

The following is a condensed version of the TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS regular meeting held Wednesday, April 22, 2020 via live web streaming.

**CALL MEETING TO ORDER: 4:31 PM**

**PLEDGE OF ALLEGIANCE**

**DIRECTORS PRESENT:** President Teresa O’Dette (via Teleconference)  
Vice President Mary Hetherington (via Teleconference)  
Director Rick Stephens (via Teleconference)  
Director Jim Morrison (via Teleconference)  
Director Lisa Wallace (via Teleconference)

**STAFF PRESENT:** Mr. Kevin Smith, General Manager (via Teleconference)  
Mr. Hardy Bullock, Director of Aviation & Community Services (via Teleconference)  
Ms. Kelly Woo, Director of Finance & Administration (via Teleconference)  
Mr. Brent Collinson, District Legal Counsel (via Teleconference)  
Mr. Marc Lamb, Community Relations Manager (via Teleconference)  
Mr. David Van Quest, Aviation & Community Services Noise Associate (via Teleconference)  
Ms. Lauren Tapia, HR Manager/District Clerk (via Teleconference)

**VISITORS PRESENT: 1**

**MODIFICATION OF AGENDA:** None

**SPECIAL ORDERS OF BUSINESS:** Mr. Smith gave a brief update regarding the District’s response to the Covid-19 pandemic. Mr. Smith noted that the District is highly engaged in local stake holder meetings, will sometimes receive various calls inquiring about aeronautical activity and most of the Administration staff continue to work remotely. The Operations and Maintenance Department is working on various projects around the airfield where distancing between personnel is easily accommodated. The District has continued the reduced service offerings and reduced their fueling hours. Mr. Smith stated that the Airport received \$157,000 of funding through the CARES act, which will be discussed further into the meeting.

**PUBLIC COMMENT (via Text):** None.

**CONSENT ITEMS**

- Minutes: March 24, 2020 Regular Meeting ----- TAB 1
- Monthly Service Bills and Fees ----- TAB 2

**PUBLIC COMMENT:** None.

**MOTION #1 APRIL 22-2020:** Director Stephens motioned to approve the Consent Items 1 & 2. Vice President Hetherington seconded the motion. President O’Dette, yes. Vice President Hetherington, yes. Director Stephens, yes. Director Morrison, yes and Director Wallace, yes. The motion passed via roll call vote.

**AVIATION AND COMMUNITY SERVICES DEPARTMENT REPORT (TAB 03)**

Mr. Van Quest reviewed Operations and Comment 1<sup>st</sup> Quarter Highlights. Mr. Van Quest noted that operations were up for the 1<sup>st</sup> quarter by 10% but operations for the month of March is down by 47% compared to March 2019. Comments by household is down 22% and the total comments made are down by 49% for the 1<sup>st</sup> Quarter. Mr. Van Quest noted an emergency landing made by a Lancair in February on Runway 29, and that it was successful. The plane was able to receive maintenance from Sierra Aero. Vice President Hetherington inquired about the 14 night operations. Mr. Van Quest noted that ten of the

operations were hangar tenants, none of which violated their fly quiet incentive agreements. The remaining four received outreach from staff. Vice President Hetherington requested 1<sup>st</sup> quarter night operation data for the last five years. Staff acknowledged her request.

Mr. Lamb reviewed the Communications and Outreach 1<sup>st</sup> Quarter Highlights which included social media metrics, community room usage, sponsorship requests and District web page metrics updates.

**PUBLIC COMMENT:** None.

#### **QUARTERLY FINANCE REPORT (TAB 04)**

Ms. Kelly Woo reviewed the quarterly finance report for the month end March 31, 2020. Ms. Woo noted that they are about 95% done with the audit, as it is taking place remotely, and the report will be presented at the regular May Board meeting. Ms. Woo noted that staff is working on a Budget Re-forecast due to COVID-19 which will show actuals for the 1st Quarter and then the following reductions to budget for the 2nd Quarter leaving third and fourth quarters untouched. Staff may adjust Q3 and Q4 once they get a better picture of revenue trends. Q2 Reductions:

- FBO Revenues reduced by 40%
- Hangar Revenues reduced by 10%
- OBL Revenues reduced by 10%
- Warehouse Revenues reduced by 40%

These changes result in a reduction in net income of around \$250,000 not including any further savings on the expense side. Director Wallace inquired about the 40% reduction in warehouse revenues. Mr. Smith stated that Clear Capital leases a warehouse unit and just submitted their notice that they are moving out. Mr. Bullock provided further clarification that the warehouse unit is being leased by Clear Capital's owner as a garage for vehicles and other miscellaneous storage items.

