



Preliminary Budget Review FY 2018

Kevin Smith & Sally Lyon

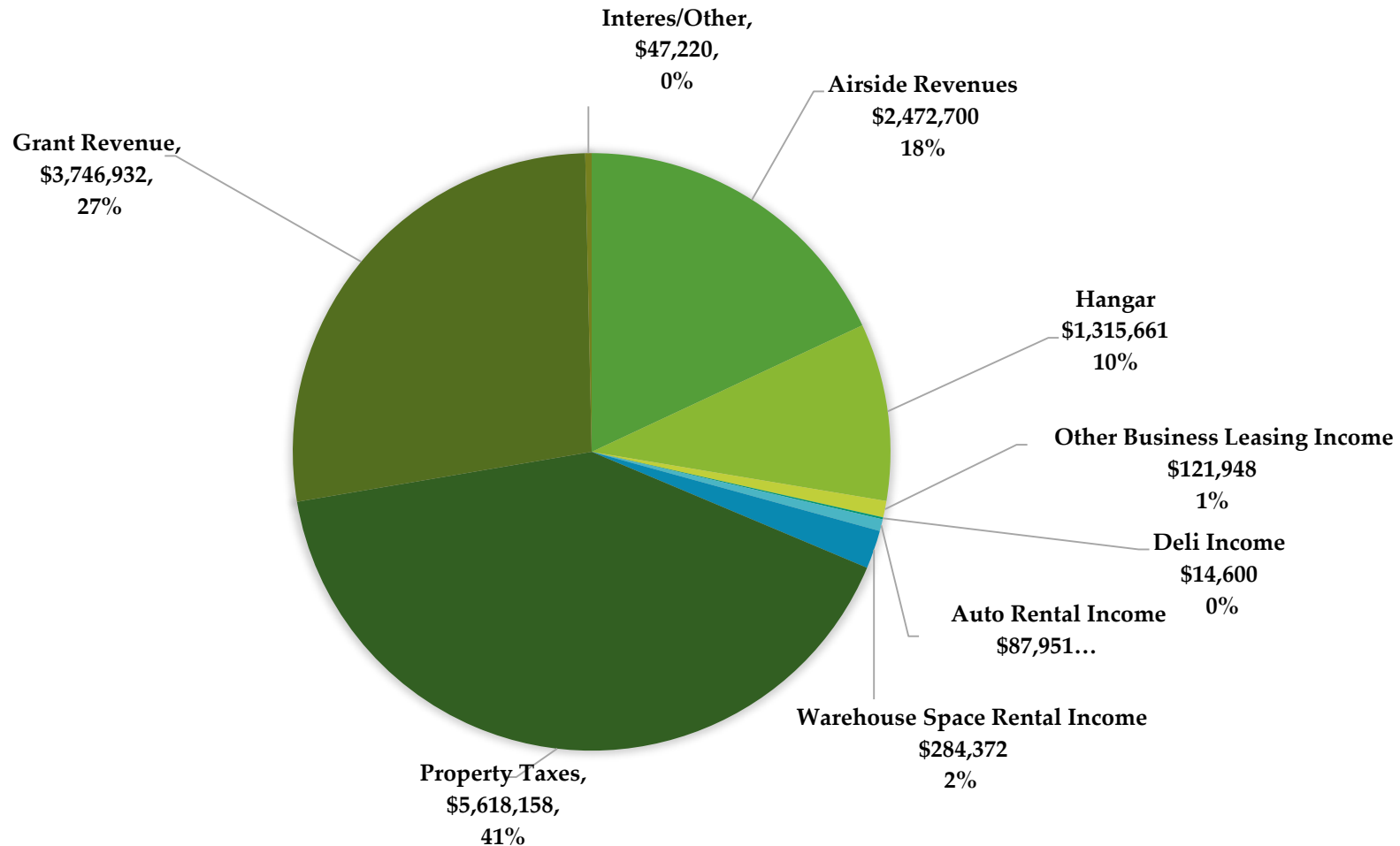
FY 2018 BUDGET REVIEW AND DISCUSSION

- Objective for the meeting is to review 2nd Draft of FY 2018.
- New Budget Fiscal Year begins Jan. 1, 2018 to Dec. 31, 2018.
- Staff has updated the 12 ***Budget Opportunities*** identified and discussed at the Sept. 20, 2017 Board Budget Workshop.
- We will discuss other items the Board would like to review as presented in Preliminary Budget Narrative.
- Staff has included a Department Budget detail and is working on analysis to answer questions regarding operational costs of the airport vs. property tax received.
- Discussion only today. Adoption is planned for Nov. 29, 2017 with new budget taking effect Jan. 1, 2018.

