

**CARSON CITY AIRPORT AUTHORITY
MEETING MINUTES**

THURSDAY, MAY 15, 2008 – 6:00 P.M.

Public Meeting at:

**CARSON CITY AIRPORT
TERMINAL BUILDING
2600 COLLEGE PARKWAY
CARSON CITY, NEVADA**

~ PLEASE NOTE SPECIAL MEETING LOCATION AND DATE ~

A. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF QUORUM. The regular meeting of the Carson City Airport Authority was called to order at 6:01 p.m. Roll call was taken, and quorum was determined:

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

Absent: Neil Weaver & Richard Staub (*Excused*)

Staff: Jim Clague and Steve Tackes; Yvon Weaver (*Excused*)

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY. This item was carried forward to the next meeting.

D. MODIFICATION OF THE AGENDA. *The Chairman reserves the right to modify the agenda in order to most effectively process the agenda items.* There were no changes to the agenda order at this time.

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 project update. He reported that he has received the Certificate of Occupancy for Building 2, leaving Building 3 the final project for completion. Mr. Smith reported minor delays on the big building, including design issues and late steel deliveries (the steel industry is in turmoil). Mr. Smith stated that he does not anticipate completing the steel building until the end of

June, with completion of the shell in February. This timeline will be beyond that which the Airport Authority has allowed for finishing the project, and Mr. Smith reported that they might need to ask for an extension of time to complete the project.

Mr. Smith asked if he needed to make a formal request for an extension, and was told that he did. An item will be placed on an upcoming agenda to address this issue. Mr. Sullivan asked Mr. Smith to also include a modified construction schedule for completion of the project. Mr. Smith indicated that he would do so.

Mr. Smith also reported that he represents three other vendors who want to bid on the property in the Center Triangle, but they are not interested in bidding at 50¢ per square foot (sf). Mr. Smith reported that he was told by these vendors that if the price is firm, they will seek space elsewhere, most likely at Minden. Mr. Smith explained that if this is the information he is hearing from his vendors, then most likely this is happening with other individuals as well. Mr. Smith stated that his vendors thought that the 30¢ per sf price was more attractive, and if the minimum bid was set at that price, they would have submitted bids.

There were no other public comments at this time, and the public comment section of this meeting was closed.

F. CONSENT AGENDA

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.

F(1) A housekeeping matter regarding recorded leases.

Staff Summary: The execution and recordation of Termination of Lease documents per the recommendation of the Carson City Assessor to clarify the status of leases that were terminated by the Authority. These include the 2002 termination of the lease to William F. Jewett and Pamela J. Jewett for non-payment of rent on Parcel 19 (Carson City Document #193595); and the 2007 termination of lease to Aerohead Aviation, Inc., for non-payment of rent on Lots 32 and 33 (Carson City Document #168287). These lots were subsequently renumbered as Lots 30 and 31 on the Airport Lease Map. (S. Tackes)

Mr. Tackes explained that these two recordation of termination of leases is a housekeeping matter regarding the Jewett leases. The leases were terminated some time ago. Both were for non-payment of rent, and the tenant was given numerous opportunities to rectify the situation, but never would. The leases were finally terminated, but the termination documents were not

recorded. This action will clear the record, and show that both leases were officially terminated and documented as such with the City's recorder.

Mr. Lewis asked for Board comment. There was none. Mr. Lewis asked for public comment. There was none.

Mr. Sullivan moved to approve the consent agenda as recommended by Airport Counsel. Mrs. Hutter seconded the motion. There was no further discussion. The vote was called and the motion carried unanimously.

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

G. PUBLIC HEARINGS

(1) DISCUSSION AND ACTION TO APPROVE THE CARSON CITY AIRPORT AUTHORITY FINAL BUDGET FOR FISCAL YEAR 2008/2009 PER NRS 354.598; AUTHORIZATION TO CERTIFY AND TRANSMIT SAME TO THE DEPARTMENT OF TAXATION AND THE NEVADA TAX COMMISSION; AUTHORIZATION FOR STAFF TO MAKE THE REQUIRED FILINGS (*C. Hutter*). Mrs. Hutter reported that the budget was essentially the same as the tentative budget, especially as it related to the operating budget. Mrs. Hutter explained that the budget has to be done in "fund balance accounting," which shows money coming in and money going out regarding running the Airport. Mrs. Hutter reviewed the budget documents, and noted that there was \$617,000 in the bank as of this morning in preparation for the pending payment of matching funds. Mrs. Hutter asked if anyone had any questions concerning the budget.