**PUBLIC COMMENT:** None.

#### **MONTHLY ACAT REPORT (TAB 05)**

ACAT Chair Mr. Diamond reviewed the monthly ACAT report, which included updates on their current subcommittee projects, items that were listed as action items (Cessna JTA Policy, District Trails, and Hangar Rents) though no action was taken by Members on those items. Discussion ensued regarding the various ACAT sub-committee projects and the process of those projects wrapping up and being pushed out to the public. The process for approval of those projects were discussed and District Counsel Collinson noted that Board members can get updates on the projects, but they cannot provide any feedback on such projects before they are brought forth to the Board for final approval, as that could be a potential hub and spoke Brown Act violation.

**PUBLIC COMMENT:** None.

#### **AIRSHOW UPDATE**

Mr. Smith noted that the Airshow Committee has decided to postpone the Airshow until September. More details still need to be ironed out, which will be shared with the Board at a future date.

**PUBLIC COMMENT:** None.

#### **STAFF AND BOARD MEMBER CONFERENCE ATTENDANCE REPORT**

None to report.

**PUBLIC COMMENT:** None.

#### **RENT AND LEASE PAYMENT DEFERAL POLICY (TAB 06)**

Mr. Bullock stated Staff has received requests from airport tenants to defer rent during this COVID19 pandemic as a result of sudden and dramatic reductions in income and cashflow. These are private, commercial, and non-profit tenants. The airport is required to offer any voluntary relief in a fair and non-discriminatory way that align with guidelines set forth by the FAA and District policy. Recent Federal Aviation Administration Guidance dated April 4, 2020 gives airports the authority to provide rent relief for aeronautical and non-aeronautical tenants. Further economic impacts are anticipated, leaving tenants vulnerable to eviction. Displacing renters who are unable to pay rent due to these types of financial impacts will worsen the present crisis. Mr. Bullock noted that it is the airport's roles to promote stability amongst commercial, private, and non-profit tenants. Staff recommends extending relief to airport tenants to support the safe, efficient and secure use of the airport and promote its long term, vibrant and sustainable use. Mr. Bullock stated that the resolution calls out a few important restrictions: The funding is available to tenants who have a monthly payment of less than \$5000.00, others may apply but staff recommends the General Manager have flexibility in approving these so the broadest application of benefit may be realized. There is also a cap on the total program funding to allow the Board of Directors to control the amount of deferred revenue. Mr. Bullock noted that additional funding may be adopted either by policy or resolution. Mr. Bullock stated that Initially the program would defer up to \$175,000 in payments leaving the District to adjust its cashflow forecast as well as estimates for earnings related to leases and commercial operating permits. The \$175,000 should be paid back to the District within 18 months. The District has no current method of securing the deferred rent except minor lease deposits.

Discussion ensued amongst Board members regarding the types of tenants that requested rent deferral, removing the "first come first serve" program restriction, removing the "less than \$5,000 monthly hangar payment" cap, how the tenant should prove the financial impact from Covid-19, removing the language giving the General Manager discretion on who gets approved if they do not meet initial criteria. There was consensus from the Board to defer Payments for a term not to exceed 90 days past the date the Governor's Order of Pandemic Emergency is lifted/removed/repealed, amortization of repayment shall be completed within 12 calendar months from the last date of deferred rent or 18 months from the first date of deferment whichever is less, tenants will need to provide reasonable evidence of financial hardship in order to participate in the rent deferral program.

Director Hetherington stated that she will vote in favor of the amended changes to the rent and lease deferral policy, though she wanted it noted that she is concerned with the optics of the program and hopes that it doesn't put the General Manager in a difficult position defending the program.

**PUBLIC COMMENT:** None.

**MOTION #2 APRIL 22-2020:** Director Morrison motioned to approve Resolution 2020-03 with the above noted modifications and to waive the reading. Director Stephens seconded the motion. President O'Dette, yes. Vice President Hetherington, yes. Director Stephens, yes. Director Morrison, yes and Director Wallace, yes. The motion passed via roll call vote.

