

The following is a **condensed** version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS SPECIAL meeting held Wednesday, August 22, 2018 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: 1:31 PM

PLEDGE OF ALLEGIANCE

DIRECTORS PRESENT: President Rick Stephens
Vice President Jim Morrison (arrived at 1:34 PM)
Director Lisa Wallace
Director Teresa O’Dette
Director John B. Jones, Jr. (Via Teleconference)

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. Brent Collinson, District Legal Counsel
Ms. Lauren Tapia, District Clerk

PUBLIC COUNT: 1

SPECIAL ORDERS OF BUSINESS:

Mr. Kevin Smith noted that today’s meeting will end at 4:00 PM at the latest. If the Board does not finish the Budget workshop, a follow up workshop will be scheduled at a later date.

PUBLIC COMMENT:

None.

TTAD BASIC FINANCIAL POSITION

- *5 year Budget Forecast – Hansford Consulting*

Vice President Jim Morrison entered the meeting at 1:34 PM

Mr. Smith introduced Ms. Katherine Hansford of Hansford Consulting. Ms. Hansford will be reviewing the District’s 5 year Budget Forecast.

Ms. Hansford reviewed that that 5 year forecast is simply a planning tool, its purpose is to assist the Board in making decisions, particularly with regard to capital projects (financing and timing) and to show projected changes in revenues and expenses over the next five years.

Ms. Hansford reviewed some changes that were made to the forecast from the March 2018 presentation, specifically increases in revenues, expenses and infrastructure and capital projects. Ms. Hansford explained several graphs that showcased the annual projection of District expenditures, revenue assumptions and projections (property tax, FAA grants, Airside and Hangar revenues), as well as the District’s cash balance projections based on specific capital projects.

After Ms. Hansford's presentation, Mr. Smith noted that all of the projections noted in the five year forecast assume the District is spending every single dollar budgeted (on an annual basis).

Mr. Smith stated that the next part of the presentation, Budget Opportunities, will review projects that have come from the surveys that were turned in by staff. Mr. Smith noted that the projects listed in the presentation are not prioritized. Mr. Smith also stated that the ADS-B was not placed in the five year forecast as Staff couldn't project where that project would be going, but staff just received additional information and it will be detailed later in the afternoon.

President Stephens noted that after reviewing the forecast report, that the District can't do every single project; prioritization and deliberation will need to occur. There was consensus from the rest of the Board with President Stephens's statement.

PUBLIC COMMENT: Ms. Mary Hetherington, Truckee Resident, stated that the District should consider exploring the opportunity to purchase Martis Valley West with the District's property tax revenues.

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

Mr. Smith introduced the first budget opportunity, Community Sponsorships and Partnerships. The CY 2019 Budget included \$50,000 for Sponsorships and \$500,000 for Agency Partnerships. The District is on track to spend \$50,000 on individual sponsorships for CY 2018.

There was consensus from the Board to leave the sponsorships as proposed

- *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 CY 2019 Budget includes \$360,000 for the Rick Lee Lazando Project (\$60,000 has been paid out in CY 2018). An additional \$500,000 in unallocated funds specific to housing projects, for a total of \$860,000.

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

- *Pavement Management*

Mr. Smith reviewed the Pavement Management budget item. The 2019 Pavement Management budget is pending FAA and engineering detail. Staff will likely propose in the CY 2019 Budget to include \$700,000 for pavement projects. As well as \$2.6 million in FAA grant revenue (combined 2018 and 2019 entitlement). Mr. Smith noted that staff will have final project cost estimates in September.

- *H Row Roof*

Mr. Smith stated that the H Row Hangar building roof is in poor condition and needs to be replaced. The project is noted in the District's Facility Maintenance Plan for replacement in 2017 and 2019. Due to new building codes, the roof needs to be completely replaced and cannot be overlaid. The bid for this project came in just under \$600,000, Mr. Smith noted that the bid only covers 5 of the 10 hangars.

- *950 B Loader*

Mr. Smith noted that staff is recommending to replace the 950 B Loader with a smaller 938 Loader, which is a needed tool to get in some of the tighter areas around the District. The total projected cost is \$260,000, which includes sales tax, plow blades and radios. Staff anticipates to get \$38,000 in sales proceeds for the 950 B Loader. There was Board consensus to leave this item in the budget.

- *Administration Building Addition*

Mr. Lyon 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 offices and increase the size of the break room, which is currently undersized, as well as increase the size of the Restaurant's kitchen. The CY 2019 budget includes the project cost estimate \$450,000, though the project price is still under review. There was some concern that \$450,000 was not enough. There was Board consensus for more pricing info, and that this item is considered a high priority.

- *Hangar 2 Reconstruction Project*

Mr. Smith stated that the Board approved \$160,000 in CY 2018 for programming and design of the new Hangar 2 structure. Staff recommends budgeting \$4.5 million to begin construction of the building in CY 2019. The project will span two fiscal years, and staff estimates an additional \$3 million will be required in CY 2020 to complete the project.

The Budget forecast includes \$4.5 million for the project, which includes budget carry-forwards from CY 2018 of \$2 million.