OPERATING REVENUES

FY 9/30/2016

\$13,709,542

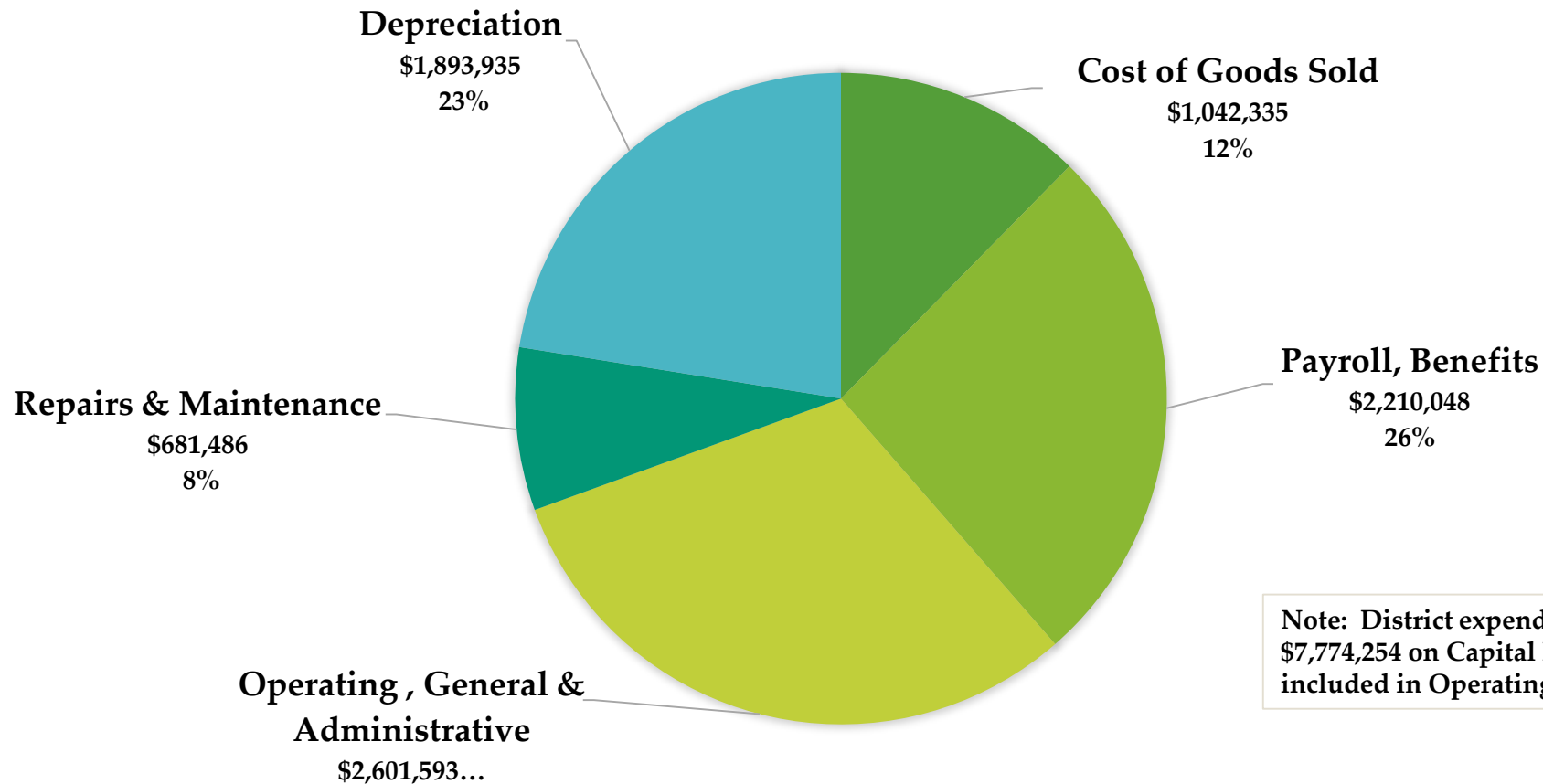


OPERATING EXPENDITURES

FY 9/30/2016

\$8,294,397 (Pie Chart)

Total Expenditures for FY2016 with Operating and Capital is \$16,042,651.



