

**CARSON CITY AIRPORT AUTHORITY
MEETING AGENDA**

WEDNESDAY, AUGUST 20, 2008 – 6:00 P.M.

Public Meeting at:
CARSON CITY COMMUNITY CENTER
SIERRA ROOM
851 E. WILLIAM STREET
CARSON CITY, NEVADA

- A. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF QUORUM. The regular meeting of the Carson City Airport Authority was called to order at 6:00 p.m. Roll call was taken, and quorum was determined:

Present: Don Peterson, Collie Hutter, Steve Lewis, Walt Sullivan, David McClelland and Richard Staub

Absent: Neil Weaver

Staff: Jim Clague and Steve Tackes; Yvon Weaver

- B. PLEDGE OF ALLEGIANCE

- C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY. Minutes of past meetings were unavailable, and this item was tabled to the next regular meeting.

- D. MODIFICATION OF THE AGENDA. *The Chairman reserves the right to modify the agenda in order to most effectively process the agenda items.*

Item G(5) will be carried forward to the next regular meeting at the request of Airport Structures, LLC.

Item G(6) will be placed at the end of the agenda, with all other items accordingly following in order.

Note: Member McClelland arrived to the meeting.

- E. PUBLIC COMMENT. *Members of the public who wish to address the Airport Authority may speak on non-agendized matters related to the Airport. Comments are limited to*

three (3) minutes per person or topic. If your item requires extended discussion, please request the Chairman to calendar the matter for a future Airport Authority meeting.

Mr. Ralph Smith of Valley Construction provided his monthly status report update to the Jet Ranch Project as well as a handout sheet that included photographs showing the progress on the roof structure.

Mr. Bill Hartman addressed the Board regarding the discussion of the traffic pattern altitude from 5500 to 5700 feet, and asked if this has been changed yet. Mr. Lewis responded that the altitude is still officially at 5500 feet, but with the adoption of Title 19 it would be bumped to 5700 feet, and official postings would be changed at that time.

Mr. Dayton Murdoch addressed the Board regarding the issue of turning at “Highway 395” versus “Carson Street,” and asked if this information has been updated. Mr. Lewis responded that it has not officially been changed as yet. Eventually the new bypass will be referred to as Highway 580, but right now all the signage indicates that it is Highway 395, and this is creating the confusion for the flying public.

There were no further comments, and the public comment portion of this meeting was closed.

F. CONSENT AGENDA

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All matters listed under the consent agenda are considered routine, and may be acted upon by the Airport Authority with one action and without an extensive hearing. Any member of the authority or any citizen may request that an item be taken from the consent agenda, discussed and acted upon separately during this meeting. The Chairman or the Vice-Chairman retains discretion in deciding whether or not an item will be pulled off the consent agenda.

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- (1) Adoption of Department of Taxation Plan of Corrective Action: The CCAA and Staff will make every attempt to get all required documents to the State of Nevada Department of Taxation in a timely manner. The CCAA will request that the contracted auditor keep the Airport Manager and the CCAA Treasurer apprised of all required submissions and deadlines, and will act upon these notices and/or reminders from the auditor as quickly as possible.

Staff Summary: The 2006-2007 CCAA Audit noted that the CCAA was late in filing a number of reports as well as the audit itself. In a letter dated July 7, 2008, the Nevada Department of Taxation requested that the CCAA adopt and submit a plan of corrective action to ensure the timely filing of reports and audits. This corrective action has been informally approved by the Department of Taxation, and simply requires CCAA adoption. The Department of Taxation acknowledges that the CCAA has done much better this fiscal year, and they have expressed their appreciation of these improvement

efforts. To the best knowledge of the CCAA Treasurer, all 2007-2008 fiscal year reports thus far have been submitted on time and in the correct format.

There was no additional discussion on this item. Mr. Sullivan moved to adopt the proposed plan of corrective action. Mrs. Hutter seconded the motion. A vote was taken and the motion carried.

**** END OF CONSENT AGENDA ****

G. PUBLIC HEARINGS

- (1) DISCUSSION AND POSSIBLE ACTION REGARDING A REQUEST BY MICHAEL GOLDEN ON BEHALF OF MOUNTAIN WEST AVIATION, LLC, REQUESTING AN EXCHANGE OF LEASED PARCELS FROM THE EXISTING FUEL ISLAND PARCELS (2.39 ACRES) TO A 0.89 ACRE PARCEL ON TAXIWAY BRAVO FOR THE FUEL ISLAND (EAST OF LP-44 AND ACROSS THE TAXIWAY) AND A 1.5 ACRE PARCEL FOR HANGAR CONSTRUCTION ADJACENT TO TAXIWAY CHARLIE AND WEST OF THE JET RANCH DEVELOPMENT; REQUEST FOR 40-YEAR TERM ON FUEL PARCEL UPON RELOCATION AND 50-YEAR TERM ON HANGAR PARCEL; TERMS AS SET FORTH IN LETTER REQUEST FROM MOUNTAIN WEST AVIATION (*M. Golden*).

Mr. Lewis recused himself from Items (1) and (2), explaining that he is involved with Mr. Tom Gonzalez and his KCXP and Jet Ranch projects. He handed the gavel to Mr. Sullivan, and stepped down from the dais.

Mr. Sullivan read the item into the record, and, before Mr. Golden came to the dais, asked Mr. Tackes for his summation of this item, which explanation Mr. Tackes provided to the Board in some detail. The proposal is to bifurcate the lease, and move the fuel island across Taxiway Bravo so that it is still located in the center of the Airport, and place it on 0.89 acres. The balance of the two lots (1.5 acres remaining) will be moved up along Taxiway Charlie, to the north. One of the terms is that the Airport Authority pays the relocation costs for the parcels, to the extent of the utilities that are currently installed, which Mr. Tackes recommended doing along with the paving and concrete pad for the tanks. The utilities at the fuel island include water, sewer, electrical and telephone.

The additional request was for an extension of time to the term of the lease, putting it back to a 50-year term. The current lease is good for about 38 more years. The original lease began at 3¢ per square foot, but if hangars were on it the lease rate would be raised to 7.67¢ per square foot. The numbers need to be CPI adjusted, and the leasehold has paid their leases, including 12 years of CPI increases.

Mr. Tackes stated that the fuel island could be moved after the Airport Authority has obtained FAA AIP funding to do the relocation, and that is a part of the Plan. If we never realign the runway, which is unlikely considering the steps already taken, but if we never did the realignment, the fuel island could stay right where it is.

After the explanation Mr. Tackes asked if there were any questions.

Mr. Michael Golden addressed the Board, explaining that this option represented a win-win for both Mountain West Aviation and the Airport Authority, and settles a 10-year old predicament. Mr. Golden indicated that the choices presented tonight would not be his first choice, but this is an agreement that works for everyone, and he is ready to move forward. Mr. Golden stated that their operation on the Airport is a benefit to the Airport and the flying community, but that their current leasehold is an impediment to the runway relocation project.

Mr. Golden discussed the net present value of the leasehold, constructed and not constructed, and pointed out that over \$30,000 in lease payments have been paid on property that could not be developed because of the BRL and the Master Plan. Mr. Golden deduced that the difference in the value of the property for unbuilt versus built is \$12,670 on a net present value basis. Subtracting this amount from the \$30,000 in lease payments leaves a remainder of \$17,330 in favor of the Airport Authority. Mr. Golden stated that this amount supports his request for an extension to the lease.

Mr. Golden cited other factors, including devaluation of the property as a result of the bifurcation, and that they are effectively out of business for a period of time once the runway construction occurs. Mr. Golden stated that it cannot be quantified in monetary terms, but that the location being considered is less than desirable as compared to their present location in the middle of the airfield. Mr. Golden stated that, had they been able to develop their current property, it would have been of great benefit to them, with an estimated net operating income of \$175,000-plus per year, and with a cap rate of 8 percent the property would be worth at least \$2.2M.

Mr. Staub asked Mr. Golden what he was prepared to pay for the extension to his lease. Mr. Golden answered that the rate was set forth in his letter, would be at the current rate, with an escalated CPI. Mr. Staub asked Mr. Golden if he believed it should be based on the current appraisal. Mr. Golden stated that he did not.

Mrs. Hutter asked about the fuel lease parcel, and the request to extend the lease by two years. Mr. Golden confirmed that this was the request in consideration for having to move and losing business during the move time.

Mr. Peterson asked Mr. Tackes about the NRS, and the requirement for using the appraised value for lease modifications. Mr. Peterson asked Mr. Tackes if the appraisal rate would begin with year 39 of the extension and go forward, and not include the entire currently remaining 38 years.

Mr. Peterson confirmed with Mr. Golden that the undefined costs represent the difference in the lease price. Mr. Golden confirmed that it did.

Mrs. Hutter asked about the financial aspect. She stated her agreement with the 7 percent, and that the State currently uses 7.5 percent. Mrs. Hutter clarified that the \$30,000 mentioned is the value of the moneys that have been paid over time. Mr. Golden confirmed that this is correct. Mrs. Hutter asked about the net present value calculations, and if the \$218,877 is the current value of the future payment on the current lease. Mr. Golden confirmed that this is correct.

