



TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTOR STAFF REPORT

AGENDA TITLE: Three Month Budget Extension for Fifteen Month Year Ending December 31, 2017

MEETING DATE: July 26, 2017

PREPARED BY: Sally Lyon, Director of Finance and Administration

RECOMMENDED ACTION: Review the revised budget extension and give direction to staff on recommended changes or modifications.

DISCUSSION: This is the second revision of the Budget Extension. Highlighted in blue and green in the attached Budget Extension Document are proposed changes from what was presented in July. The final version of the fifteen month budget will be a consent item for the September 27, 2017 meeting.

Earlier in the year, Truckee Tahoe Airport District chose to change the fiscal year end from September 30 to December 31, 2017. This action has resulted in a one-time fifteen-month budget year starting October 31, 2016 and ending December 31, 2017. The original budget we approved in September 2016 was a twelve-month budget. Attached is a three-month extension to this original budget.

Most items are routine extensions from the original twelve month calculations. The items detailed below are in addition to routine expenses and matters that staff would like to bring to the attention of the Board.

- ACAT: No additional funding added. Total budget for the 15 months is \$84,000.
- Fly Quiet Program: No additional funding added. Original budget included an additional Fly Quiet Incentive that was not implemented. Total budget for the 15 months is \$162,000.
- Airshow: The board approved an additional \$66,000 to fund volunteer support organizations. Total budget for the 15 months is \$226,000.

- Communications: No additional funding added. Total budget for the 15 months is \$60,000.
- Conventions, Conferences: Increased to reflect higher than originally anticipated travel and training expense by Board and Staff. Total budget for the 15 months is \$55,900.
- County Support: Increased \$8,000 to correspond to increased property tax revenue. Total budget for the 15 months is \$118,000.
- Employee relations: Increased by \$8,700 to cover Holiday Party in December. Total budget for the 15 months is \$25,000.
- Insurance: Increased to reflect higher property valuation. Total budget for the 15 months is \$127,125.
- Operations Monitoring: Increased by \$100,000 to cover fall payment for Vector, the noise and operations monitoring System. Total budget for the 15 months is \$371,000.
- Other Professional: Increased to reflect board approved projects including Hanger 2 Design \$175,000, additional Temporary Tower expense \$50,000 and Obstruction Survey \$100,000. Total budget for the 15 months is \$1,233,000.
- Vehicles Expense: Increased to reflect higher than originally anticipated snow removal costs with last winter's heavy usage. Total budget for the 15 months is \$83,000.
- Equipment Expense: Increased to reflect higher than originally anticipated costs with last winter's heavy usage. Total budget for the 15 months is \$83,000.
- Airfield – Facility Maintenance: Increased by \$125,000 for Tower utility and communications upgrades. Total budget for the 15 months is \$169,000.
- Warehouse Facility Maintenance: Increased to include \$187,200 for repair and coating of the Warehouse building. This is necessary due to the age of the building and the nature of the current and future tenants. Total budget for the 15 months is \$197,200.
- Various Repairs and Maintenance accounts not changed due to projections under budget.
- Land Management: Increased by \$360,000 for restoration project on land owned by TTAD near the Regional Park in coordination with local public agencies and non-profits and various other property owners. Total budget for the 15 months is \$691,300.
- Property Tax Revenue: Increased by \$1,704,000 to reflect known and estimated tax revenue. Total budget for the 15 months is \$7,174,000.

Capital Expenditures

- FAA Grant Eligible projects reduced by \$1,000,000 based on projects not approved for grant funding.
- Other Projects-Changes:
 - Warehouse Office Building increased to \$1,300,000 for the 15 month period.
 - Hangar Taxilanes CD/DE reconstruction, \$605,000 added for the project completed this summer.
 - Additional expense for the Helipad for Emergency Services (Tahoe City) increased by \$280,000 to \$550,000 total.
- Other Projects-New (highlighted in green)
 - Replacement of TTAD Van for \$40,000.
 - Tug Upgrade \$50,000.