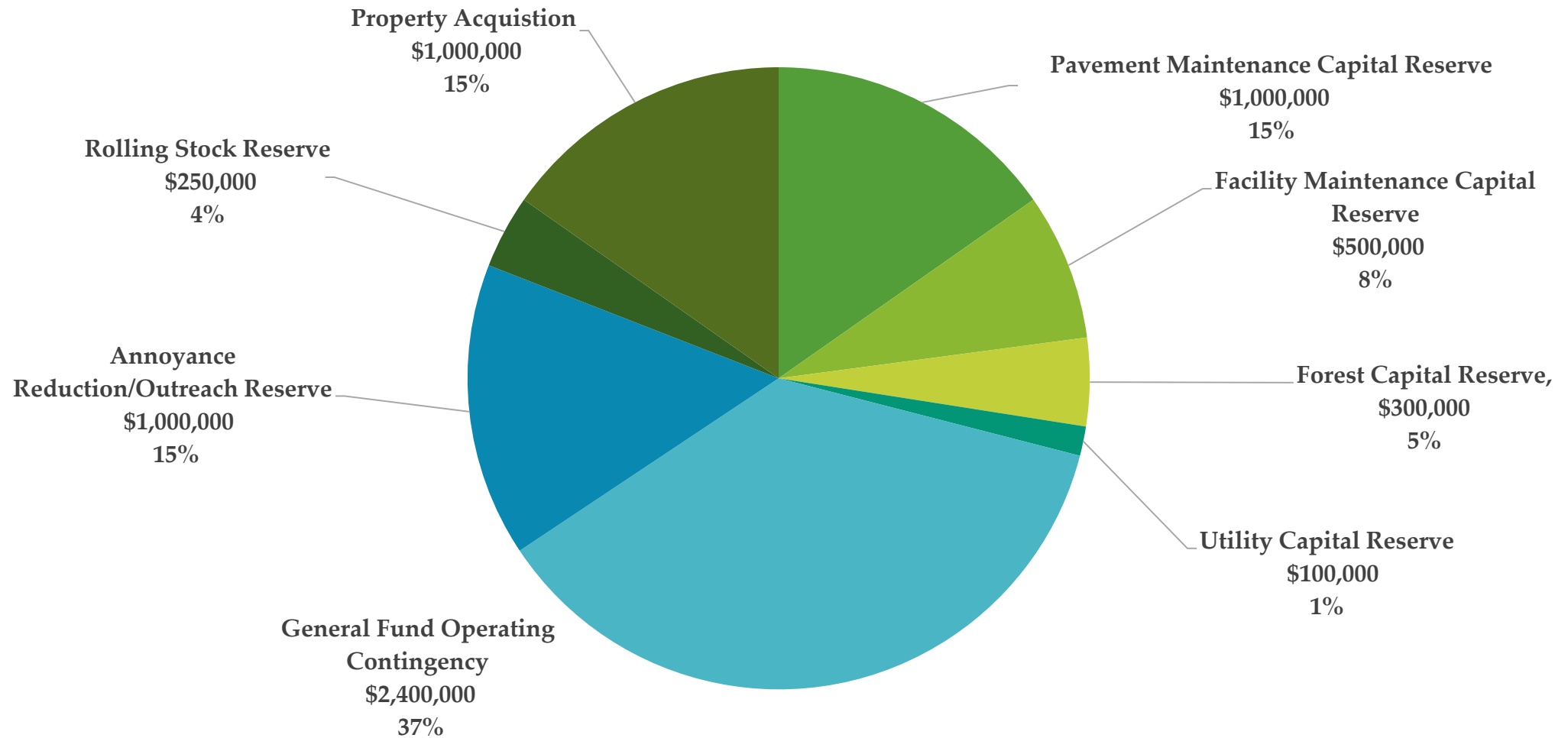
Note: District expended an additional \$7,774,254 on Capital Projects which is not included in Operating Expenditures.

