

MINUTES
Regular Meeting
Carson City Airport Authority
Wednesday, November 16, 2016 • 6:00 PM
Community Center Sierra Room
851 East William Street, Carson City, Nevada

Committee Members

Chair – Linda Law	Vice Chair – Phil Stotts
Member – Aaron Collins	Member – Larry Harvey
Member – Jim Shirk	Member – Larry Tores
Member – Maurice White	

Staff

Steve Tackes, Airport Counsel
Jim Clague – Airport Engineer
Brian Fitzgerald – Airport Engineer
Tim Rowe – Airport Manager
Cheryl Eggert – Deputy Clerk
Minutes by – Tamar Warren, Deputy Clerk

NOTE: A recording of these proceedings, the Board's agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record. These materials are on file in the Clerk-Recorder's Office, and available for review during regular business hours.

Audio recordings of the Carson City Airport Authority meetings are available on www.carson.org/minutes.

A. CALL TO ORDER AND DETERMINATION OF QUORUM

(6:0238) – Chairperson Law called the meeting to order. Roll was called. A quorum was present.

Attendee Name	Status	Arrived
Linda Law	Present	
Phil Stotts	Present	
Aaron Collins	Present	
Larry Harvey	Present	
Jim Shirk	Present	
Larry Tores	Present	
Maurice White	Present	

B. PLEDGE OF ALLEGIANCE

(6:03:18) – Led by Chairperson Law.

C. APPROVAL OF THE MINUTES OF THE PAST MEETING OF THE AIRPORT AUTHORITY.

(6:03:14) – Chairperson Law entertained suggested revisions and, when none were forthcoming, a motion. **Member White moved to approve the minutes of the October 19, 2016 meeting. Member Stotts seconded the motion.** Chairperson Law called for a vote.

(6:03:45) – MOTION: “So moved”.

RESULT:	APPROVED (7-0-0)
MOVER:	White
SECONDER:	Stotts
AYES:	Law, Stotts, Collins, Harvey, Shirk, Tores, White
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

D. MODIFICATION OF AGENDA

(6:04:42) – Chairperson Law entertained modifications to the agenda, and noted that Item F1, approval of the Audit, will be combined with Item J, the Treasurer’s report, “so that our CPA can answer questions and leave for the evening”.

E. PUBLIC COMMENT

(6:07:18) – Chairperson Law entertained public comment. David Corrao inquired about the final grading plan for the east end of the approach to runway 27. Mr. Rowe clarified that Cinderlite will begin “sloping towards the end of the runway...within the next two weeks”. Mr. Corrao also requested clearing the sagebrush on southbound Taxiway B as it was reaching the height of the airplane wings. Mr. Rowe offered to “get that taken care of”.

F. PUBLIC HEARING ITEMS:

1. FOR POSSIBLE ACTION: APPROVAL OF THE CARSON CITY AIRPORT AUTHORITY AUDIT FOR FY 2015/2016.

(6:07:49) – Chairperson Law introduced the item. Beth Kohn-Cole, Kohn & Company LLP, presented the Authority’s updated audited financial statements, incorporated into the record, and responded to clarifying questions. She also noted that the opinion issued was an “unmodified clean audit...in accordance with government auditing standards”, adding that “there were no material weaknesses, and no compliance items were noted”. Ms. Kohn stated that the Authority was “\$76,000 better than budget...primarily [because of] leases and rock sales”. Chairperson Law entertained public comments, and when none were forthcoming, a motion.

(6:17:44) – MOTION: I move to accept the audit report.