Mrs. Hutter stated that the fact that there is an extremely small difference between the 30- and the 50-year value makes sense, and that generally speaking payments “way out there” have very little current value.

Mr. Peterson confirmed that the factor to calculate the net present value calculation was the lease rate amount of 7.6¢, and not the appraisal value of 30¢. Mr. Golden confirmed that it was, although the current lease rate was less than 7.6¢. Mr. Golden stated that on December 13, 2001, Mr. David Corrao, Board Chairman at that time, had proposed extending the lease to 50 years as consideration for moving the lease parcel, at the existing lease rate.

Mr. Sullivan called for public comment.

Mr. Harlow Norvell addressed the Board. Mr. Norvell stated that he served on the Board beginning in 2001, and he himself struggled with this issue for four years in an attempt to reach an equitable resolution. Mr. Norvell stated that it seemed that if this property were moved to the current KCXP location, it would become highly desirable and highly productive. Mr. Norvell expressed his opinion that this is what should be done.

Mr. Erich Laetsch addressed the Board. Regarding the dilemma of accessible bathrooms on the Airport, Mr. Laetsch asked if 0.89 acres would provide enough room to build bathrooms on the fuel island. Mr. Laetsch stated that he has no knowledge of this topic or its background, but thinks that Mr. Golden did a marvelous job of presenting his argument. Mr. Laetsch expressed his opinion that the change would be of vast financial benefit to the fuel island, considering that bigger aircraft will eventually be here. There is also some financial advantage to moving the fuel island to the Jet Ranch neighborhood.

Regarding the restroom, Mr. Golden stated that the original plan was to move across the runway, and not do what is being proposed, as this is not completely to their benefit. The plan had been to build about 20 hangars, with a pilot lounge for base and transient pilots. That was always the plan, and there are blueprints showing the details. Mr. Golden stated his desire to still build a pilot lounge, with bathrooms, and with Mr. Serpa’s consent would move forward with that plan.

There were no additional public comments at this time, and the public comment portion of this item was closed. Mr. Sullivan asked if the Board had any additional questions.

Mr. Peterson stated that relocating and bifurcating a lease requires compensation, and he has heard that the new location is undesirable. Also on the agenda is a pending sale if we do this, so apparently there is some value to the new location. Regarding the runway, more hangars being built and the affiliated increase in traffic, Mr. Peterson stated that he did not see the diminished value that Mr. Golden claims. Mr. Peterson stated that he foresees there to be an increase in value, instead of diminishing value, and that we do not have a choice but to follow the NRS and extend the lease according to the regulations.

Mrs. Hutter stated that she believes this is a good solution to this situation. It might not be the perfect answer, but it is much better than anything else she has seen.

Mr. Staub asked Mr. Tackes if the Board was obligated to set the rate at the current appraised value. Mr. Tackes stated that the short answer is yes, and that he understands Mountain West to be arguing that we are offsetting the higher rate with the costs he has articulated.

Mr. Sullivan then broke down the individual components and the Board took the issues in parts so that the Board could indicate their agreement, or lack of disagreement.

The Board indicated agreement to movement of the remainder of the parcel (1.5 acres) adjacent to Taxiway Charlie, splitting the parcel at the new location with the tenant responsible for taxiway paving, as discussed. After some discussion as to calculations, Mrs. Hutter stated that, having spent four years working on this situation, she is not in total agreement with everything being asked, but that it is a good solution. Mrs. Hutter pointed out that if we did a net present value calculation with the 30¢ versus the current lease rate, the calculation wouldn't change too much. Mrs. Hutter stated that the fact that Mountain West has paid for the lease for the past 12 years on a parcel that the Airport Authority probably should have taken back a long time ago is justification for her willingness to accept the \$30,000 already paid as the offsetting amount.

Mr. Staub moved to approve the request by Michael Golden on behalf of Mountain West Aviation, LLC, requesting an exchange of leased parcels from the existing fuel island parcels (2.39 acres) to a 0.89-acre parcel on Taxiway Bravo for the fuel island (east of LP-44 and across the taxiway); this 0.89-acre parcel is to remain in its current location until FAA funding is received; and a new lease for a 1.5-acre parcel for hangar construction adjacent to Taxiway Charlie and west of the Jet Ranch development; and approve the request for a 40-year lease term on the fuel island parcel upon the effective date of the agreement and approval by this Authority and the Board of Supervisors; and a 50-year lease term on the hangar parcel in accordance with the terms as set forth in the letter request from Mountain West Aviation, LLC.

Mrs. Hutter seconded the motion. There was no additional discussion. A vote was taken on the motion. The Motion passed with four ayes and one nay (Mr. Peterson).

(2) DISCUSSION AND POSSIBLE ACTION REGARDING ASSIGNMENT OF MOUNTAIN WEST HANGAR PARCEL LEASE TO KCXP INVESTMENTS, LLC (*D. Stewart, M. Golden and S. Tackes*).

As explained in Item (1) above, Mr. Lewis recused himself on this item and left the dais. Mr. Sullivan acted as Chairman.

Mr. Tackes explained his understanding that Mr. Golden and Mr. Stewart have entered into an agreement that the lease would be assigned to KCXP, and he has provided a simple assignment document, which is the Airport Authority's standard document. Mr. Tackes explained that what is being requested is for the Board to approve the assignment of the hangar lease from Mountain West Aviation, LLC, to KCXP Investments, LLC. Mr. Tackes requested that either Mr. Golden or Mr. Stewart come to the podium to confirm that they have indeed made this arrangement.

Mr. Michael Golden addressed the Board. He stated that the original plan was to not do this, but to develop the parcel immediately to the east; however, plans don't always work out the way we want. Mr. Golden stated that Mountain West has entered into a conceptual agreement with KCXP for the development, and that they would be the lead party in this matter upon conclusion of the assignment. Mr. Golden confirmed that they have an agreement with KCXP, pending the decision with the Airport Authority on Item (1) on this agenda. Since that item has been approved, Mountain West does wish to move forward with this Item (2).

Mr. Tackes recommended that the Board approve this item, as KCXP has a qualified contractor who is already working on site.

Mr. Sullivan asked Mr. Stewart if he was in agreement with Mr. Golden. Mr. Dan Stewart of KCXP Investments, LLC, confirmed that his company does have an agreement with Mountain West Aviation.

Mr. Sullivan asked if there were any public comments. There were none, and the public comment portion of this item was closed. Mr. Sullivan asked if there were any Board comments. There were none.

Mrs. Hutter moved to approve the assignment of the Mountain West Aviation, LLC, hangar parcel lease of two 0.75-acre parcels from Mountain West Aviation, LLC, to KCXP Investments, LLC.

Mr. Tackes clarified that the lease is for two parcels that are each 0.75 acres in size.

Mr. Peterson seconded the motion. A vote was taken and the motion passed.

Mr. Lewis returned to the dais.

(3) DISCUSSION AND POSSIBLE ACTION SPECIFIC TO THE CREATION AND PLACEMENT OF OFFICIAL NOTICE TO AIRMEN (NOTAM) TO THE FAA AND FSS REGARDING THE CARSON CITY AIRPORT (*J. Kelly*).

Mr. John Kelly of El Aero Services addressed the Board. He stated that he had requested that this item be placed on the agenda after one of his customers came to him recently to say that there was a NOTAM issued that stated that the Carson City Airport was out of fuel. Mr. Kelly knew that this was in error, and got it corrected right away.

Mr. Kelly expressed concern on how this came about, and asked that this item be placed on the agenda so that he could find out from the Airport Manager the procedure for issuing a NOTAM. Mr. Kelly stated that he would like to see future NOTAMs handled differently in the future, and that a series of checks and balances should be put in place.

Mr. Lewis stated that when Mr. Kelly first contacted him regarding this situation, his (Mr. Kelly's) initial impression was that Mrs. Weaver had done this intentionally because her husband's fuel service was temporarily unavailable (he is part of Mountain West Aviation, which operates the self-service fuel island). Mr. Lewis stated his

perception that the competitor had intentionally done this to close fuel service to everyone.

Mr. Lewis spoke with Mrs. Weaver, however, and decided that this was clearly an error on the part of the Flight Service Station (FSS), which placed the NOTAM. The fuel island was having trouble with their av gas, but had other fuel available. Av gas was also available for purchase from other vendors on the Airport. Apparently people had had tried to fill up with av gas at the self-serve island, but there was none available at that location, so they contacted the FSS and told them that there was no fuel at the Airport. This is why the FSS posted the incorrect NOTAM, even though it was obviously incorrect.

The failure of the check and balance system is that once it was posted, no one pulled up the NOTAM to see what it actually said. In Mrs. Weaver's defense, Mr. Lewis stated that she has been posting NOTAMs for years and never had an issue. Mr. Tackes has also posted NOTAMs for years, with no issue. This just looks bad for the Airport Authority.

Mr. Lewis stated that he had this item placed on the agenda to allow Mr. Kelly to come before the Board and state his case. Mr. Lewis stated his belief that it was nothing ill intentioned or anything to do with ill will from the Airport Manager.