CAPITAL/OPERATING RESERVES

Target Reserves	Capital Operating Reserve Recommendation	Percentage	5 Year (2018 – 2022) Capital/Operating Funding Needs	Percentage
Pavement Maintenance Capital Reserve	\$1,000,000	15%	\$15,018,000	48%
Facility Maintenance Capital Reserve	\$500,000	7%	\$1,226,942	4%
Forest Management Capital Reserve	\$300,000	5%	\$1,065,300	2%
Utility Capital Reserve	\$100,000	2%	\$250,000	1%
General Fund Operating Contingency	\$2,400,000	31%	\$2,500,000	8%
Annoyance Reduction/Outreach Reserve	\$1,000,000	15%	\$5,000,000	16%
Rolling Stock Reserve	\$250,000	4%	\$1,750,000	5%
Property Acquisition	\$1,000,000	15%	\$5,000,000	16%
Total	\$6,550,000		\$27,602,840	

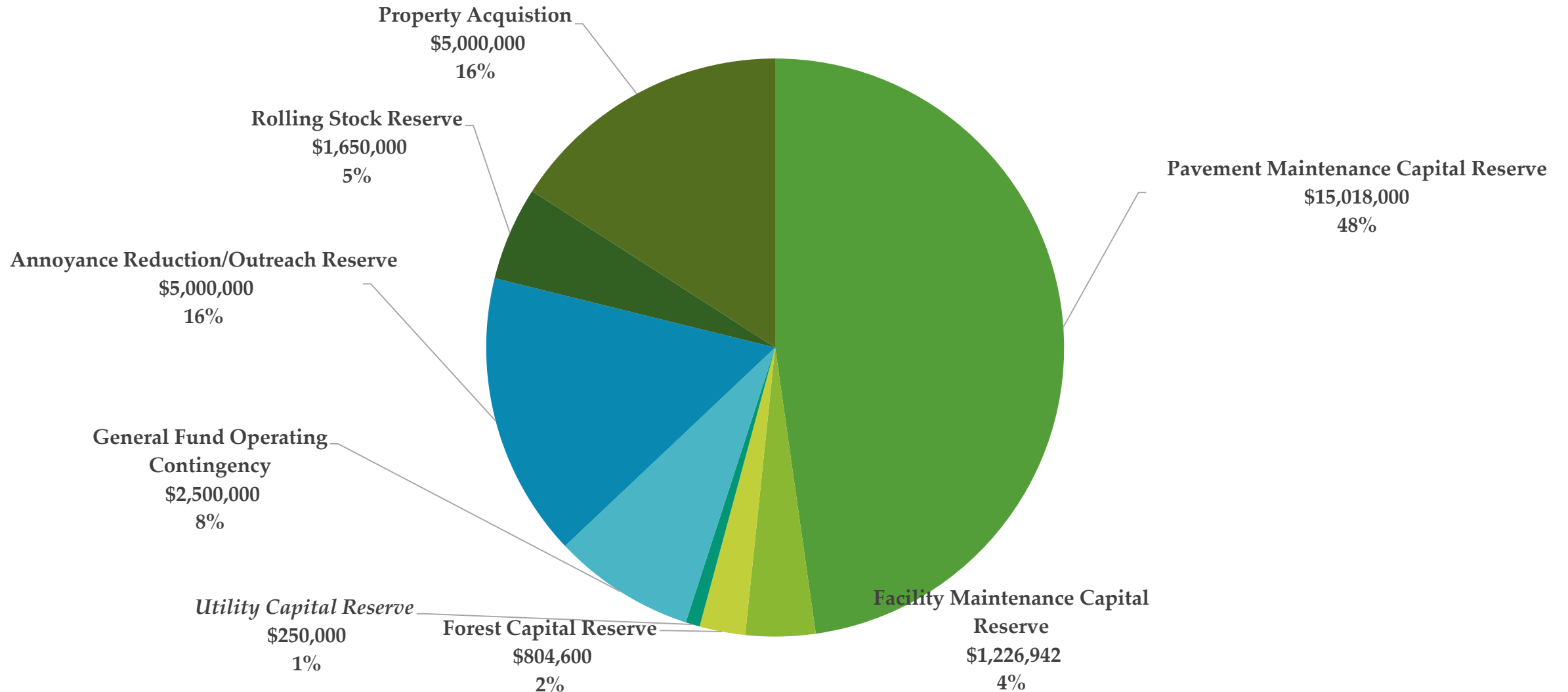
CAPITAL OPERATING RESERVE

\$6,550,000



5 YEAR CAPITAL/OPERATING FUNDS NEEDS

\$27,602,840



Budget Opportunities

1. Community Sponsorships and Partnerships

- The FY2017 Budget Included \$40,000 for Sponsorships. (\$0 to \$3000)
- District spent \$42,090 on 40 individual sponsorships. (9 were declined)
- FY2018 Staff suggests \$50,000 for Community Sponsorships. (\$0 to \$3,000).
- FY2017 Budget Included \$350,000 for Agency Partnerships. (\$50,001 and up)
- District spent \$275,000 on 5 individual Agency Partnerships.
- Preliminary Budget includes \$50,000 for Sponsorships and \$500,000 for Agency Partnerships. (Partnerships raised \$250,000 from Sept. 20th Budget Draft)

