



Preliminary Budget Update FY 2017

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August 24, 2016

FY 2017 BUDGET OPPORTUNITIES DISCUSSION

- Objective for the Agenda Item is to review 2nd Draft of FY2017 Preliminary Budget.
- Review additional information on various Budget Opportunities as identified at the Budget Workshop on July 11th.
- Review the Budget Allocation Detail.
- Review 2nd Draft of Preliminary Budget with its attached Narrative.
- Review 10 CIP and Unrestricted Net Asset detail.
- Discuss other items the Board would like to review as presented in Preliminary Budget Narrative.
- Discussion only today.

Review of Budget Opportunities Questions from July 11th Workshop

Questions raised at the Workshop:

- Recommendation from Ad Hoc Committee on Sponsorship/Partnership Policy.
- Prepare a 10 year CIP in addition to 5 year CIP.
- Budget Allocation Detail.
- Corporate Aircraft Association (CAA) and Contract Fuel revenues.
- TTAD Reserves compared to other Districts.
- Godbe Survey Methodology and Theory for conducting survey.
- Soaring Way Utility Detail.
- Shop Expansion – Why?.
- RASC – More information about how the Votes work.

CAPITAL/OPERATING RESERVES

Target Reserves	Capital/Operating Reserve FY 2017	Percent		5 Year Capital/Operating Funding Needs	Percent		10 Year Capital/Operating Funding Needs	Percent
Pavement Maintenance Capital Reserve	\$ 2,000,000	22.2%		\$ 10,505,000	41.1%		\$ 20,979,000	45.9%
Facility Maintenance Capital Reserve	\$ 550,000	6.1%		\$ 1,017,540	4.0%		\$ 1,540,825	3.4%
Forest Capital Reserve	\$ 500,000	5.6%		\$ 1,065,300	4.2%		\$ 1,421,571	3.1%
Utility Capital Reserve	\$ 100,000	1.1%		\$ 250,000	1.0%		\$ 550,000	1.2%
General Fund Operating Contingency	\$ 2,500,000	27.8%		\$ 3,000,000	11.7%		\$ 3,750,000	8.2%
Annoyance Reduction/Outreach Reserve	\$ 1,000,000	11.1%		\$ 3,000,000	11.7%		\$ 5,000,000	10.9%
Rolling Stock Reserve	\$ 350,000	3.9%		\$ 1,750,000	6.8%		\$ 2,500,000	5.5%
Property Acquisition	\$ 2,000,000	22.2%		\$ 5,000,000	19.5%		\$ 10,000,000	21.9%
Total	\$ 9,000,000			\$ 25,587,840			\$ 45,741,396	

Unrestricted Net Assets of other local Districts/Agencies

Local District/Agency	Unrestricted Net Assets
Tahoe City Public Utility District	\$11,934,497
Truckee Donner Public Utility District	\$6,616,354
Truckee Sanitary District	\$11,681,548
Tahoe Truckee Sanitation Agency	\$12,550,000

Note: Some utility districts may have additional “restricted” utility reserves not listed here. Those reserves are set aside and restricted to a specific utility systems.

Budget Allocation Detail

- The Board requested the Budget Allocation Detail.
- The Budget Allocation Detail was provided to the Board August 15th.
- A copy can be found in the Preliminary Budget attached to this agenda item.
- Please review. Staff is available to answer questions.

Home Base Incentive Question

- The Board requested information and financials regarding the Districts Home Basing Incentives Program.
- The District's forgone revenue for the Home Base Incentive for FY 2016 is \$87,504.00
- Nevada County nets \$133,366.45 from 97 assessed aircraft in 176 Hangars.
- Placer County is still in the process of providing these numbers. There are 44 hangars in Placer County.

CAA and Contract Fuel Update

Truckee Tahoe Airport District				
Fuel Sales Jet A	April-July			
	Gallons	Sales	Average cost per gallon (Jet A)	Percentage of Total
CAA Jet A	28,982	\$ 105,482.17	3.64	15%
Contract Jet A	37,315	\$ 155,164.95	4.16	21%
Jet A	107,586	\$ 464,942.57	4.32	64%
4 Month Total	173,883	\$ 725,589.69	4.17	100%

STRATEGY 3: COMMUNITY BENEFIT

1. Community Sponsorships and Partnerships (3.4)

- Ad Hoc Committee and Staff met on August 22nd to consider process and recommend amendments to policy. Recommendations will be brought forward at the Sept. 28th Board Meeting.
- Budget Includes \$40,000 for Level I Sponsorships. (\$0 to \$3000)
- Preliminary Budget includes \$250,000 for Level II and Level III sponsorships/partnership. Board could flag this funding pending final decision on Sponsorship Policy.
- District has received \$91,500 in Level II Sponsorships Applications from 3 Applicants. (\$3,001 to \$50,000)
- District has received \$1,147,470 in Level III Community Partnership Applications from 5 Applicants. (\$50,001 and up)

2. Community Survey (3.4/5) – Also known as Godbe Survey

- Strategic Plan states the following: ***“The District will conduct periodic professional surveys (typically every 3 years) in an effort to understand and comprehend desires of airport users and District constituents and to measure District performance in relation to Mission and Core Values.”*** Strategy Area 3.4 Objective 5.
- Proposal from Godbe Research has been provided to Board outlining fees and costs along with survey methodology.
- Survey costs \$36,500 for 18 min. Survey. (included in Preliminary Budget)
- Last Survey was completed in 2013.