Mr. Sullivan asked how often NOTAMs were posted. Mr. Tackes stated that they were posted perhaps six times per year. Mr. Sullivan asked if a process could be set up so that if someone posts a NOTAM the Chairman is notified, and that someone can double-check it to be sure the NOTAM contains the right information.

Mr. Tackes stated that this could be done, but there is a simpler solution, which is we just need to make sure that the language submitted to the FSS is what we intend to say when it's posted. Sometimes the FSS cannot post what we ask, so we compromise on the verbiage, and sometimes the FSS compromises on the verbiage without consulting us. Mr. Tackes stated that Mrs. Weaver got it from all ends on this one, including from Mr. Golden, her husband's partner. Mr. Tackes stated that in all the years we have been posting NOTAMs, we have never had a problem, and we cannot fault Mrs. Weaver for this one.

TAPE CHANGE: *Tape 1, Side A, to Tape 1, Side B*

Mr. Michael Golden addressed the Board to explain what had happened. A pump failed on the fuel island, and that pump took out other equipment in the system, and it took a number of days to get it up and running. Mr. Golden stated that he understood Mr. Kelly's frustration, and that he was also frustrated by this situation. Mr. Golden pointed out that they often refer customers to El Aero Services when they can't handle their requests and is certain El Aero Services does the corollary. Mr. Golden discouraged the Airport Authority from issuing NOTAMs on fuel, citing as an example a similar NOTAM that was issued at his previous location. That previous situation had been rectified almost immediately, but it took the FSS six months to remove it from the list, even though it was "canceled" per the FSS. Regarding this current situation, Mr.

Golden stated that the fuel island was open for business for the duration; it just didn't have av gas.

Mr. Lewis called for public comment. There was none. Mr. Lewis called for Board comment. There was none. This item did not require a motion, and therefore was closed.

- (4) DISCUSSION AND POSSIBLE ACTION REGARDING ENGAGEMENT OF AIRPORT ENGINEERING AND CONSULTING FIRM FOR A THREE (3) YEAR CONTRACT, WITH A RENEWAL OPTION FOR TWO (2) ADDITIONAL YEARS; REVIEW OF RESPONSES TO REQUEST FOR QUALIFICATIONS (RFQ) AND STATEMENT OF INTEREST (SOD); DETERMINATION OF QUALIFIED RESPONDENTS; PRIORITIZATION OF RFQ RESPONDENTS; AUTHORIZATION TO CHAIRMAN AND AIRPORT COUNSEL TO NEGOTIATE CONTRACT (*S. Tackes*).

Mr. Tackes stated that this item was placed on the agenda because the existing contract is near the end of its five-year term. The FAA is very clear that they do not want to see contracts that exceed five years, so an RFQ was issued. Five responses were received, including responses from PBS&J, Harris & Associates, Burns & McDonnell, Converse Consultants and AMEC. Mr. Tackes did not know if representatives from either firm were present, other than Mr. Clague representing PBS&J.

Mr. Tackes stated that the FAA advisory circular stated the following requirements: an understanding by the consultant of the tasks to be performed; qualification of personnel; familiarity with and proximity to the Airport; experience with Airport construction projects over the past three years, including award amount, engineering estimate, final construction costs, etc.; design; description of their services provided by the consultant in fulfilling grant applications; and references.

Mr. Tackes stated that each company had provided written submissions, but did not know if anyone was available to speak. Mr. Tackes suggested the Board listen to their presentation, and then make a decision based on who is best qualified to do the work. Mr. Tackes stated that we do not do competitive bidding; we simply choose the best qualified to do the work, and pick a second in case the first is unable. The Board would then authorize the Chairman and Mr. Tackes to negotiate the contract.

Mr. Lewis asked when PBS&J's contract expired. Mr. Tackes stated that it expired at the end of August 2008.

Mr. Clague clarified that PBS&J is under contract to complete the hill removal project and one other project, so that work would continue, regardless of the outcome of this item. They are not a part of the five-year contract with PBS&J.

Mr. Sullivan asked if there were any representatives from the submitting companies present, and could they please approach the podium to make a statement.

Mr. Clague, representing PBS&J, stated that he has enjoyed working for the Airport Authority, and would love the opportunity to continue to do so.

Mr. Lewis stated that the Board clearly could not wait; it would have to make a decision tonight.

Mrs. Hutter stated that she has read all five submissions, that all five companies are excellent, and that the Board should be excited that such reputable firms responded to the RFQ. She thought it was amazing. Mrs. Hutter provided her rating for the firms, as follows: She placed Burns & McDonnell at #5, since they are located in Missouri with no listed local office. AMEC has excellent qualifications, but their primary focus is in the testing, and that is not our focus, so she placed them at #4. Converse Consultants of Reno provided a very impressive response, but Mrs. Hutter did not see in their comparative of work very much work on runways. They have done some, but not a lot, although they have built some incredible things – just not very much having to do with airports, so she has placed them at #3.

Mrs. Hutter stated that this leaves Harris & Associates, a Carson City firm, and PBS&J. Mrs. Hutter stated that we are extremely fortunate to have Mr. Clague, who is the airport engineer for about eight airports in the area, and has a firm understanding of what it takes to support an airport in so many areas. Mrs. Hutter placed Harris at #2, citing their only drawback is that when they wrote up their understanding of what we do it was clear that they had not really read our Master Plan and did not seem to understand that we were already well on our way to completing it; otherwise they seemed to Mrs. Hutter to be an extremely good firm.

Mr. Lewis asked if there were any other Board comments. There were none.

Mr. Lewis stated that he had also scanned through the submissions, and had made the same two choices as Mrs. Hutter. Mr. Lewis suggested that we might want to talk with Harris to have them as a back-up resource.

Mr. Lewis asked if there were any public comments. There were none. Mr. Lewis called for a motion.

Mr. Staub moved to endorse Member Hutter's valuation and prioritization of the applicants to the RFQ, and authorized the Chairman and Counsel to enter into contract negotiations with PBS&J. Should this contract not be properly negotiated, the Chairman and Counsel were authorized to enter into negotiations with Harris & Associates.

Mr. Sullivan seconded the motion. There were no additional comments. A vote was taken and the motion carried.

- (5) DISCUSSION AND POSSIBLE ACTION REGARDING A REQUEST FROM AIRPORT STRUCTURES, LLC (DiLORETO) FOR APPROVAL OF CONSENT TO DEED OF TRUST FOR FINANCING TO BE SECURED BY AIRPORT LEASE; SUBORDINATION OF LEASE TO NEVADA STATE BANK; WAIVER OF RENT DURING DEFAULT UNTIL BANK IS IN POSSESSION; AUTOMATIC ASSIGNMENT OF LEASE AND SUBSTITUTION OF TENANT; AND OTHER MATTERS STATED IN THE CONSENT DOCUMENT (*M. Forsberg*). This item is tabled to the next regular meeting, scheduled for September.

- (6) Formerly Item (7). DISCUSSION AND POSSIBLE ACTION TO APPROVE AND ACCEPT AN ADDITIONAL FAA AIP GRANT IN THE AMOUNT OF \$322,500 FOR 2008-2009 AIRPORT PROJECTS (*S. Tackes*). Mr. Tackes reported that the FAA has notified us that they are considering giving us this grant, but it is not yet granted. However, it will have a very short turn-around, so if the Board approves its receipt now, then when it comes Mr. Tackes can immediately give it to the Board of Supervisors for approval.

Mr. Lewis asked what this money would be used for. Mr. Clague explained that the grant application was to get design services for the runway realignment, Taxiway Delta, Taxiway Alpha, and the AWOS. Mr. Clague stated that the FAA is obligated to provide the design for those projects if they submit the grant funding. Mr. Clague stated that no other airports have received their grant moneys as yet, so the delay is a function of the FAA and nothing that the Carson City Airport has done.

Mr. Lewis called for public comment. There were none. Mr. Lewis called for a motion.

Mr. Staub moved to approve and accept the additional FAA AIP grant funding in the amount of \$322,500 for the 2008-2009 Airport projects, conditional on our receipt of said offer from the FAA.

Mrs. Hutter seconded the motion. There was no further discussion. A vote was taken and the motion carried.

- (7) Formerly Item (8). DISCUSSION AND POSSIBLE ACTION ON ITEMS RELATED TO THE CARSON CITY HILL REMOVAL PROJECT, INCLUDING MONTHLY STATUS REPORTS, POTENTIAL CHANGES TO THE WORK OR WORK SCHEDULE, CONSTRUCTION CHANGE ORDERS, ENGINEERING AMENDMENTS, AND OTHER RELATED ITEMS (*J. Clague*). Mr. Clague explained that this item was Amendment 1 to the pending change order as discussed at the previous regular meeting. Mr. Clague stated that even with this amendment, the project still fits within the budget, and there are adequate funds to fund the proposed change in the amendment to the proposed engineering services.