There was no Board discussion. Mr. Lewis asked if there were any public comments. There were none. Mr. Lewis called for a motion.

Mr. Sullivan moved to approve and certify the final budget for FY 2008-2009, and authorize staff to make the required filings. Mr. McClelland seconded the motion. There was no further discussion. The vote was called and the motion carried unanimously.

(2) DISCUSSION AND ACTION TO APPROVE AND ACCEPT THE 2008 FAA GRANT OFFER FOR AIP PROJECT NO. 3-32-0004-15 IN THE APPROXIMATE AMOUNT OF \$2,850,000; AUTHORIZATION FOR STAFF TO SIGN AND COMMUNICATE ACCEPTANCE TO THE FAA (*S. Tackes*). Mr. Tackes explained that this is the grant we've been working on. The Airport Authority has approved the application, every meeting that has been attended regarding the grant, and probably also its acceptance, but this item was placed on the agenda to ensure that we absolutely have a clean, clear record of accepting the grant. Mr. Tackes noted that the item was also on the Board of Supervisors' agenda heard today, and that the Board of Supervisors has approved it as well. Mr. Tackes recommended that the Board approve and accept the 2008 FAA grant offer as noted in the agenda item. Mr. Tackes stated that he wanted to be sure that every step in this process was well documented.

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

Mrs. Hutter moved to approve and accept the 2008 FAA grant offer for AIP Project Number 3-32-0004-15 in the approximate amount of \$2,850,000, and authorize staff to sign and communicate the grant's acceptance to the FAA. Mr. Sullivan seconded the motion. There was no further discussion, and the motion carried unanimously.

Mr. Tackes reported that he did mention to the Board of Supervisors that we will be blasting the hill, but will first hold a community meeting prior to that time to make sure that our neighbors are adequately informed that blasting will occur. Mr. Tackes stated that we would also send out notification via U.S. Mail. Mr. Tackes stated that we did not expect to break anything with the blasting activities, but it would be better to document all of our actions.

(3) DISCUSSION AND ACTION TO APPROVE A CLASS 2 FBO REQUEST FROM CARSON AVIATION ADVENTURES, LLC, TO CONDUCT FLIGHT SCHOOL ACTIVITIES (AIRCRAFT FLIGHT TRAINING, AIRCRAFT RENTALS AND SALES OF PILOT SUPPLIES AND ACCESSORIES), TO BE CONDUCTED FROM AND WITHIN THE STERLING AIR, LTD., CLASS 1 FBO FACILITIES (*Steve Poscic, Bill Drake and Shane Gorman*). Mr. Lewis recused himself from this item, since this potential Class 2 will be located in the Chairman's (his) FBO facility. Mr. Lewis passed the gavel to Mr. Sullivan, the Vice-Chairman.

Mr. Sullivan read the item, and invited Mr. Poscic to present his proposal.

Mr. Steve Poscic addressed the Board. Mr. Poscic stated that he currently has an aviation maintenance business license at Sterling Air, and that this is an expansion of his business. Mr. Poscic stated that maintenance for this venture would be a key component of his business, since he would be getting the maintenance portion of this as well. Mr. Poscic stated that the business is located in his office and adjoining offices, which he is already paying for, so he would incur no additional billing for the space. Mr. Poscic stated that he believes he has already proven that he can run a business on this field and did not need to supply any further proof, and asked if anyone had any questions.

Mrs. Hutter asked if the Board had received the financial statements. Mr. Poscic stated that the financial statements were placed in the Board packets.

Mrs. Hutter asked if Mrs. Devoll would be managing the business. Mr. Poscic stated that she would not. Mrs. Hutter pointed out that Mrs. Devoll is listed as the manager of the business on the insurance application. Mr. Poscic stated that was changed, and that Mrs. Devoll will only be involved in the aircraft if it's damaged, as he (Mr. Poscic) was leasing it from her.