RESULT:	APPROVED (7-0-0)
MOVER:	Stotts
SECONDER:	White
AYES:	Law, Stotts, Collins, Harvey, Shirk, Tores, White
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

(6:18:37) – Chairperson Law invited Ms. Kohn to review the most current financial statements who noted that the audit adjustments had been posted today; therefore some of the previously sent numbers were updated and incorporated into the record. Ms. Kohn presented the most recent financials and responded to clarifying questions. Member White pointed out a decrease in fuel sales for this fiscal year and Mr. Rowe attributed that to the stormy summer and the weather in general. Chairperson Law was informed that the North Apron repair had not impacted the fuel sales. Discussion ensued regarding rock sales and Mr. Rowe noted that they would continue. Member White thanked Mr. Tackes for “being mindful” and for reducing legal costs. Chairperson Law entertained public comments and when none were forthcoming she thanked Ms. Kohn for preparing the audit.

2. FOR POSSIBLE ACTION: APPROVAL OF THE REQUEST BY JOHN MAYES, LUDD CORRAO FAMILY REVOCABLE LIVING TRUST, SEIBOLD/TRI-MOTOR, LLC, AND SIERRA MOUNTAIN AIR PARK NORTH, LLC FOR AN EXTENSION OF THEIR AIRCRAFT STORAGE ONLY LEASES FOR 22 YEARS UPON RAISING THEIR RENT TO THE APPRAISED CURRENT VALUE AND MAKING A FINANCIAL CONTRIBUTION TO THE TERMINAL RENOVATION PROJECT..

(6:31:35) – Chairperson Law introduced the item. Mr. Tackes presented the agenda materials, including the clarification in the Airport Counsel Briefing, incorporated into the record, and noted that Mr. Mayes and the Corraos were in the audience and would answer the members’ questions.

(6:43:35) – Chairperson Law noted that she had been remiss in introducing the newly appointed members Aaron Collins and Larry Harvey. She also entertained member questions. Member White was informed by Mr. Tackes that the language regarding “the contribution to the terminal fund” was included in the lease as “part of the deal” and that the entire transaction would be approved by the Board of Supervisors. Member Harvey was informed that all the Airport leases have a “two-year CPI clause adjustment” which is applied to the rent. Mr. Tackes offered to send additional detail on the calculations to Member Harvey. Member Collins thanked Mr. Tackes for sending the appraisal and inquired about comparisons to other airports and was informed that lease rates were not compared to those of surrounding airports.

(6:50:43) – Vice Chair Stotts questioned why the price per square foot was so much lower than those of the airport properties in Reno and Minden, and believed that the \$30 million infrastructure improvements were not taken into consideration. Mr. Tackes noted he was concerned at first as well; however, “there’s a dramatic difference in value when you are looking at a very limited category of things you can do with the property”. He also noted that Former Chairperson Hutter had also evaluated the appraisal and believed it was appropriate for the property. Vice Chair Stotts stated that said properties were not designated for aircraft storage only and Mr. Tackes clarified that the leases had been issued for only that purpose. Vice Chair Stotts cited a past example of the FAA shutting down construction efforts for a similar reason. Mr. Tackes clarified that the complaint at the time questioned land that was purchased at a higher price; however, subsequent appraisals did not support the claim. Further discussion ensued regarding the property value and Mr. Tackes reminded the Authority that the infrastructure fees were paid up front by Airport tenants and cautioned against comparing the Carson City values versus other airports, adding that the lease price in this Airport is for “bare bones” property and not hangars; however, tenants paid real property taxes. Member Collins also believed that the rates “were not grossly out of

balance". Member white did not believe this transaction was "a good business deal" and Mr. Tackes explained "we're getting additional money and they're getting additional years".