- *Consideration of 12 Super T-Hangars*

Mr. Smith stated that the District has a significant demand of Executive Hangars. There are 40+ individuals on the District's Executive Hangar waitlist, with an additional 40+ individuals on the T-Hangar waitlist. With staff review of the aircraft fleet mix on both lists, staff recommends the Board to look further into constructing "Super T Hangars" that would be able to accommodate PC-12 type aircrafts. Staff proposes \$100,000 for a feasibility study for the project in CY 2019. The Budget considers commencing construction in 2019 and includes \$3.7 million in CY 2019 and CY 2020.

There was Board consensus to only budget \$100,000 for the feasibility study in CY 2019 and to shift construction dollars to later in the year.

- *Greenhouse Gas Emissions Inventory and Sustainability Management Initiatives*

Ms. Lyon stated that the Greenhouse Gas Emissions Reduction Plan is almost complete and will be presented to the Board in the Fall of 2018. The CY 2019 Budget includes \$100,000 to begin the initiatives that will be laid out in the Reductions Plan.

There was consensus from the Board to leave this item, as proposed, in the CY 2019 budget.

- *ADS-B Installation*

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 stated that the District has been very successful negotiating agreements with the FAA and Harris for this project. The initial challenge with the project is the associated costs for the agreement which could be as high as \$1.75 million. Staff is working on this to understand better why the costs are this high and if there is associated revenue from the data the ground station generates.

Director Wallace expressed that this project is of higher priority than the Super T-Hangars, though, states that the District needs to drum up more conversations with the community regarding the Tower, ADS-B and routes and how they all integrate with each other. Director Jones noted agreement with Director Wallace. Discussion ensued amongst the Board and Staff regarding public outreach, and noted getting help from an outside source (Abbi Agency) to help with the messaging.

PUBLIC COMMENT: Ms. Mary Hetherington noted that as a community member, she has not experienced any reduction in annoyance with the Temporary Control Tower. Ms. Hetherington acknowledged that there may be benefits with ADS-B but expressed concern regarding the unintended consequences by installing an ADS-B ground station at the Airport, specifically related to Night Time Operations. Ms. Hetherington again stated the idea of purchasing Martis Valley West, as that will prevent an additional 500 home sites from noise and annoyance of aircraft flying the Lake Tahoe Approach to Runway 29.

There was Board consensus to add this project to the Budget, and noted it being a high priority project for staff.

- *Proposed Studies for 2019*

Ms. Lyon reviewed the following proposed studies for 2019:

- Vehicle Parking Facilities Development Plan: \$50,000
- Facilities Maintenance Plan: \$75,000
- Land Management Plan: \$50,000
- Communications Master Plan: \$30,000
- Wildlife Hazard Study: \$25,000
- Water System Master Plan: \$50,000

- *Personnel and Staffing*

Mr. Smith stated that with the increase in operations and revenue, staff recommends one additional FTE in O&M, as well as another FTE in Finance. The Finance position would combine a current FTE who is splitting time between O&M and Finance, thus creating an FTE in each department.

Mr. Smith stated that a fully benefited O&M Technician position is \$80,000/year and is included in the CY 2019 budget

Mr. Smith noted that the District uses scalable seasonal labor for summer and winter peaks, four summer O&M tech positions and 4 O&M Tech (winter equipment operators) are budgeted for CY 2019. There was Board consensus to approve both the summer and winter seasonal positions.

Mr. Bullock stated that he and Mr. Smith continue to re-evaluate the Noise Coordinator 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 coordinator and an Operations Analyst/IT Manager. Mr. Bullock stated that the Noise Coordinator needs to be a full time employee, as of now it is a Summer Seasonal position. There was Board consensus to transition the seasonal Noise Coordinator to a full time permanent position.

- *Additional List of Budget Items for CY 2019*
 - \$241,000 for 2019 Air Show from the previous \$226,000 to account for CPI increases.
 - \$125,000 for Runway and Taxi way stripping.
 - \$100,000 to upgrade aging IT and server equipment.
 - \$175,000 for Forest Management improvements.
 - \$350,000 for Facility Maintenance Plan projects.
 - \$125,000 for Warehouse Improvements.
 - \$140,000 for replacement of Backup Generator and expansion of storage building for the Administration Building.
 - \$35,000 to upgrade and replace broadcasting equipment in Board Room

There was Board consensus to include the additional items above in the budget.

PUBLIC COMMENT: None

Director Jones left meeting at 3:54 PM.

BOARD MEMBER ANNOUNCEMENTS: None.

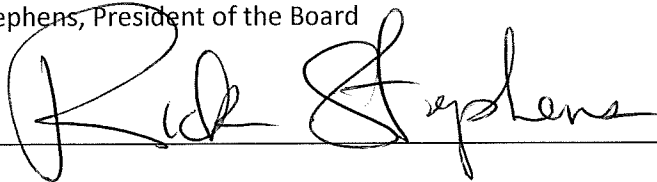
ADJOURN

PUBLIC COMMENT: None

MOTION #1 AUGUST-22-2018: Director O’Dette motioned to adjourn. Vice President Morrison seconded the motion. President Stephens, Vice President Morrison, Directors Wallace and O’Dette voted in favor of the motion.

The meeting adjourned at 3:54 PM.

Rick Stephens, President of the Board



Kevin Smith, Secretary of the Board