Mr. Peterson questioned the fee for the aircraft use, which is listed at \$75 per hour, with a commission out of that fee of \$18.50. Mr. Poscic stated that this would be his profit per hour. Mr. Peterson reviewed the proposed lease rate of \$9,000 for six months, with a net cost to Mr. Poscic of \$56 per hour. Mr. Peterson stated that when you do the math of 400 hours per month for six months, you get a total cost of \$20,000, and this would indicate that Mr. Poscic would incur a substantial loss on this business.

Mrs. Hutter asked Mr. Tackes about proposals for working on the Airport, stating that if the financial estimate for the first six months shows a loss, but that if people behind the proposal have the resources and are willing to keep the business alive, does it constitute a problem for the Airport, or not?

Mr. Tackes stated that it would be at the Board's discretion if they wanted to put a losing venture on the Airport and call it a viable business. Mr. Tackes stated that the rules are designed so that you (the Board) can make a determination as to whether a business is a viable entity. Mr. Tackes stated that if the Board sees that someone is not going to make money, it would be hard to say, okay, go ahead and lose your money. Mr. Tackes stated that he understood that businesses typically operated at a loss in the beginning, but that usually there is something there to turn the business around within a certain period of time.

Mr. Peterson stated that he would like to see at least a two- to four-year forecast with a best/worst case scenario.

Mr. McClelland indicated his confusion with this agenda item. Mr. McClelland stated that first the Devolls brought this item before the Board, and was turned down, and now Mr. Poscic was bringing the same item to the Board. Mr. McClelland stated that he doesn't see enough money to run it.

Mr. Sullivan asked Mr. Poscic if it would set him back if this item were continued for another month so that the Board could look more closely at the numbers. Mr. Sullivan stated that this item has been reviewed two or three different times in different forms. Mr. Sullivan stated that he would like to see it get going. Mr. Sullivan stated that Mrs. Hutter and Mr. Peterson understand proformas, and that perhaps Mr. Poscic could work with them on the numbers.

Mr. Peterson asked Mr. Poscic about the cost for hangar space. Mr. Poscic stated that he is already paying that, and the cost was not included in this statement as it was not a cost.

Mr. Peterson noted that it actually was a cost against the proposal. Mr. Peterson stated that he was thrilled to see a flight school come to the Airport, but would like to have seen a multi-year proforma. Mr. Peterson stated that the financial statement as presented includes significant arithmetic mistakes, and as presented Mr. Peterson could not consider this item tonight. Mr. Peterson stated that if Mr. Poscic could prepare his financial statements in advance of the meeting, and get that information to the Board members for their review prior to the meeting, the Board would have enough time to review those documents and properly consider this item.

Mr. Poscic asked if this item could be continued, and stated he would come back to the next meeting. Mrs. Hutter and Mr. Peterson agreed to work with Mr. Poscic on his financial statements. This item will be carried forward to the next regular Airport Authority meeting.

Mr. Lewis returned to the dais.

(4) DISCUSSION AND ACTION TO CONSIDER, REVIEW AND COMMENT REGARDING MODIFICATION SUGGESTIONS TO TITLE 19 (*S. Lewis*). Mr. Lewis reported that the Airport Authority Board has been working for a year-and-a-half to complete the update process for Title 19. Mr. Lewis stated that this is the third reading of Title 19 at an Airport Authority meeting. Mr. Lewis thought it might take three or four readings before the Board could take action. Once they did take action, the suggested modifications would be sent to the Board of Supervisors for their review, which would probably also take two or three readings for them to get through. Mr. Lewis opened the item to comments from the Board regarding any other updates or comments.

Mr. Tackes reported that the latest draft was made yesterday, and that incorporated some of the changes as suggested by Mr. Frank Hublou (when fueling an aircraft the aircraft should be secured but doesn't necessarily have to be tied down; changes to discussion on common areas; a few shall's changed to should's, also previously suggested by Mr. Peterson; change an "and" to an "or"; and discussions on altitudes and take-offs).

There was a lengthy discussion on the language used regarding the turn at take-off, noise abatement suggestions for the turn, related altitude, and physical geographic markers to help indicate placement for the turn.

Mr. Lewis asked for public comment.