Mr. Clague reviewed the financial summary that had been provided in the Board packets. Mr. Clague explained that as of today we have used 66 of the 150 allotted days. Change Order #1 would add 25 days to the contract period. The change order includes providing the subgrade (the dirt portion) of the future Taxiway Delta. Mr. Clague reminded the Board that last month he had explained that the cost would be approximately \$250k, but in fact the contractor provided a proposal of \$244,500 based on a 35-foot wide pave taxiway. In discussing the width of the taxiway, it was agreed that this width is inadequate for the aircraft that use the Airport, so Mr. Clague revised the drawings to provide a 50-foot wide paved taxiway.

Mr. Clague had asked Peavine Construction to evaluate the revised drawings to provide the necessary subgrade to support a 50-foot wide taxiway. The cost associated with that is \$298,747. PBS&J evaluated the associated costs, and they're good. Mr. Clague stated

that he was asking for an extension of time so that Peavine would have adequate time to complete the tasks without rushing them, and is recommending approval of Change Order #1.

To determine the fee, Mr. Clague reviewed the budget at the end of July versus what was actually spent, took the difference, and came up with the requested amount. The Amendment is to provide additional inspection time to cover 25 additional days on the project. Also, to fulfill FAA obligations, they need to do some more intensive testing than what would be done on the existing project. The estimated cost is \$43,400. Mr. Clague is requesting \$43,000 be added to the existing construction management fee.

As a side note, Mr. Clague reminded the Board that at the previous meeting discussion included some work to remove the hill obstruction west of Goni Road. Mr. Clague did talk with the FAA regarding this task, but the grant funding is specific to the Serpa hill, and would not be applicable to the hill at Goni Road, and the FAA will not allowing the grant moneys to be spent on its removal.

Mr. Clague recommended that the Board decide on the change order separate from the amendment, but asked that the Board consider both under this agenda item.

Mr. Lewis agreed that going to a 50-foot wide taxiway is a good idea, and stated that he was in favor of the Board approving the 50-foot taxiway. Mr. Lewis stated that the larger aircraft with load-bearing wheels at the end of the 35-foot taxiway is what is breaking off the taxiway edges, and Mr. Lewis encouraged the Board to support the wider pavement.

Mrs. Hutter asked if the FAA was paying for this. Mr. Clague said that it was included in the grant. The grant amount is \$2,850,000, and the Airport's share is \$150,000. The total equals \$3M for this project.

Mr. Clague stated that, with the change order, the amount is \$2,992,315, and that we are about \$8,000 under budget. Mr. Clague stated that he did not anticipate any additional costs, but that if there were the FAA does carry a 15% contingency on all FAA grants.

Mrs. Hutter asked if the 50-foot wide taxiway changed any of the BRLs. Mr. Clague stated that they were not affected.

Mr. Tackes commented that, at a previous meeting, a member of the public questioned whether this item needed to go back out to bid. Mr. Tackes asked the FAA, and their answer was, "No." The project is being done at the same unit cost, which was the lowest cost received, and even with the added work we are still spending less than the next lowest bid. The FAA has assured us that we do not have to go out to rebid this project.

Mr. Lewis called for public comment.

Mr. Dayton Murdoch addressed the Board, asking if the 50-foot taxiway was on one side, or if all of them would be 50 feet wide. Mr. Clague was proposed that all of the taxiways be made 50 feet wide, as we do not know where the big aircraft would come from, and we should be able to accommodate them as long as the FAA gives the okay.

Mr. Lewis called for a motion.

Mrs. Hutter moved to accept and approve Change Order #1 to the contract for construction on removal of the hill, and to approve Amendment #1 to the hill removal contract with PBS&J.

Mr. Staub seconded the motion, if the maker of the motion would include in the motion the change in the work schedule. Mrs. Hutter agreed to this change to the motion.

The question was asked and the motion carried.

- (8) Formerly Item (9). DISCUSSION AND POSSIBLE ACTION REGARDING MODIFICATION SUGGESTIONS TO Title 19; APPROVAL OF FINAL REVISIONS; FORWARDING MODIFIED AND REVISED VERSION TO THE BOARD OF SUPERVISORS FOR THEIR REVIEW AND APPROVAL AND ULTIMATE RATIFICATION (S. Lewis).

Mr. Lewis provided a short background to this item, stating that a committee has been working on this project for over two years. The modified document was deemed ready to submit to the Board of Supervisors, but, at the request of some members of the public, the Airport Authority agreed to hold a couple more meetings to provide the public another opportunity to submit additional changes and modifications. Mr. Lewis stated that the public has greatly helped in this process, and he believes the document is in pretty good shape for ratification and moving forward to the Board of Supervisors for their review.

Mr. Peterson commented that the committee did a terrific job, and that he has one comment concerning the document. He stated that several people have recently approached him, expressing concern about hangar inspections. Their concern is that there might be unwarranted inspections, general inspections, targeted inspections – and this concern was widespread enough that Mr. Peterson wanted to address it. Mr. Peterson stated that the current proposal essentially says that the Airport Manager can request a hangar inspection for reasonable cause. Mr. Peterson stated that he has heard that members of the Board could also trigger inspections for any wild reason. Mr. Peterson proposed a change to the document, as follows: “Neither the Board nor any individual member of the Board shall initiate an inspection of any hangar or groups of hangars without there first being a hearing before the Board to show cause and an affirmative vote by the Board to initiate the inspections. In the event an urgent situation requires the Airport Manager to initiate inspection, the cause of that inspection and the inspection results will be presented at the next CCAA regular meeting, allowing public comment and the action either ratified or redressed as indicated.” Mr. Peterson stated that it is not his goal to inhibit the legitimate concerns of the Airport Manager or the Board or the Fire Marshall or anyone else who needs to respond to an urgent situation, and the Board should have the right to act as a group to run the Airport. Mr. Peterson stated that this was just an effort to ensure that no individual outside an action of the Board would initiate an inspection for any reason before coming to the Board and having the inspection pre-approved.

Mr. Lewis asked Mr. Tackes about the current leases on the Airport, and whether the lessee doesn't already grant the lessor or the Airport Authority the right to inspect their hangars, FBO's or buildings. Mr. Tackes confirmed that this was true.

Mr. Lewis asked about adopting Mr. Peterson's suggestion, saying that if we did so, weren't we taking away some of the lease rights already mutually agreed upon. Mr. Tackes stated that he didn't know if we were taking away the rights, but we would certainly be placing restrictions on our ability to do the things the leases allow us to do, which is to ensure that they are not running a meth lab or anything that would be considered a danger to the Airport. Mr. Tackes stated that he did not think we've ever done any surprise inspections, but was concerned that we have had reports from the DEA and others storing highly flammable materials, so we moved quickly to determine who that was. We discovered it was an FBO who was storing a modified fuel for auto racing. That's about the closest we've come to doing a hangar inspection. Mr. Tackes stated that he has never heard of anyone being on a witch hunt. Some people might think so, but Mr. Tackes stated he has never heard it. Mr. Tackes stated that he has heard that some people have modified their hangars to live in them. Mr. Tackes does not condone this action, and it is not allowed on the Airport, but still, the Airport Authority has never done these types of inspections.

Mr. Tackes admonished the Board that, in terms of language, to make sure that they did not hamper the language. Mr. Tackes stated his belief that the leases include language that states we will give the lessee reasonable notice of inspection. The language in the lease does not require prior notice, just reasonable time." Unless the Airport Authority or the Airport Manager thought criminal activity was taking place, we would always give notice. No locks would be cut or doors forced otherwise.

Mrs. Hutter asked Mr. Peterson about his suggestion, and stated she was struggling with the term, "hearing," as she did not understand the reference. Mr. Peterson explained that he was referring to a regular Airport Authority meeting, and that way if someone had a concern they could provide a public notice and a public forum for the hearing. Mr. Peterson stated that the intent of his notice was to specify that no *member* could conduct a surprise inspection. The intent was not to take away the Airport Manager's authority to conduct inspections. Title 19 also gives the Airport Manager the immediate right to conduct inspections. Mr. Peterson wanted to clarify that his statement says that no Board member could individually conduct a surprise inspection.

Mr. Lewis asked for public comment.

Mr. John Kelly of El Aero Services addressed the Board. He stated that he has been asked twice in the past to conduct a search of his hangars to ensure that the hangars were being used to store aircraft and not items such as boats or cars. He said he has virtually ignored these types of requests, as he believes it is a punitive item. In the future he would like to be provided with a specific reason if he is ever asked again to conduct a search.

Mr. Bill Abbott addressed the Board. He stated that he was a tenant of Ron Kitchen, and asked if he had to obey the same rules. Mr. Tackes told him that he did. Mr. Abbott asked if the lessor was obligated to provide him with a copy of his lease so he

(Mr. Abbott) would know his obligations. Mr. Tackes stated that he could provide Mr. Abbott with a copy, as it is a matter of public record.

Mr. Abbott asked if this agreement circumvented his right to privacy. Mr. Tackes stated that it was a contractual arrangement entered into by the tenant and the landlord. It is not to be confused with a search-and-seizure action and the issuance of a search warrant. This is not that type of search. It is an agreement between the tenant and the landlord. Mr. Abbott clarified that this was not intended to address criminal activity. Mr. Tackes stated that it was not, but that it could, referencing the example provided earlier, which, as it had been described, sounded like not only criminal activity but very dangerous activity as well.

