visual procedures. The FY 2018 Budget includes \$250,000 for ADS-B equipment, and \$50,000 for Lobbyist assistance with the FAA. Mr. Bullock noted that Airspace work for visual procedures is already underway in the Airspace Study. Mr. Smith stated that the budget estimates are a "shot in the dark", as they have not received an official estimate from anyone.

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

- *Additional Cameras to capture Touch and Go operations*

Mr. Bullock stated that the Board expressed some interest in capturing touch and go operations with Vector Operations Monitoring System. Additional capture data will make operation counts more accurate. The proposal would be to add an additional six (6) cameras to the system. Cost for the system upgrade is \$60,000. Mr. Bullock noted that there will be additional staff costs to maintain and process the data of the new system. Discussion ensued amongst the Board members on this project. There was Board consensus to not continue forward with this project, and requested staff to remove project from the FY 2018 budget.

- *Personnel and Staffing*

Mr. Smith stated that with the increase in operations and revenue, there is an associated increase in processing revenue and expenditures, tracking and bookkeeping. The Finance and Administration Department is requesting a part-time Accounting Clerk to assist with these duties. The FY 2018 budget includes \$30,000 annual for the cost of the position.

Mr. Bullock stated that he and Mr. Smith continue to re-evaluate the Noise Manager position in connection with the IT functions of the District. Due to increases in technology systems and annoyance mitigation responsibilities, staff sees a need to have distinct noise manager and IT functions. Mr. Bullock stated that the Noise Manager needs to be a FTE as currently budgeted. Though, staff is studying how IT services can best be provided to the District. The FY 2018 includes the current salary for the Noise Manager as in past years, but now includes \$60,000 for IT Contractors, this is an increase of \$30,000 from the FY 2016/17 budget.

There was consensus from the Board to have staff bring forth more specific information to justify the additional staffing requests.

- *Administration Building Addition*

Mr. Smith noted that current staff count has maximized occupancy of the Administrative offices. Staff is looking at options to expand the staff offices between the reception counter to the break room in the front of the office. This option has the potential to add three to four offices and increase the size of the break room, which is currently undersized. The FY 2018 budget includes \$50,000 for study, design and preliminary engineering.

There was consensus from the Board to have staff study the inefficiencies of the entire second floor of the Administration offices.

PUBLIC COMMENT: None

PRELIMINARY BUDGET AND ASSUMPTION NARRATIVE DISCUSSION

Mr. Smith indicated that staff will be taking questions from the Board members regarding the Preliminary Budget and Assumption Narrative by their line numbers displayed in the report.

Director Jones inquired about the status of the Mountain Top AWOS project. Mr. Bullock explained where the District is at currently, and will forward further information about the project to the Board.

Director O’Dette inquired about the 3% merit increases for staff, and questioned if that is budgeted every year. Mr. Smith stated that it is budgeted on a yearly basis, but it is not guaranteed for all staff, as merit increases are pending satisfactory performance reviews. Some employees receive less than 3% and some employees get more than 3%.

Mr. Smith noted that staff has found better health coverage options for employees, one of the plan options is a High Deductible Insurance which would include an HSA account. This potential health benefit change is within the allocated budget authorized by the Board of Directors.

Director Morrison suggested that staff further research the idea of having a vendor on the airport that serves dinner. Director Morrison, would like that idea to be researched in conjunction with the programming of the new Hangar 2, which could be a potential site for that idea.

PUBLIC COMMENT: None

ADJOURN

MOTION #1 SEPTEMBER-20-2017: Director Jones motioned to adjourn. Director O’Dette seconded the motion. President Wallace, Vice President Stephens, Directors Morrison, Jones and O’Dette voted in favor of the motion.

The meeting adjourned at 11:06 a.m.

Lisa Wallace, President of the Board



Kevin Smith, Secretary of the Board