2. Tahoe City Ice Rink Expansion and Tahoe Vista Trials Project

- Director O'Dette and Stephens would like the Board to consider providing funding to expand and improve the Tahoe City Ice Rink in partnership with the Tahoe City PUD and other public agencies and non-profits.
- The TCPUD is considering two options: 1) Expansion and Improvement at current location for \$835,037. 2) Relocation and Expansion for \$1,052,842.
- In FY2016 the District contributed \$150,000 of the \$927,102 necessary to construct the original Ice Rink.
- After a full year of operation, the Ice Rink has been well received and considered a success by our Tahoe City and West Shore constituents.
- This project likely would meet the program requirements to apply under the Community Partnership Policy Instruction.
- The Budget currently includes \$500,000 for agency partnerships.

2. Tahoe City Ice Rink Expansion and Tahoe Vista Trials Project (continued)

- Director O'Dette and Stephens would like the Board to consider providing funding for trailhead and access improvements at the North Tahoe Regional Park in partnership with the North Tahoe PUD and other public agencies.
- North Tahoe PUD is proposing a multi-use trailhead access improvements at the North Tahoe Regional Park.
- There are multiple project options including repaving of parking area, improving access, trail construction, and ADA access.
- There are 8 Phases to the project. The total cost for Phase I is \$535,000. Other phases range in prices from \$90,000 to \$405,000.
- The North Tahoe PUD is seeking all available funding sources through multiple channels including Placer County to fund construction.
- This project likely would meet the program requirements to apply under the Community Partnership Policy Instruction.
- **The Budget currently includes \$500,000 for agency partnerships.**

3. Funding for Regional Housing Solutions and Opportunities

- Greater community is working on housing solutions through the Truckee Tahoe Community Foundation's Regional Housing Council.
- Ad Hoc Committee has been involved in discussions on various housing projects which could be realized in FY2018.
- FY2018 Budget includes \$600,000 for the Rick Lee Lazando Project (FY2017 includes another \$60,000)
- At the September 20th Budget Workshop the Board agreed to set aside \$500,000 for new housing initiatives.
- FY2018 Budget has \$500,000 unallocated to specific housing projects in addition to the \$600,000 for the Lazando project (total in FY2018 budget \$1,100,000). No Change from 1st Draft of Budget.

4. Hangar 2 Reconstruction Project

- The Board approved \$160,000 in FY2017 for programming and design of new building.
- Staff recommends budgeting \$2,500,000 to begin construction of building in FY2018.
- Project will span two fiscal years. Staff estimates an additional \$2,000,000 will be required in FY2019 to complete project.
- FY2018 Preliminary Budget includes \$2,500,000 for this project. No Change from 1st Draft of Budget.

5. Pavement Management

- Staff recommends \$1,370,000 for FY2018 for pavement maintenance.
- \$1,170,000 will be for Projects outlined in ACIP as presented at the Sept. 27, 2017 Board Meeting.
- \$50,000 for Planning for North West Ramp addition per ALP.
- \$150,000 for airfield stripping.
- Staff anticipates \$673,000 in FAA funding. Staff is working on an additional \$394,000 in federal funding for grant eligible projects.
- FY2018 Preliminary Budget includes \$850,000 for District contribution and non grant eligible projects.

6. *Cessna 172 JTA Aircraft Purchase*

- Aircraft acquisition cost is \$484,835.
- Aircraft was tested on October 6th. Staff anticipates bring a report to the Board in early January with findings. .
- Staff and observers were impressed with reduced noise signature of the C172 JTA. Consensus was that aircraft could reduce annoyance particularly related to repetitive operations.
- Aircraft was noticeably quieter at angles off of flight track.
- HMMH conducted sound measurements on the new aircraft on Oct. 6, 2017.
- Staff estimates based on leaseback proforma that District will receive \$15,000 to \$25,000 annually to offset acquisition costs.
- Preliminary Budget includes \$515,000. (Aircraft & Sales Tax) Budget was increased \$40,000 based on quote from Cessna Aircraft. Staff will flag this item requiring Board approval before funds can be expended.