If criminal activity occurred on the Airport, Mr. Abbott asked who would represent the Airport, and if it would be the District Attorney on behalf of the State. Mr. Tackes confirmed this, saying that the law provides the Carson City Sheriff the authority to enforce all laws on the Airport. If there is a criminal offense, we would call the Sheriff, they would do what they do, and the DA would prosecute. Mr. Abbott stated that the District Attorney was not listed as one of the approving bodies for submission of Title 19, and stated his opinion that it was critical that they be afforded the opportunity to examine the document for constitutionality and appropriateness. Mr. Tackes confirmed that they would be reviewing the document, and told Mr. Abbott that they have already reviewed the document twice. Mr. Tackes stated that, in fact, Mr. Sullivan has already sent the document to all the City departments for their review as well. Mr. Tackes reassured Mr. Abbott that all agencies have the document and will be reviewing it very closely.

Mr. Harlow Norvell addressed the Board, and stated that this was an interesting dilemma. Mr. Norvell stated that he wished he could say that no member has ever taken it upon themselves to act unilaterally to assume the responsibility that goes only to the Airport Manager, but he cannot. Mr. Norvell stated that the Airport Manager never had time to go into individual hangars and the Airport Authority never had the resources for her to do so, but he thought it would be an excellent idea to create a checklist and have the Airport Manager systematically visit each set of hangars. Mr. Norvell also thought it was an excellent idea to expressly state that no member has the authority to act unilaterally, but could only act as a body held by a vote at a public meeting.

Mr. Bill Hartman addressed the Board. He asked if Title 19 addressed the duties and responsibilities of the Airport Manager. Mr. Lewis confirmed that it addressed some of them. In light of the next agenda item, and if the Airport Manager became a full-time employee instead of a part-time contractor, Mr. Hartman asked if inspections should become part of the duties, and if this should be included in Title 19. Mr. Tackes stated that he was unsure of how to do that. Mr. Tackes recommended that the Board proceed with Title 19 as presently written and modified, and if there is a need to insert something later, then we should do so. Mr. Tackes stated that Title 19 does contain a lot of instruction to the Airport Manager and what she can do, and there is hardly a section that does not contain a reference as to how the Airport Manager fits in.

There were no additional public comments, and the public comment portion of this meeting was closed.

Mr. Lewis asked Mr. Tackes if he had any additional comments. Mr. Tackes stated that he did receive some additional corrections from Erich Laetsch. Some of them are some typos that are simple enough that Mr. Tackes can fix them. The other is regarding some word choice confusion regarding take-off and climbing into the traffic pattern. Mr. Tackes stated that the purpose of that section is to make the first turn at 700 ft AGL, and then climb to 1,000 feet. It may be necessary to reword that section to make it clearer.

Mr. Peterson moved to add the following language to Title 19: “Neither the Board nor any individual member of the Board shall initiate an inspection of any hangar or groups of hangars without there first being a hearing before the Board to show cause and an affirmative vote by the Board to initiate the inspections. In the event an urgent situation requires the Airport Manager to initiate an inspection, the cause of that inspection and the inspection results will be presented at the next CCAA regular meeting, allowing public comment and the action either ratified or redressed as indicated.”

Mr. Staub said that he would second the motion if Mr. Peterson would answer his question, and that it does not do the second part of the language impair the Airport Manager’s ability. Mr. Peterson stated that the Airport Manager would still be allowed to initiate an inspection in the event of an urgent situation. Mr. Staub was satisfied with this response, and seconded the motion.

The question was asked and the motion carried.

Mr. Lewis stated that the second part of this item is to move this document, with the approved change, to the Board of Supervisors, and called for a motion.

Mr. Staub moved to approve the suggested modifications to Title 19, to approve the final revisions as received from the subcommittee, and to forward same to the Board of Supervisors for their review, ultimate approval and ultimate ratification.

Mr. Peterson seconded the motion. There was no additional discussion. The question was asked and the motion carried.

Note: The meeting was adjourned for a five-minute recess.

- (9) Formerly Item (10). DISCUSSION AND POSSIBLE ACTION TO REDEFINE THE AIRPORT MANAGER’S POSITION FROM THAT OF A PART-TIME CONTRACTOR TO A FULL-TIME EMPLOYEE OF THE CARSON CITY AIRPORT AUTHORITY; DEVELOPMENT AND RELEASE OF A JOB ANNOUNCEMENT FOR THE AIRPORT MANAGER’S POSITION AT THE CARSON CITY AIRPORT (S. Lewis).

Mr. Lewis stated that he wished to clear the air as to why he chose to put this item on the agenda. Mr. Lewis stated that he thought it was the Airport Authority’s responsibility from time to time to review Airport-related staffing responsibilities and their related job duties. Mr. Lewis stated that this item was just that. Before posting this item, Mr. Lewis asked Mr. Staub, who has maintained a good working relationship with the former Airport Manager, to speak with her and give her a courtesy heads up so that there would

be no misunderstanding. Mr. Lewis stated that this item was not about Mrs. Weaver or her job performance, but was to request Board discussion, which Mr. Lewis feels is a continuing obligation of this Authority. Mr. Lewis stated that Mr. Staub was the messenger who delivered the message at Mr. Lewis' request.

As to the next agenda item, Mr. Lewis found out on Thursday morning that Mrs. Weaver, the Airport Manager, had tendered her resignation. He stated that he was in Reno, without a computer, so called Mr. Sullivan to ask him to put that item on the agenda, which was being prepared for posting. Mr. Lewis stated that he did not want to wait another month to deal with the unexpected vacancy.

Mr. Lewis stated that the Airport Authority has been working for years to implement a Master Plan. The FAA has accepted the Master Plan. The City has been the recipient of close to \$12M in AIP funding over the past three years. The Airport is in line for additional grant offers, one of which was heard at this meeting. Mr. Lewis estimates that we are looking at close to \$20M in additional moneys over the next few years to maintain and improve the Airport, and bring it into the 21st century. To help make this happen, Mr. Lewis stated that the Airport Authority has been "poor-boying" and saving every penny possible for matching funds. Mr. Lewis believes that we can now meet our matching fund goals and obligations, and still have additional funds to spend on an Airport Manager's salary. Mr. Lewis stated that, as the Airport enters into new and updated phases, it is incumbent on the members of the Board to look at the duties and responsibilities of the Airport Manager, and to investigate the options of going from a part-time contractor to full-time duties with set hours and an accessible office. Mr. Lewis stated that other airports have full-time managers, and they are not going through the growth we are undergoing nor receiving the funding that we are receiving.

Mr. Lewis stated that the Master Plan is a conscience decision, and he believes it is time to move the Airport Manager position from a contract position to a full-time position and has shared that opinion with other board members. Mr. Lewis stated that he has met with the Airport Treasurer (Mrs. Hutter) to review the budget, and the budget will support a full-time manager. Mr. Lewis commented that Mrs. Hutter would provide a report tonight to support this statement.

Mr. Lewis cautioned the Board that this agenda item is not about the former Airport Manager or about her performance in her capacity as the Airport Manager.

Mr. Lewis asked for Board comment.

Mr. Peterson stated that he has been in Carson City for a little over two years, so he does not know a lot of the history of the Airport. Mr. Peterson stated that he thinks the Airport is growing and there is much to look forward to. Mr. Peterson stated that when he applied to the Board of Supervisors to be on the Airport Authority, one of his qualifications presented is that he had served on an airport board in the past, and in fact that airport went through a similar rejuvenation process.

Mr. Peterson stated that the Airport is getting bigger, but do we need a full-time manager? He does not honestly know that answer, but it is a fair question. Mr. Peterson stated that he would offer his services on a committee to investigate this situation and answer some of the obvious questions, such as, what is the scope of the job and what

would the person have to do, now and over the next five years (or whatever the term is decided to be). The committee may conclude that this is in fact a part-time job, but it's still a fair question. Mr. Peterson suggested that the Airport Authority seek FAA guidance, as they will have information on comparably sized airports. Mr. Peterson stated that whether the Airport Manager should be a City employee should be explored.

Mrs. Hutter stated that, as the Treasurer, we have been looking into this. Mrs. Hutter stated that she believed we need a full-time person. Mrs. Hutter stated that there are a lot of us doing the work, that Mrs. Weaver did a great job, but she was part-time. Mrs. Hutter stated that there is plenty to do that should be done by the Airport Manager, and not by Mr. Tackes or Mr. Clague. Mrs. Hutter stated that she has talked to a number of other airports, and has a fairly good idea about salary requirements. Mrs. Hutter stated that costs are being incurred in re-setting up the office, which was budgeted for, and all of these items will fit within the budget. Mrs. Hutter stated that there is a lot of money being spent on consulting services, and these costs should be brought in-house. Mrs. Hutter stated that she would be talking to the City about whether this person will go on the City's payroll or the Airport Authority payroll.