PUBLIC COMMENT

(7:08:19) – Ludd Corrao introduced himself and stated that they have made "an enormous investment" and will be at the Airport for "an additional period of time". He also encouraged the Authority to "hold on to what the values are by putting your money back into it now, to try and hold the value at some reasonable area of where it belongs", calling it a "depreciateable asset". Vice Chair Stotts read an excerpt from a former set of minutes and wondered if the appraiser was "cherry picked". Mr. Tackes explained that a "joint selection" of City-approved appraisers by the Authority and the tenants was to avoid a situation where either party had formerly had a bad experience with a selected appraiser. Steve Lewis of Sterling Air spoke in support, calling it a "great business decision". Mr. Lewis also clarified the circumstances of the "challenge" referred to earlier by Vice Chair Stotts, noting that the complaint was made to the Department of Transportation and that the FAA had withheld future funding until a "forensic appraisal" had been conducted. Mr. Lewis noted that he initially had thought that the 12 cents per square foot was low; however, he noted that it conformed to an FAA advisory circular. He also indicated that the circular did not require comparables to other airports. Member Harvey inquired whether to look at the comparables mentioned by Mr. Lewis to see whether the infrastructure was evaluated, and Mr. Tackes clarified that the Authority will not encounter the same issues of the FAA from withholding grants because this was not a case of federal funds being used to acquire property.

Chairperson Law entertained additional comments, and when none were forthcoming, a motion.

(7:21:48) – MOTION: I move to approve the request of the extension of the lease as presented. Member White seconded and offered an amendment to the motion stating that **the donation of \$84,648.45 be spent only with the contractor working on the terminal, that being Professional Home Developers Inc., and the \$84,648.00 sum be represented in the financial reports, separately in some nature so we can clearly identify where that money was spent.** Member Harvey who made the original motion accepted the amendment.

RESULT:	APPROVED (5-2-0)
MOVER:	Harvey
SECONDER:	White
AYES:	Law, Collins, Harvey, Tores, White
NAYS:	Stotts, Shirk
ABSTENTIONS	None
ABSENT:	None

(7:23:11) – Chairperson Law recessed the meeting at 7:23 p.m. and reconvened at 7:35 p.m. A quorum was still present.

3. FOR POSSIBLE ACTION: APPROVAL OF THE REQUEST BY PETE NORMAN TO CONSTRUCT A LOUNGE AND STORAGE WITHIN HANGAR H-3.

(7:36:24) – Chairperson Law introduced the item. Peter Norman introduced himself and presented his request to make improvements to his hangar to build a lounge area, a kitchenette, and a restroom. He noted that the plans for the 600 square foot area have already been approved for several other hangars, adding that they will be using licensed contractors and obtaining the necessary permits.

(7:38:10) – Chairperson Law entertained member and public comments, and when none were forthcoming, a motion.

(7:38:38) – MOTION: I move to approve the request made by Peter Norman to construct a lounge and storage within Hangar H-3.

RESULT:	APPROVED (7-0-0)
MOVER:	Shirk
SECONDER:	Stotts
AYES:	Law, Stotts, Collins, Harvey, Shirk, Tores, White
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

4. FOR POSSIBLE ACTION: APPROVAL OF A PROPOSAL TO LEASE 576 SQUARE FEET OF THE WEST WING OF THE TERMINAL BUILDING TO CARSON AVIATION ADVENTURES FOR ITS FLIGHT SCHOOL.

(7:39:20) – Chairperson Law introduced the item. Mr. Tackes announced a disclosure by Member Collins, applicant, and his intent to abstain from voting on the item. Member Collins left the dais. At Chairperson Law's request, Aaron Collins gave background and referenced the lease document incorporated into the record. He also noted that the lease is currently under negotiation as "some things aren't phrased properly", indicating that he was not asking the Authority to approve the lease at this meeting, citing that further clarification is needed. Mr. Tackes offered to work with Carson Aviation Adventures, LLC and Mr. Collins to "improve" the lease. Upon receiving confirmation from Mr. Collins, Chairperson Law stated that the item will be continued until the December Authority meeting. There were no public comments.

(7:44:00) – Member Collins returned to the dais.