7. Greenhouse Gas Emissions Inventory and Sustainability Management Initiatives

- Greenhouse Gas Emissions Inventory is complete (Phase I). Will be presented to Board and public at Oct. 25, 2017 Board Meeting.
- Inventory outlines various steps airport can take to reduce carbon footprint.
- Budget includes \$100,000 to begin these initiatives.
- District has option to move to Phase II which is a full Climate Action Plan.
- Does the Board desire to continue these programs?
- FY2018 includes \$100,000 for emissions and carbon reduction initiatives. No Change from 1st Draft of Budget.

8. Seasonal Air Traffic Control Tower Program

- 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.
- Full report on Tower performance will be provided to Board and Public at Oct. 25, 2017 Board Meeting.
- Staff proposal is to fund tower operations again for summer of 2018.
- Cost: \$420,000 – for Summer 2018. Includes Midwest ATC bid plus small contingency.
- Staff also proposes to operate tower during winter peak of Dec. 15, 2017 to February 28, 2018 for an additional cost of \$144,000.
- Preliminary Budget includes \$564,000. This is a \$44,000 increase from 1st Draft of Budget.

9. *ADS-B and Published Visual Procedures*

- Considered to be most effective tool to move aircraft to predetermined routes avoiding noise sensitive areas.
- Staff continues to advocate for an ADS-B (Automatic Dependent Surveillance – Broadcast) ground station on Airport.
- Predetermined and charted flight procedures require a Tower, ADS-B, and published Visual procedures.
- FY2018 Preliminary Budget includes \$250,000 for ADS-B equipment, \$50,000 for Lobbyist to assist with FAA. Airspace work for visual procedures is includes in the already underway Airspace Study. No Change from 1st Draft of Budget.

10. Additional Cameras to Capture Touch and Go Operations

- Board discussed this at the Sept. 20th Workshop and decided not to move forward with additional cameras.
- Proposal was to add an additional 6 cameras to system to capture these operations accurately.
- Cost for system upgrade is \$60,000.
- Additional staff costs in system maintenance and data processing.
- With the operation of seasonal Tower, Touch and Go operations can be collected with greater accuracy when the tower is open.
- FY2018 Preliminary Budget originally included \$60,000 for this system upgrade. This Item has been removed from Budget.

11. Personnel and Staffing

- The Airport continues to see increases in operations and activity on a year to year basis. With these annual increases additional work load is experienced by Operations & Maintenance Department, Finance, and Noise And Annoyance staff
- District currently has 23 Full Time Employees. 4 FTEs have been added since 2009 – 2 in Operations & Maintenance and 2 in Aviation and Community Services (AvCom). Last position (Facilities Maintenance Manager) was added in FY2017.
- For Operations and Maintenance functions, the District continues to uses scalable seasonal labor for summer and winter peaks. This has worked very well. 3 Summer Line Service Techs and 3 Equipment Operators in Winter are included in The FY2018 Budget as in past years.
- Staff would like to propose seasonal summer staffing for the Finance and Administration department and Aviation and Community Services.

Aircraft Operations

2017 -	38,000
2016 -	32,524
2015 -	27,613
2014 -	22,764
2013 -	21,618
2012 -	21,359
2011 -	20,894
2010 -	20,777
2009 -	17,659

11. Personnel and Staffing (continued)

- Summer seasonal peaks create spikes in workload related to noise and annoyance comments as well as activity related to revenue processing, inventory, ordering, as well as accounts payable and receivable.
- GM and Director of Aviation and Community Services continue to evaluate how to separate Noise Manager duties with Information Technology functions of District.
- Due to the increase tempo of duties, demands, and tasks of the Noise Office and IT functions of the District, we cannot continue to rely on the same position to do these separate and distinct functions.
- In discussing this issue with senior Staff its our conclusion that seasonal staffing can alleviate much of these issues with both AvCom and Finance.
- Management would like some leeway to try seasonal staffing in AvCom and Finance rather than hire permanent part time or full time employees to address these seasonal operation peak workload issues.
- FY2018 Preliminary Budget include \$30,000 for seasonal finance and accounting staff and \$30,000 for noise and annoyance seasonal staffing.

12. Administration Building Addition

- Current staff count has maximized occupancy of Administrative Offices.
- Staff is looking at options to expand staff offices between reception counter to Break Room on front of building.
- This options has potential to add 3 to 4 offices and increase the size of the Break Room which is currently undersized.
- Board asked staff to have Architect analyze and do space planning for full second floor of Admin. Building.
- Cost is estimated at \$765,000.
- FY2018 Preliminary Budget includes \$50,000 for study, design, and preliminary engineering. No Change from 1st Draft of Budget.