Mr. Sullivan stated that he felt it was right to consider this question. There is a great deal of construction facing the Airport, and Mr. Sullivan asked if we wanted to look at a manager with a construction background as well as an aviation manager background, suggesting that we find someone with that type of background who has been through a couple of runway reconstructions, taxiway reconstructions, etc., and maybe we can save some consulting fee money and put that toward a manager's salary. Mr. Sullivan stated that we are looking at a great deal of construction in the future, and we are at a crossroads. The question bears asking, do we stay with a part-time position, or move to a full time position, given the amount of work that is ahead of us.

TAPE CHANGE: *Tape 1, Side B, to Tape 2, Side A*

Mr. McClelland concurred with Mr. Sullivan, that it is time for reevaluation. Mr. McClelland also concurred with the thoughts regarding hiring someone with a construction background, as he believes it would save some money that could nearly pay for the position.

Mr. Staub stated that he appreciated the Chairman's comments. Mr. Staub stated that he thought Mrs. Weaver did an exemplary job as our Airport Manager based on the type of salary the Airport Authority was prepared to pay versus what Mrs. Weaver was asked to do. Mr. Staub stated that when the Chairman asked him to make the phone call, he was very uncomfortable so doing, and that it was never his intent to be exposed to the outcome, which he tried to avoid. For the record, Mr. Staub noted his appreciation that Mr. Clague did not quit when his contract was evaluated.

Mr. Staub stated that he thought it was healthy to look at staff and reevaluate periodically. Mr. Staub stated that the Airport was moving in other directions, and was unsure if Mrs. Weaver couldn't carry out the additional duties and responsibilities had she been interested in moving into a full-time position with benefits.

Mr. Staub stated that he wanted to be sure that the Airport Authority understands the commitment that has to be made to someone who might take a full-time salary position. This is not only what the position entails, but we have to be prepared to meet the salary and benefit requirements of the position not only today, but down the line. Mr. Staub stated that the City is faced every year with roll-up costs, such as COLA increases, merit increases, salary increases, health benefits and retirement benefits that this position, as a full-time position, would be allowed to claim. Mr. Staub stated that we need to determine whether we can pay for this position now; and we have to ensure that we can continue to pay for this position for a long time in the future.

Mr. Staub stated that not only must salary be considered but adjunct staff as well. It is difficult to hire someone, give them a wide variety of duties and authority, but no staff to help them. This person, then, would have to do all of their own administrative work, run their own errands, answer the phones and do all their own typing. You have to consider administrative costs and office space for the new individual.

Mr. Staub stated that this idea needs to be reevaluated, and that it would behoove us to look at other airports that have been through this growing pain and could provide some guidance.

Mr. Staub stated that he would miss Mrs. Weaver. He stated that he had a good relationship with her, and hoped that whatever relationship they have at this time or in the future would also be good. Mr. Staub stated that he wished Mrs. Weaver much success and safety in her future.

Mr. Peterson stated his appreciation of Mr. Staub's comments. Mr. Peterson stated that in the two years that he has known Mrs. Weaver, the three words that come to mind are integrity, experience and commitment.

Mr. Peterson stated that he still does not know if we need a full-time Airport Manager. There is also the issue with the budget. The budget is a big number, with an octopus beneath it, including salary and benefits and retirement and office space and staff – and Mr. Peterson stated that he did not see how we could possibly make this decision tonight.

Mr. Peterson stated that he has been through this process in the past, and has discovered that there are three kinds of candidates: One is someone who went to airport manager school and has a degree. They won't work for a lot of money, will work for us for 2.5 years, will go to Reno where they will work for 2.5 years, and will then move on to O'Hare. They will not invest themselves in the community, and they probably won't do much while they're here because that would mess up their resume and that would not be a good thing.

The second kind of candidate is the old retired out-of-work guy. He likes to watch the airplanes come and go, and he'll want to be well liked by the community. He won't do much either, though, because he's just not that motivated.

The third kind of candidate is the type of person we should seek, and that is someone who is invested in the community, and will be here. Mrs. Weaver gave us 15 years of dedicated service, which is a significant stretch for an Airport Manager in a place like Carson City, and it is the model we should bear in mind as we explore this situation. We

will not benefit from a 2.5-year rollover or hiring the retired out-of-work guy. Mr. Peterson stated that he respected the comments on the construction background, but asked if we really wanted to hire a jack of all trades and a master of none. We can hire the construction experience, and we can hire the engineering experience and we can hire the bookkeeping experience. We don't need the Airport Manager to be that person as well. Mr. Peterson stated that we needed an Airport Manager, someone who understands safety and FAA regulations, and who can push the paperwork through. Mr. Peterson stated that if we look for a construction background, we give up the Airport Manager experience – and that experience is what we really need.

Mr. Lewis called for public comment.

Mr. Harlow Norvell addressed the Board. He stated that he had served on the Authority from 2001 through 2005, and that included about 2.5 years as Board Chairman. Mr. Norvell stated that he wanted to personally express his thanks to Mrs. Weaver for her faithful and dedicated service to the Airport and the community. Mr. Norvell said that he could say that everyone in this room, the Airport community and the community at large share in that appreciation. Mr. Norvell recounted the history of the airport and its growth and concluded that it was time to explore hiring a professional full-time airport manager who could take the administrative load off of staff, who would have an open office, and who would maintain an after-hours telephone. Mr. Norvell stated that if the Board elected to move forward with hiring a full-time Airport Manager, we would do that individual a distinct disservice if that individual is allowed to hold an economic interest of any type on the Airport because it puts them in a position of being competitive with members of the Airport who are here working on a business basis. Mr. Norvell expressed the opinion that this has been a challenge for Mrs. Weaver, stating that many members were uncomfortable having to go to her place of business to resolve Airport matters, and that made it difficult for the Airport to operate. Mr. Norvell emphasized his opinion that the new Airport Manager should not be allowed to have a competing business on the Airport.

Mr. Bill Abbott addressed the Board, stating that he agreed 100 percent with Mr. Norvell regarding the financial interest, and that it could create a conflict of interest. Mr. Abbott also stated that, even with all the conflicts that he and Mrs. Weaver have had, he was publicly encouraging her to apply for the position. Mr. Abbott stated his hope that the person who holds the new position would be a City employee, and that they would receive policies and procedures, and would know what is expected of them.

Regarding skills, Mr. Abbott stated that the person should have airport management, marking skills and a strong economic background, but that construction is not important. If we need someone with a construction background, we already have PBS&J on contract, managing our construction, and that is not critical. Mr. Abbott stated that whoever is chosen should undergo a very thorough background investigation to determine what they have done in their past, and their factual information should be verified.

Mr. Jerry Vaccaro addressed the Board, and stated that he has been hearing some conflicting remarks. On the one hand Mr. Vaccaro stated that he was hearing accolades on how well Mrs. Weaver managed the Airport for the past 15 years, and then hearing about the way she was approached by Mr. Staub with a telephone call directed by Mr.

Lewis. Regarding the full-time position, Mr. Vaccaro asked why the Board did not offer Mrs. Weaver the full-time position in the beginning, rather than going through this process as it occurred? The emphasis was placed on hiring someone with a construction background, but now you're saying that's not important because you already have an expert who handles those matters. Mr. Vaccaro stated that, as an Airport Manager, Mrs. Weaver was doing the same things that a full-time person would do, but she was doing it on a part-time basis. Mr. Vaccaro agreed that Mrs. Weaver was a part-time employee, but she was never offered the position on a full-time basis.

Mr. Lewis stated that the only reason he put the item on the agenda was to have a discussion of whether the timing was appropriate to go from a part-time position to a full-time position, but it had nothing to do with Mrs. Weaver. Mr. Lewis stated that the last agenda item was put on the agenda after he was told that Mrs. Weaver had resigned. Mr. Lewis stated that he does not personally have anyone in mind, but he has the responsibility to ensure that the Airport has a manager.

Mr. Ted Melsheimer addressed the Board. Mr. Melsheimer stated that he was really surprised to read in the *Nevada Appeal* that Mrs. Weaver had resigned. Mr. Melsheimer expressed a deep sense of loss, and looked back at 1990 when the Airport was started, and things were really handled on a poor-boy budget. Mr. Melsheimer stated that at that time they had less than \$70K in working capital, and the only ones who came forward to help were Mrs. Weaver and some other volunteers.

Mr. Melsheimer stated that this Airport doesn't need a full-time manager. Mr. Melsheimer pointed out that the commitment the Airport Authority will make to take on a full-time, educated Airport Manager will be anywhere from \$100K to \$120K per year, plus benefit expense, and what happened in the past with the Airport budget can happen again.

Mr. Tona Smith addressed the Board. He stated that he is one of the old timers on the Airport, the AOPA representative for Carson City for the past 10 years, and also commander of the Sheriff's Aero Squadron. Mr. Smith commended the Board for looking to the future, and is glad to see that the Board sees there is a future here. Mr. Smith stated that sometimes the position outgrows the person, no matter how good they are. Mr. Smith stated that he has the experience to know the difference in handling money, responsibility, vision and foresight, although he was not applying for the job. Mr. Smith stated that he was not saying that Mrs. Weaver did not have those qualities, but was saying that if someone received a phone call and reacted to it by quitting without thinking, the Board should think about that, as good people are not reactionary – they're visionaries. Mr. Smith stated that he thought the Board had the vision, and he commended them for their action.