Mr. Frank Hublou expressed his gratitude to Mr. Tackes and others for being reactive to his comments, stating that he appreciated it very much. Mr. Hublou stated that it was time to start dealing with the "contentious" issues.

Mr. Hublou began discussing Chapter 1, Section 8, where it discusses pedestrians on taxiways and areas closed to the public. Mr. Hublou stated that this section should be broken into three separate sections to address taxiways, runways and common areas, since each represents a different issue. Mr. Hublou stated that he also wanted to be able to walk across the active runway, and provided his rationale for so doing, but it was explained that walking across an active runway was not allowed. Several members also spoke against allowing pedestrians on active runways, citing solutions to each of Mr. Hublou's examples, and further noting that it was not safe to cross an active runway.

Mr. Hublou stated that the rules should be written in such a way that if someone saw debris on the runway and went out to pick it up, they should not be placed in jail. Mr. Peterson stated that safety is always foremost, and that, for instance, if there were a big rock or a large piece of glass on the runway, then in the interest of safety, of course one could go retrieve the glass or the rock, and immediately get off the runway.

Mr. Tackes stated that the better practice would be to call the Airport Manager, who has a vehicle with a rotating beacon, and they would be the ones who would take care of it. Mr. Hublou argued that most of this occurs on weekends, when no one is around, which is why he wants the rule changed.

Mr. Hublou asked if a person on roller skates was considered a pedestrian. Mr. Sullivan and Mr. Peterson both answered "yes" in unison.

Mr. Lewis asked if there were any other public comments.

Mr. Clague asked about Runway 9-27, regarding the runway realignment, and whether the runway's designation would be changed once the runway was realigned. Mr. Lewis explained his understanding that it would not be changed. Mr. Clague asked whether the designation was based on the compass heading. Mr. Lewis confirmed that it was, but that designations were given a 5-degree leeway in either direction. Mr. Lewis stated that it was the Airport Authority's discretion as to whether or not to rename the runway, but Mr. Lewis assumed we would keep it designated Runway 27-9, since that's the name by which it has been known. Mr. Lewis stated that, according to Burlingame, we do not have to rename the runway, as we are within one degree of the allowance.

Mr. Sullivan discussed the sign item, and suggested changes. Mr. Tackes stated that the verbiage concerning signage should be written to be in concert with the City's regulations, and that way when the City's signage regulations change, ours would automatically be updated, since it refers to the City's regulations.

Mr. Lewis stated his request to finalize the draft, with these latest changes, and to bring it to our Board, and then move it on to the Board of Supervisors. Mr. Tackes noted that the line of approval is through the Airport Authority Board, then the District Attorney, and then to the Board of Supervisors for their review and ratification, if it does not have to come back before the Airport Authority after going through the District Attorney's office.

G. AIRPORT ENGINEER'S REPORT (*Non-Action Item*). Mr. Jim Clague, Airport Engineer, reported that on April 23rd, he met with Mr. Ray Chiang, the assistant manager of the San Francisco ADO of the FAA during the NAMA conference in Mesquite, and they discussed the potential rearrangements to the ACIP schedule.

Mr. Clague reported that hill removal contract has been awarded to Peavine Construction, but that a notice to proceed cannot be awarded until after the preconstruction meeting has been held. Mr. Clague noted that the FAA would also be attending the preconstruction meeting, which is scheduled for 10:30 a.m. on May 28th here at the Terminal Building. Mr. Clague stated that everyone was welcome to attend, but that their attendance was not necessary. The only necessary attendees would be the Airport Manager, Mr. Clague, the inspectors, the testing firm, the contractor's project manager and superintendent, and his bookkeeper (an FAA rule). Mr. Clague stated that this would not be a posted meeting, and he did not want a quorum of Authority members to show up. Mr. Lewis stated his intention to attend, as did Mr. McClelland and Mrs. Hutter, since all three were typically present at the Airport on a daily basis.

Mr. Clague reported that the City has requested that a public meeting be held regarding the blasting, and Mr. Clague agrees and is scheduling that meeting now. Mr. Clague stated that the meeting will probably be scheduled within one or two days of construction. Mr. Clague stated that this should probably be a posted meeting, and that the entire Board should plan to attend. Mr. Clague stated he would let everyone know when the date was scheduled, and that it would also be held at the Terminal Building.