Truckee Tahoe Airport District
Three Month Budget Extension for Fifteen Month Year ending December 31, 2017

	Budget		
	Twelve Months Ended 9/30/17	Three Month Extension October to December	Total Fifteen Month Budget 12/31/17
Revenues			
Airside Operating Revenues			
Aviation Fuel Sales	370,000	75,000	445,000
Jet Fuel Sales	1,472,100	235,000	1,707,100
Auto Parking	50,000	15,900	65,900
Oil Sales	1,100	276	1,376
Tiedowns	95,000	11,400	106,400
Transient Use Fees	230,000	60,000	290,000
Merchandise	800	300	1,100
Services	40,000	14,100	54,100
Vending	500	300	800
Miscellaneous Revenue	5,000	1,500	6,500
Total Airside Operating Revenue	2,264,500	413,776	2,678,276
Hangar Rental Income			
T-Hangar / Box Hangar Rental Income	1,350,000	340,800	1,690,800
T-Hangar / Box Hangar Electricity Surcharge	48,000	12,000	60,000
Total Hangar	1,398,000	352,800	1,750,800
Other Business Income			
Other Business Leasing Income	283,100	93,000	376,100
Concession Income	87,000	21,750	108,750
Total Other Business Income	370,100	114,750	484,850
Warehouse Income			
Warehouse Space Rental Income	280,000	46,000	326,000
Total Warehouse Income	280,000	46,000	326,000
TOTAL REVENUES	4,312,600	927,326	5,239,926
Cost of Goods Sold			
Aviation Fuel Cost - 100 LL	280,500	56,250	336,750
Jet Fuel & Prist Cost	639,000	102,200	741,200
Oil and Lubricant Cost	800	198	998
Merchandise Purchases	600	180	780
Vending Machine Purchases	-		-
Inventory Shrinkage	6,000		6,000
Total Cost of Goods Sold	926,900	158,828	1,085,728
Payroll and Employee Benefits			
Salaries and Wages	1,691,318	554,681	2,245,999
PERS Contributions	234,851	71,961	306,812
Medicare & FICA Expense	29,825	9,399	39,224
Unemployment Taxes	3,000		3,000
Employee Benefits (Insurance)	422,200	117,600	539,800
Workers' Compensation Insurance	55,000	13,800	68,800
Training, Education and Other	68,000	17,010	85,010
Total Payroll and Employee Benefits	2,504,194	784,451	3,288,645
Allocated Wages and Benefits			-
Total Payroll, Benefits and Allocation	3,431,094	943,279	4,374,373
GROSS PROFIT (LOSS)	881,506	(15,953)	865,553

Truckee Tahoe Airport District
Non-Operational Costs-Capital Expenditures

CASH FLOW FROM OPERATIONS (NET OPERATING LOSS)	\$	1,658,138
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CAPITAL EXPENDITURES FOR FY 2016-2017

FAA GRANT ELIGIBLE PROJECTS/ITEMS (see note below)

TOTAL OF GRANT ELIGIBLE ITEMS		-
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ESTIMATED GRANT PROCEEDS		-
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ESTIMATED TTAD CONTRIBUTION TO ABOVE ITEMS-see note below		-
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OTHER 2016 - 2017 PROJECTS

Warehouse Office Building (WOB)-	\$	1,300,000
Ground Power Unit		35,000
Flat Bed 3/4 Ton		50,000
Replace Van		40,000
Tug Upgrade		50,000
Helipad for Emergency Services (Tahoe City)		550,000
Hangar Taxilanes CD/DE reconstruction		605,000
Maintenance Building Expansion (\$400,000 carryforward from PY)		950,000
TOTAL FOR OTHER PROJECTS	\$	3,580,000

LAND PURCHASES / DEVELOPMENT

Allocation for land purchase/development		-
TOTAL FOR LAND PURCHASES / DEVELOPMENT		-

TOTAL CAPITAL EXPENDITURES	\$	3,580,000
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NET CASH REQUIREMENTS FOR CAPITAL EXPENDITURES	\$	(1,921,862)
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DECREASE IN NET ASSETS FOR THE FISCAL YEAR 9/30/17	\$	(1,921,862)
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Note - FAA GRANT ELIGIBLE PROJECTS

There is one project that is FAA grant eligible with a 90% reimbursement.