Mr. Gary Handelin addressed the Board. He stated that he has had the privilege of serving on the Board twice, and of all the comments made he objects to the comment on timing. Mr. Handelin stated that it was not time, it was overdue, and that this action should have happened much earlier. Mr. Handelin stated that the Airport Authority should have had a full-time Airport Manager at the start of the Master Plan process and we began acquiring FAA funding. Mr. Handelin urged the Board to not constrain the new Airport Manager, stating that if the Board did not make this a full-time position they would kill the person in the job by overworking them.

Mr. Handelin stated that the challenge would be in how they would be paid. If the current flush budget is a wave, then that means it is not a forever full-time job, but right now we do need a full-time manager. Mr. Handelin stated his agreement with most of the comments, and suggested that the Board move forward to come up with a job description with responsibility, see what comes in, and get the position filled.

Mr. Erich Laetsch addressed the Board. He stated that it was hard at this point in the comments to offer anything new. Mr. Laetsch stated that he had a business for over 40 years, and the key thing he has done was to be a project manager, although he has no interest whatsoever in managing the Airport. Mr. Laetsch stated that he has had to hire a lot of people and run a lot of projects. Mr. Laetsch encouraged the Board to go back where Mr. Peterson began, and that is to find the key to understanding the question. Mr. Laetsch suggested that the Board determine what it is they need this manager to do, whether it be manage, lead, have the ability to delegate, hire a part-time secretary or assistant for this person to help with the administrative tasks. Mr. Laetsch stated that the Airport Manager should not have to fill out paperwork if it can be hired done, and that the Board members should not be keeping the books now that the Airport Authority finds itself with money. Mr. Laetsch pointed out that only until recently the Airport Authority did not have money, and that lots of people rolled up their sleeves and did things to help. Mr. Laetsch stated that the challenge now is to find someone who can work with the Board to work through the challenges and figure out the process by which this person is defined. Mr. Laetsch suggested not restricting the process by choosing the full-time choice, but rather to leave the part-time versus the full-time choice open.

There were no additional public comments at this time, and the public comment portion of this agenda item was closed.

Mr. Lewis stated that the comment that Mr. Peterson made regarding selecting a committee was appropriate. If it is the will of the Board, and Mr. Peterson has already volunteered, Mr. Lewis stated he would seek two other volunteers to fill the committee and bring suggestions on how to proceed back to the Board at the next meeting.

Mrs. Hutter stated that if it fits under the motion as described, I think that setting up a sub-committee or search committee to write the job description and make a financial review that the three members of this committee report back to the board next month.

It was agreed that Mr. Sullivan and Mr. McClelland would participate in the subcommittee. Mr. Peterson stated that he has to leave for Asia in the morning and would be gone for 2.5 weeks, which would constrain some of his abilities. Mr. Peterson stated that for the subcommittee to define the goals of the next manager is not a 1.5 week project, and more time is needed to get this done.

Mr. Lewis stated that he would like to have a goal set for completion, and if 30 days is not enough time, then 60 days should take care of it. Mr. Lewis stated that he does not want to go into next year getting this done, and called for a motion.

Mr. Sullivan moved that Mr. Peterson, Mr. McClelland and Mr. Sullivan would agree to meet as a subcommittee to define the Airport Manager position, and report back to the Board with their definitions at the October regular meeting.

Mr. Peterson seconded the motion.

Mr. Lewis called for discussion.

Mr. Staub pointed out that the agenda item does not say “other matters” – and that this item deals with far more than just the position. For one thing, he stated that we need to establish how to make the Terminal Building habitable. Mr. Lewis asked if Mr. McClelland could make it habitable. Mr. McClelland stated that he could, and that he has already begun by emptying out some of the rooms to create new office space.

A vote was taken, and the motion carried.

- (10) Formerly Item (11). DISCUSSION AND POSSIBLE ACTION REGARDING HIRING AN INTERIM AIRPORT MANAGER UNTIL A PERMANENT AIRPORT MANAGER IS EMPLOYED (*W. Sullivan*).

Mr. Lewis stated that he was in Reno when he heard that Mrs. Weaver had resigned, so had called Mr. Sullivan to ask him to put this item on the agenda. Mr. Lewis stated that, under Title 19, when the Airport Manager cannot function or when we do not have one, those duties fall to the Chairman of the Airport Authority. Mr. Lewis stated that since last Thursday he has spoken with Mr. McClelland. Both parties have business on the Airport, and so each posted their numbers on the Airport gates as contact numbers. Mr. Lewis stated that this was a decision he made as the Chairman of the Authority.

Mr. Lewis stated that another decision he made was to set up a telephone number and DSL service for the Airport Authority, and this new phone line has been installed in the Terminal Building. Mr. Lewis stated that all of the Airport mail is delivered to Weaver Aircraft. The mail delivery person knows that the Airport Authority mail goes to Mrs. Weaver, so she ignores the address and puts everything in Mrs. Weaver’s mailbox, as she knew that Mrs. Weaver picked it up. Mr. Lewis stated that he has corrected this.

Mr. Lewis stated that he knows the process of replacing Mrs. Weaver will take a few months, even though he was hoping it would only take 60 days. Mr. Lewis stated that if the Airport Manager were not there, and if the Chairman were not there, the duties would fall to the Vice Chairman (Mr. Sullivan), who is a City employee and who does not reside at the Airport. Mr. Lewis stated that he needs direction from the Board on how we fill the void in trying to pick up the slack. Mr. Lewis stated that Mr. McClelland proceeded with setting up the phone and DSL line in the Terminal Building and creating the new Airport Manager’s office, and Mrs. Hutter has taken over the books and has stated that all the bills are paid.

Mr. McClelland stated that he stepped in when he heard that we no longer had an Airport Manager, and he has done a lot of things. Mr. Peterson stated that Mrs. Weaver has some pretty big shoes to fill, and he has been fairly busy trying to get everything done, but he corrected Mr. Lewis in that he (Mr. McClelland) does not have a business on the Airport.

Mr. Peterson stated his belief that this job needs to be offered back to Mrs. Weaver, if she would have it back. Mr. Peterson stated that if we were to say who would be the most qualified person to manage the Airport and who should be considered it would be Mrs. Weaver. Mr. Peterson stated his thought that we have rung a bell we wished we hadn't rung, and he does not know how to un-ring a bell. Mr. Peterson stated that professionalism and good grace demands that we reach out and try to correct this situation as best we can. Mr. Peterson stated that we have tripped up, and we need to offer this job back to Mrs. Weaver before proceeding any further.

Mr. Lewis stated that some people on the Airport have already stepped forward and offered their services as interim and permanent manager. Mr. McClelland has also come forward and said that he would step up to become the interim manager until such time as we find our direction.

Mr. McClelland stated that he would be happy to fill the interim position until a better suited and better manager is located. Mr. McClelland stated that there is a lot to do, and a lot to know. Mr. McClelland stated that he could bring that information to the table, and was happy to do the job.

Mr. Lewis stated that he noticed that we have been having issues with gate cards not working, and it has been an ongoing issue. In the past few days Mr. Lewis has been issuing new gate cards, and just today discovered that some of the "good" cards are not working. Mr. Lewis stated that he was unsure if it was the cards or the gate reader, but it is something that needs to be taken care of.

Mr. Sullivan stated that whether we used the City's HR department or something else, we needed to get some duties or something in writing to establish a benchmark so that this position can be advertised or we can otherwise solicit some interest in the position. Once you have the benchmark, then you can judge whoever applies. Mr. Sullivan mentioned Mr. Peterson's suggestion of offering the position to Mrs. Weaver. Mr. Sullivan stated that he was not sure if Mrs. Weaver would accept the offer. If she does not, the Board would have to move on to Plan B, and establish the benchmark by which to judge. If the City allows us to use their HR department, there is experience there in writing such benchmarks and getting it done quickly.

Mrs. Hutter agreed with Mr. Peterson regarding offering the position to Mrs. Weaver. She had no idea what Mrs. Weaver would do, but Mrs. Hutter thought we should consider it. Mrs. Hutter asked if the authority could be given to Mr. Lewis or to Mr. Sullivan to select and hire an interim manager to get us through the next couple of months without having to make a decision at this meeting. Mrs. Hutter stated that we needed someone in place now, and she did not want to wait until the next meeting to make a decision.

Mr. Sullivan stated that Title 19 allows the Chairman that duty, and that if he were mistaken, then we could always call a special meeting to conclude this business.

Mr. Peterson stated that he wanted to get back to addressing the elephant in the room. Mr. Peterson acknowledged the competitiveness between Mr. Lewis with Weaver Aircraft, and suggested two solutions. First, the authority to hire an interim manager

should be shifted to the Vice-Chairman, Mr. Sullivan. That would shift the decision-making process in this instance away from any conflicts. Then, Mr. Peterson would encourage the Board to endorse Mr. Sullivan to offer the job to Mrs. Weaver, and if she does not accept the offer, then that would leave Mr. Sullivan free to appoint an interim manager.