Mr. Clague reported that he has received the plan submittal from Heritage Hangars, and has forwarded that to Lumos. Mr. Clague does not know when they plan to break ground. Mr. Clague explained that we will need to tie into their waterline, so we will need to get a waterline under the taxi lane on the west side of the Jet Ranch project. Mr. Clague will work with Valley Construction, but the taxiway has already been paved because they needed to finish that to get the certificate of occupancy on Buildings 1 and 2.

H. AIRPORT MANAGER'S REPORT (*Non-Action Item*). Mrs. Weaver was excused from this meeting, and there was no Airport Manager report at this time.

I. LEGAL COUNSEL'S REPORT (*Non-Action Item*). Mr. Steve Tackes, Airport Counsel, reported that Heritage Hangars was originally offered a sliver of land (approximately 12 feet) adjacent to their leasehold, but said they did not want it. They have since contacted Mr. Tackes and asked for an appraisal on it, indicating that they were in fact interested in it. Mr. Tackes will follow through on this and report back to the Board.

Mr. Tackes reported that he also attended the NAMA conference, and a good time was had by all. Mr. Tackes reported that they are now known as the “Nevada Airports Association (NAA)” instead of Nevada Airport Managers Association, since the affiliates include airport users and not only airport managers.

Mr. Tackes gave everyone a book on the Super AWOS and a CD, explaining that the Super AWOS now includes weather reporting, and he felt it deserved a deeper look. Mr. Tackes explained that it is cheaper, has siting flexibility, and a bundle of advantages.

J. TREASURER'S REPORT (*Non-Action Item*). Mrs. Collie Hutter, Airport Treasurer, reported that she had nothing additional to add. Mrs. Hutter stated that she would work with Beth Kohn, the auditor, on clarifying the land.

Mrs. Hutter noted that she has been the Airport Treasurer “forever,” and asked if elections were to be held in June. Mr. Tackes stated that they were to be held in July, as an NRS requirement that we elect officers, as officers’ assignments expire on July 1st of odd years.

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

K. REPORT FROM AUTHORITY MEMBERS (*Non-Action Item*). Mr. Lewis reported that Mrs. Weaver had sent him some information the previous week regarding receipt of approval for an instrument approach and departure. Mr. Lewis noted that the hill has to come down first and the runway needs to be fixed, but that after three-plus years of waiting, we have finally received our approval. Mr. Lewis cited an elevation of 6,380 feet, with a 1.5-mile visibility range, which brings us down to 1,680 feet above ground.

Mr. Tackes noted that the FAA had indicated to him that each Authority member should send in a letter, asking for consideration of an FVP approach, as that will bring down the minimums.

Mr. Lewis noted the passing of a long-time aviator in the region, Mr. Bill Hutt of Hutt Aviation. Mr. Hutt owned hangar space and flew out of the Minden Airport.

Mr. Sullivan reported that he had attended a meeting on the new reliever airport for Las Vegas, located in St. George. Mr. Sullivan explained that the St. George Airport is a new airport, and he was amazed at the millions, no, billions, of dollars they were spending down there.

Mr. McClelland had nothing further to report at this time.

- L. AGENDA ITEMS FOR NEXT REGULAR MEETING (*Non-Action Item*). Items anticipated for the next regular meeting include an item for Mr. Smith, representing Valley Construction and the Jet Ranch project; the Posic FBO flight school request at Sterling Air, and the Title 19 revision item.
- M. ACTION ON ADJOURNMENT. There was no objection, and the meeting was adjourned at 7:35 p.m.

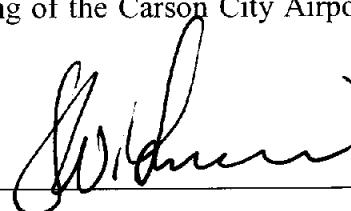
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NOTE: A tape recording of these proceedings is on file, and available for review and inspection at the Airport Manager's office during normal business hours.

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The minutes of the 15 May 2008 Regular Meeting of the Carson City Airport Authority are so approved on this 18th day of June, 2008.

BY: _____



TITLE: Steve Lewis, Chairman