Truckee Tahoe Airport District
Three Month Budget Extension for Fifteen Month Year ending December 31, 2017

	Budget		
	Twelve Months Ended 9/30/17	Three Month Extension October to December	Total Fifteen Month Budget 12/31/17
Expenses			
Operating, General & Administrative Expenses			
ACAT	84,000	-	84,000
Fly QT Program	162,000	-	162,000
Accidents and Damage	500		500
Access Control	30,000		30,000
Airshow	160,000	66,000	226,000
Aviation Safety Initiatives	109,500		109,500
Cash (Over)/Short - Bad Debt Expense	100	15	115
Communications	60,000		60,000
Conventions, Conferences	32,500	23,400	55,900
County Support	110,000	8,000	118,000
Credit Card Fees & Finance Charges	73,500	18,375	91,875
Directors' Fees & Expenses	115,200	31,050	146,250
Dues & Subscriptions	18,000	4,500	22,500
Election Expense	25,000		25,000
Employee Relations Activities	16,300	8,700	25,000
Employment Expense	5,000	1,239	6,239
Equipment Rental	15,000	3,300	18,300
Geographic Information System	30,000	7,500	37,500
Grounds Maintenance/Landscaping	17,500		17,500
Janitor/Cleaning	61,600	15,411	77,011
Homebasing Incentive	87,500	21,876	109,376
Insurance	72,900	54,225	127,125
Library & Reference Materials	1,100	-	1,100
Office Equipment	100,000	25,011	125,011
Office Supplies	27,500	1,500	29,000
Operating Supplies & Small Tools	46,000	11,478	57,478
Operations Monitoring Expenses	271,000	100,000	371,000
Permits, Licenses & Fees	21,000	5,250	26,250
Postage, Freight & Delivery	3,350	3,000	6,350
Printing, Copying, Publication of Legal Notices	6,000	1,500	7,500
Professional Services	-		-
Accounting & Auditing	30,000	-	30,000
Legal	105,000	26,262	131,262
Computer Support	166,000	3,000	169,000
Other Professional	936,500	296,500	1,233,000
Engineering	25,000	9,750	34,750
Fiscal Analyst - Sustainability	30,000	7,500	37,500
Public Relations - Outreach	-		-
Consulting	18,000	6,000	24,000
Internet, Print, Broadcast & Direct Mail	123,000	30,000	153,000
Events and Programs	20,000	9,000	29,000
Sponsorships	40,000	20,000	60,000
Community/Agency Partnerships	744,000	-	744,000
Pilot Outreach	118,000	30,000	148,000
Promotional Items	25,000	-	25,000
Travel	3,300	-	3,300
Utilities	229,450	60,000	289,450
Other (Income) Expense	-	-	-
Total Operating, General & Administrative	4,375,300	909,342	5,284,642

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	Twelve Months Ended 9/30/17	Three Month Extension October to December	Total Fifteen Month Budget 12/31/17
Repairs and Maintenance			
Vehicles Expense	32,000	51,000	83,000
Equipment Expense	50,000	33,000	83,000
Airfield Equipment, Lights & Signs	34,300		34,300
Aviation Safety Equipment	10,000		10,000
Unicom Enhancement			-
Pavement Maintenance	800,000		800,000
Airfield - Facility Maintenance	44,000	125,000	169,000
Hangars - Facility Maintenance	446,263		446,263
Other Business Buildings - Facility Maintenance	67,600		67,600
Warehouse - Facility Maintenance	10,000	187,200	197,200
Firefighting & Haz Mat. Response	6,500	3,300	9,800
Terminal Building - Facility Maintenance	140,500		140,500
Maintenance Buildings - Facility Maintenance	28,800		28,800
Land Management	331,300	360,000	691,300
Total Repairs & Maintenance	2,001,263	759,500	2,760,763
Net Operating Income (Loss) Before Depreciation	(5,495,057)	(1,684,795)	(7,179,852)
Depreciation Expense			
NET OPERATING INCOME (LOSS)			
Other Income and (Expense)			
Property Tax Revenue	5,470,000	1,704,000	7,174,000
Other Non-Operating Revenues	5,000		5,000
Operating Grants	1,358,100	231,690	1,589,790
Gain (Loss) on Disposal of Assets	-		-
Interest Income	53,000	16,200	69,200
Total Other Income and (Expense)	6,886,100	1,951,890	8,837,990
NET INCOME (LOSS)	1,391,043	267,095	1,658,138