Mr. Tackes pointed out that the Airport Manager is appointed by the Airport Authority, and the authority to make that appointment cannot be delegated to one person. Mr. Tackes stated that the practical way to do this is to proceed ahead and confirm at the next regular meeting, or at a special meeting if need be.

Mr. Lewis called for public comment.

Mr. Jerry Vaccaro addressed the Board, inquiring if the interim manager would be paid. Mr. Lewis stated that payment hasn't been discussed, as we are just now determining whether we will hire one. Mr. Vaccaro asked about Mr. McClelland, since he offered to take the interim manager's job. Mr. Vaccaro asked if Mr. McClelland would be paid. Mr. Lewis stated that he might be given the job, but that the Board has not decided whether to pay him. Mr. Vaccaro asked when this would be decided. Mr. Lewis stated that it might be decided tonight. Mr. Vaccaro objected to Mr. McClelland being paid for work as the Airport Manager, and that if he wants to be paid for acting as the interim Airport Manager, he would have to immediately resign from the Board.

Mr. Dirk Zatilla addressed the Board. He stated that he read about this in the newspaper, and immediately approached Mr. Lewis. Mr. Zatilla stated that he was one of the volunteers who offered to step up, but that he might change his mind since it appears that the person who will get the job is expected to be a secretary, policeman, manager, construction but not construction. Mr. Zatilla stated that he is a contractor and has done property management, has built two shopping malls, worked for two different real estate developers, and if considered for the position would obviously provide his resume. Mr. Zatilla stated that he was here to state his availability. Mr. Zatilla stated that he was also a pilot, and has his aircraft tied down at Mr. Lewis' hangar. Mr. Zatilla stated that he brings a pretty broad range of abilities to the Airport, if for no other reason than to fill in.

There were no additional public comments at this time, and the public comment portion of this item was closed.

In summary, Mr. Lewis stated that Mr. Sullivan would speak with Mrs. Weaver to ask her if she would come back as the interim Airport Manager while the Board decides how to proceed. Mr. Peterson stated that the Plan B is to carry on in another direction if that does not work out.

Mr. Staub moved that the Board should take Mr. Sullivan's advice and allow him to work with Carson City's HR department to work on the benchmark, develop an advertisement and get the position of interim Airport manager appropriately identified and let out to bid. Mr. Sullivan will also work with Mrs. Weaver to find out if she is interested in the job. If Mrs. Weaver is not interested in the job, Mr. Sullivan will proceed to working with the City's HR department.

Mr. Peterson seconded the motion. There was no additional discussion. A vote was taken and the motion carried.

(11) Formerly Item (6). DISCUSSION AND POSSIBLE ACTION REGARDING BATHROOM ACCESS AT THE TERMINAL BUILDING (S. Lewis).

Mr. Lewis stated that he placed this item on the agenda at Dayton Murdoch's request. Mr. Murdoch had made inquiries as to the cost of opening up the buildings. Mrs. Weaver had received quotes around \$2,000 to make it happen.

Mr. McClelland stated that he had visited various locksmiths and door shops in the area to try to match the door, and briefly found a digital keypad lock that would retrofit to the door in the Terminal Building. The door can also be adapted to meet all ADA and commercial requirements, with a key back-up. Mr. McClelland stated that the cost of the lock assembly and hardware through Alpine Lock is \$750.01. They have the lock ; they're just waiting for approval.

Mr. Lewis stated that he had talked with Mrs. Weaver about this situation, and she was opposed to doing it because the Sea Cadets meet in the Terminal Building and she did not want to risk their space. There is also a porta-potty on the Airport, and Mr. Lewis moved it from the fuel island where it had been located to a new location adjacent to the Terminal Building. Mr. Lewis asked if we wanted to proceed with the lock, or whether the porta-potty would cover it.

Mr. Peterson stated that if he travels to a small Airport after hours, they do not provide a bathroom. If he comes in at 8 to 9 p.m., there is a maintenance cost and a risk in opening a building. Mr. Peterson stated that he thought we were buying into a lot of expense and risk that he, as a pilot, would not expect elsewhere.

Mr. Dayton Murdoch addressed the Board. He thanked the Board for considering this item, stating that it would be wonderful to have a bathroom available for pilots. Mr. Murdoch stated that if a criminal wandered in, they wouldn't use the key set anyhow.

Mr. Bill Hartman addressed the Board. He stated that years ago he requested that a porta-potty be made available for off-hours, and that is why Mrs. Weaver got the porta-potty in the first place. Mr. Hartman's recommendation was to keep the porta-potty and use it, but to wait until the whole Airport Manager business is sorted out and then make the decision on what to do.

Mr. Frank Hublou addressed the Board. He stated that the porta-potty was removed from the fuel island location several weeks ago, and as a result people are urinating all over the place. Mr. Hublou stated that it was unsanitary, unlawful and disgusting. On top of that, Mr. Hublou stated that families arrive at the fuel island all the time, looking for a bathroom. Mr. Hublou requested that the porta-potty be returned to the fuel island location starting tomorrow, or he would take his complaint to the health department. Mr. Lewis suggested that Mr. Hublou take his complaint to the owner of the fuel island, Mountain West Aviation. Mr. Hublou stated that he has talked with them, but that this is

the responsibility of the Airport Authority, and not the responsibility of Mountain West Aviation.

Mr. Jerry Vaccaro addressed the Board, and stated that perhaps the Airport Authority would need more than one porta-potty to cover a 640-acre airport. Mr. Vaccaro suggested putting a second porta-potty next to the building.

Mr. Dennis Mitchell addressed the Board. Mr. Mitchell stated that he would like to see the building opened, but did not realize the risk. Mr. Mitchell stated that he would be happy with the compromise of a porta-potty on either location of the field.

There were no additional public comments at this time, and the public comment portion of this agenda item was closed.

Mr. Peterson stated that he had recently flown in under duress, expecting the porta-potty to be at the fuel island, where it's always been, and was very surprised and disappointed to find that it was gone.

Mr. Sullivan asked for the cost of a porta-potty. Mrs. Hutter stated that it cost around \$70 per month.

Mr. McClelland stated that he was for installing the lock, stating that the Airport was growing and there were lots of passengers. Mr. McClelland stated that he would like some consideration for the key set. Mr. McClelland stated his belief that the liability was limited. Vandals could easily break a window to get in if they really wanted to, that locks are only for honest people, and that he does not like the porta-potty idea.

Mr. McClelland moved to approve the keypad locks at the cost of \$750.61 for the Terminal Building, to be accessed through the secure area on the Airport side.

Mr. Sullivan stated that he would second the motion if the maker of the motion would include his motion the action of moving the porta-potty back to the fuel island location. Mr. McClelland agreed.

Mr. Sullivan seconded the motion. A vote was taken and the motion carried.

- H. AIRPORT ENGINEER'S REPORT (*Non-Action Item*). Mr. Jim Clague, Airport Engineer, reported that he has prepared an exhibit of the taxiway signs and submitted it to the Runway Safety Team at the FAA, and is still waiting to hear back. Mr. Clague stated that Mrs. Weaver had arranged with NDOT to fabricate the signs. He does not know about the installation, but NDOT is willing to make them. He is just waiting for the Runway Safety Team response and the FAA to say that the exhibit is okay.
- I. AIRPORT MANAGER'S REPORT (*Non-Action Item*). There was no Airport Manager's report at this meeting.

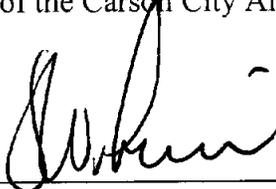
- J. LEGAL COUNSEL'S REPORT (*Non-Action Item*). Mr. Steve Tackes, Airport Counsel, reported that the Runway Safety Team will not come back with anything, and he does not expect a response from them.
- K. TREASURER'S REPORT (*Non-Action Item*). Mrs. Collie Hutter, Airport Treasurer, had distributed last year's comparison of the 2007-2008 fiscal year to the budget, and everything seems to be inline. We are actually ahead of where we expected to be.
- L. REPORT FROM AUTHORITY MEMBERS (*Non-Action Item*). Mr. Lewis reported that he went up on the hill for a tour with PBS&J. Mr. Lewis confirmed that this is a tough hill to take down, but that the top of the hill is lower by at least 8 feet, and that the majority of the hill on the east side is down.
- M. AGENDA ITEMS FOR NEXT REGULAR MEETING (*Non-Action Item*). Agenda Item (5), the item regarding Mr. DiLoreto and Airport Structures, LLC.
- N. ACTION ON ADJOURNMENT. There was no objection, and the meeting was adjourned at 10:30 p.m.

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NOTE: A tape recording of these proceedings is on file, and available for review and inspection at the Airport Manager's office during normal business hours.

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The minutes of the 20 August 2008 Regular Meeting of the Carson City Airport Authority are so approved on this 17th day of December, 2008.

BY:  _____

TITLE: Steve Lewis, Chairman