5. FOR POSSIBLE ACTION: ON ITEMS RELATED TO THE CARSON CITY AIRPORT PROJECT TO REHABILITATE THE NORTH APRON (FAA AIP No 3-32-0004-30), INCLUDING MONTHLY STATUS REPORTS, POTENTIAL CHANGES TO THE WORK OR WORK SCHEDULE, CONSTRUCTION CHANGE ORDERS, AND OTHER RELATED ITEMS.

(7:44:08) – Chairperson Law introduced the item. Mr. Clague presented the project status summary, including Change Order No. 2, which is incorporated into the record. Member White complimented Mr. Clague on a "perfect" report. He also inquired about the application of the fuel resistant sealcoat which will be applied in Spring 2017, wondering whether that cost should be withheld from the final payment to the contractor, Granite Construction. Mr. Clague explained that the FAA withholds 10 percent of grants to the Airport until a specific

AIP project is completed; therefore, Granite Construction had agreed to the Authority withholding 10 percent of their construction contract payment in the amount of \$220,000. He also noted that this Change Order was “deductive”. Chairperson Law called the project “very timely and very thorough”. Mr. Clague suggested taking action via a motion to accept the change order, noting a minor change order may be presented in Spring 2017; however, “this captures the bulk of the work”. Chairperson Law entertained public comments and when none were forthcoming, a motion.

(7:52:06) – MOTION: I move to approve Change Order No. 2 with Granite Construction Company for the North Apron Reconstruction Project

RESULT:	APPROVED (7-0-0)
MOVER:	White
SECONDER:	Collins
AYES:	Law, Stotts, Collins, Harvey, Shirk, Tores, White
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

G. AIRPORT ENGINEER’S REPORT

(7:52:47) – Mr. Clague presented the remainder of the Airport Engineer’s Report, incorporated into the record, and answered clarifying questions. He also noted that he would be working for Atkins part time and that Brian Fitzgerald will be replacing him on the Authority. There were no public comments.

H. AIRPORT MANAGER’S REPORT

(7:56:30) – Mr. Rowe reviewed the Airport Manager’s Report, incorporated into the record, and responded to clarifying questions. He also noted that the Terminal Building construction is complete and “we are ready to move in” once the phone system determination is made which will be “after Thanksgiving”. Mr. Rowe announced that at the November 30, 2016 Planning Commission Meeting, a proposed RV park near the Airport will be discussed, and that he would attend the meeting to express the Authority’s concerns about noise complaints when planes take off and land near the area, and to discuss the possibility of the Airport Authority’s request for a navigation easement. Mr. Tackes suggested notifying the Planning Commission that the RV park developers were invited to attend an Airport Authority meeting; however, they cancelled their appearance to an agendized meeting. He also noted that they had voiced an objection to the 180-day stay which would generate more noise complaints. Mr. Rowe disclosed an upcoming meeting with the Department of Taxation, on December 5, 2016, at Silver State Insurance Exchange, regarding aircraft depreciation schedules to discuss percentage increases, especially affecting those buying new aircraft. Discussion ensued regarding the consideration of permanent residency at the RV park and their tax implications.

There were no public comments.

I. LEGAL COUNSEL’S REPORT

(8:09:04) – Mr. Tackes reviewed the Legal Counsel’s Report, incorporated into the record. He also cautioned against having ponds at the RV park which will attract birds that interfere with aircraft, adding that private developers had the right to develop their property; however, they needed to understand the issues related to being next to an airport.

There were no public comments.

J. TREASURER’S REPORT

This item was discussed in conjunction with item F-1.

There were no public comments.

K. REPORT FROM AUTHORITY MEMBERS

There were no reports from Authority Members.

L. PUBLIC COMMENT

There were no public comments.

M. AGENDA ITEMS FOR NEXT REGULAR MEETING

Previously discussed.

N. ACTION ON ADJOURNMENT

(8:14:25) – Chairperson Law adjourned the meeting at 8:14 p.m.

The Minutes of the November 16, 2016 Carson City Airport Authority meeting are so approved on this 21st day of December, 2016.

LINDA LAW, Chair