#### **T-HANGAR STUDY – REVISED REPORT REVIEW (TAB 07)**

Mr. Smith noted that the study was presented to the Board at the February 26, 2020 Board of Directors meeting. Various comments were reviewed, and direction was given to staff to revise the report to include additional information particularly related to proforma data and proposed rent increases. The Study includes corrections and additional data. The following revisions were made to the Study:

- Revised Scenario 3 to consider market rate instead of current rate (page 3)
- Revised Scenario 4 to consider market rate instead of current rate (page 3)
- Added Scenario 6 – debt recovery with 50% bond financing (page 3)
- Corrected error in spreadsheet on major maintenance years, and updated each scenario NPV/IRR (Appendix C)

- Added monthly rental rates in the narrative to provide the reader an alternative way to consider rents.

Mr. Smith noted that staff estimates there is tremendous needs and demand for this product, Mr. Smith recommends the Board to consider revisiting this item when the full impact and ramifications of the COVID-19 pandemic are better understood. Mr. Smith stated that the District will see a noticeable impact on District reserve funds to address revenue shortfalls particularly with fuel sales and ramp services fees. Staff does not recommend allocating \$2,678,900 of District reserve funds until the full impact of COVID-19 is understood.

There was Board consensus to deferring the project until the Covid-19 emergency is resolved.

**PUBLIC COMMENT:** None.

### **GENERAL MANAGER'S REPORT (TAB 11)**

- Upcoming Trainings/Conference Opportunities

Mr. Smith reviewed the upcoming training and conference opportunities for the Board of Directors, many have been postponed/canceled.

- Ad Hoc Committees and Board Assignment Updates

None to Report

- Truckee Tahoe Workforce Housing Joint Powers Authority -Update

Mr. Smith stated that they had their first Board meeting, there are projects that are coming to fruition, which is exciting.

- Runway Utilization Report - Update

Mr. Smith stated that staff was hoping the runway utilization report could be presented but noted that it will be presented at the May Board meeting. Mr. Smith also stated that the alternate runway will be presented in May as well.

- Business Assistance with Truckee Donner Chamber of Commerce

Mr. Smith stated that staff has been in multiple meetings with the Truckee Donner Chamber of Commerce to see how the District can help support the local business community (Mr. Smith is still waiting to meet with North Lake Tahoe Chamber). Director Wallace noted that both chambers currently do not have a robust response to help the business community. Director Wallace would like to see a more refined proposal. There was Board consensus to have the General Manager to bring forth community assistance ideas so if they have been cleared by legal counsel and are clearly defined.

- Wildlife Hazard Assessment

Mr. Smith generally reviewed the wildlife assessment for the Board of Directors. A copy was provided to the Board and is posted for public review. No action is required on this Assessment.

- Agency Partnerships, Land Acquisitions, and Infrastructure Participation Requests - Update

Mr. Smith noted that as the total impacts on District finances related to COVID-19 are still unknown, staff would suggest the Board defer review and decisions on these items for 60 to 90 days to better understand District cash flow. While all of these are worthwhile and valuable projects, the Board may also want to consider if these funds should be deployed where possible to more urgent community needs and essential services resulting from the pandemic. There was Board consensus with Staff's recommendation of a 60-90 day deferral of the Agency Partnership program.

- Upcoming Board Meeting Schedule & Rolling Agenda

Mr. Smith reviewed the upcoming Board meeting schedule, which includes the Board Workshop for the month of May, and the Rolling Agenda.

**PUBLIC COMMENT:** None.

**BOARD MEMBER ANNOUNCEMENTS:** None.

**ADJOURN**

**MOTION #3 APRIL-22-2020:** Vice President Hetherington motioned adjourn the meeting. Director Stephens seconded the motion. President O’Dette, yes. Vice President Hetherington, yes. Director Stephens, yes. Director Morrison, yes and Director Wallace, yes. The motion passed via roll call vote.

At 7:09 PM the April 22, 2020 regular meeting of the Truckee Tahoe Airport Board of Directors adjourned.

**THIS SET OF MINUTES IS A CONDENSED VERSION OF THE APRIL 22, 2020 REGULAR BOARD MEETING.**  
**TO WATCH THE MEETING IN ITS ENTIRTY:** <https://ttm.open.media/sessions/132659/truckee-tahoe-airport-district-april-22-2020?category=458>

Teresa O’Dette, President of the Board



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Kevin Smith, Secretary of the Board



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