3. North Tahoe Trail Funding (3.4/3) – Proposed by Director Jones

- Item will be flagged in Budget.
- Donation to Tahoe Fund for North Tahoe Section of Bike Trail – Dollar Creek to NTPUD Regional Park. (6 miles)
- Provides important link for the North Tahoe regional trail system.
- Provides benefit and value for constituents living in the basin.
- Proposal is for \$100,000. Currently included in Preliminary Budget.

STRATEGY 1: SITE AND FACILITIES

4. Fund Soaring Way Utility Upgrades – (1.1/7)

- Likely to be less than \$500,000 but item could be flagged pending more information from District Engineer, PC-3 development, Town of Truckee, and Non-Aero Land Use Committee.
- District is creating a land use plan for non-aeronautical properties fronting Soaring Way.
- Few utilities are in Soaring way West of Business Park Drive.
- New Raley's store is planned for PC-3 property on corner of 267 and Soaring Way.
- PC-3 Developer will be installing utilities in Business Park Dr. to Highway 267.
- Estimated costs is \$400,000 to \$600,000. \$500,000 is included in Preliminary Budget.
- This number is still under review by District Engineer.

5. Maintenance Building Addition (1.1/1)

- Based on discussion at July 11th Workshop, Board was overall in favor of concept but requested additional information as to need.
- Please review the attached memo from Phred Stoner, Director of Operations and Maintenance outlining project validation and need.
- Maintenance Addition was first proposed for FY2016 in May of 2015. Staff originally estimated project cost at \$750,000.
- Board received a full update from District Engineer on project at June 22, 2016 Board Meeting.
- Addition is estimated at \$373 per sq. ft. with storage mezzanine and \$270 per sq. ft. without. Public Works construction is expensive in CA.
- \$390,000 will be carried into FY2017 if Board approves project.
- Projected Cost: \$620,000 to \$950,000 (with mezzanine) \$620,000 is included in Preliminary Budget. \$390,000 carry forward is not currently included in Preliminary Budget.

6. Continue work on Sustainability Management Plan (1.1/1, 5, 7, 8)

- \$80,000 will be flagged in the budget.
- Greenhouse Gas Emissions Inventory is underway (Phase I)
- Budget includes \$80,000 to continue Climate Action Planning
- Phase II would be to identify measures to reduce GHG once identified in Inventory
- Phase III would be to implementation Phase II measures.
- Potential to reduce our current carbon footprint

STRATEGY 2: STANDARDS OF SERVICE

7. Regional Air Service Corporation – RASC (Strategy Areas 2, 3, 4/multiple)

- District will raise funding level by \$10,000 for a total of \$20,000.
- Staff recommends allocating the additional \$10,000 vote to TNT-TMA. TNT-TMA provides transit services to all District constituents and operates the North Lake Tahoe Express Airport Shuttle.
- Currently there are 59 votes on RASC divided between 19 organizations. RSCVA has the most votes at 10. About half the organizations have 1 vote. Vote tallies rarely play into group decisions. Most all decisions are by unanimous vote.
- Membership allows District to be in the room on regional marketing conversations
- Provides benefits and value to all District constituents by advocating for better and cheaper air services to Reno Tahoe Int'l. May reduce operational demands for TRK.
- District has been a member of RASC for 18 months at the \$10,000 level (one vote)

8. Seasonal Air Traffic Control Tower (2.1/1&2, 2.2, 3.3)

- Board decided at the July 11th workshop to fund the Seasonal Tower Project.
- Board decided to deploy a seasonal ATC Tower for the Summer of 2017
- Tower is an experiment to see effects on safety and annoyance mitigation.
- Proposal is to fund tower for one summer from mid June to the end of September of 2017.
- Cost: \$500,000 – Includes Midwest ATC bid plus small contingency.

9. Funding for Regional Housing Solutions and Opportunities (3.2/1)

- Board decided to initially fund \$100,000 in Budget. Item will be flagged pending more information from other community agencies and groups.
- The Community Foundation is currently in process of outlining options per the housing study.
- Greater community is working on housing solutions through the Truckee Tahoe Community Foundation's Regional Housing Study.
- District may have an opportunity to partner with other local public agencies and for profit companies to advocate and fund solutions related to increasing supply of moderate income housing.

FY 2017 Flagged Budget Items

- Regional Housing Solutions Funding - \$100,000
- North Lake Tahoe Trail Connector - \$100,000
- Sustainability Management Planning and Initiatives - \$80,000
- Soaring Way Utility and Traffic Improvements - \$500,000 (place holder)
- Community Sponsorships/Partnerships - \$250,000



Budgeting Next Steps...

- Staff will further refine Budget in preparation for Sept. 28th adoption pending instruction from the Board, staff, and public.
- Any other items relevant to budget planning for FY 2017 can be discussed.
- Final Budget approval is planned for September 28, 2016 in our Regular Board meeting.
- Final Draft of Budget will be available for review by Sept. 23, 2016.