



Budget Highlights FY 2018

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FY 2018 BUDGET OPPORTUNITIES DISCUSSION

- Objective for the meeting is to review budget goals for the FY 2018.
- New Budget Fiscal Year of Jan. 1, 2018 to Dec. 31, 2018.
- Staff has identified 12 ***Budget Opportunities*** for discussion
- We will discuss other items the Board would like to review as presented in Preliminary Budget Narrative.
- Discussion only today.



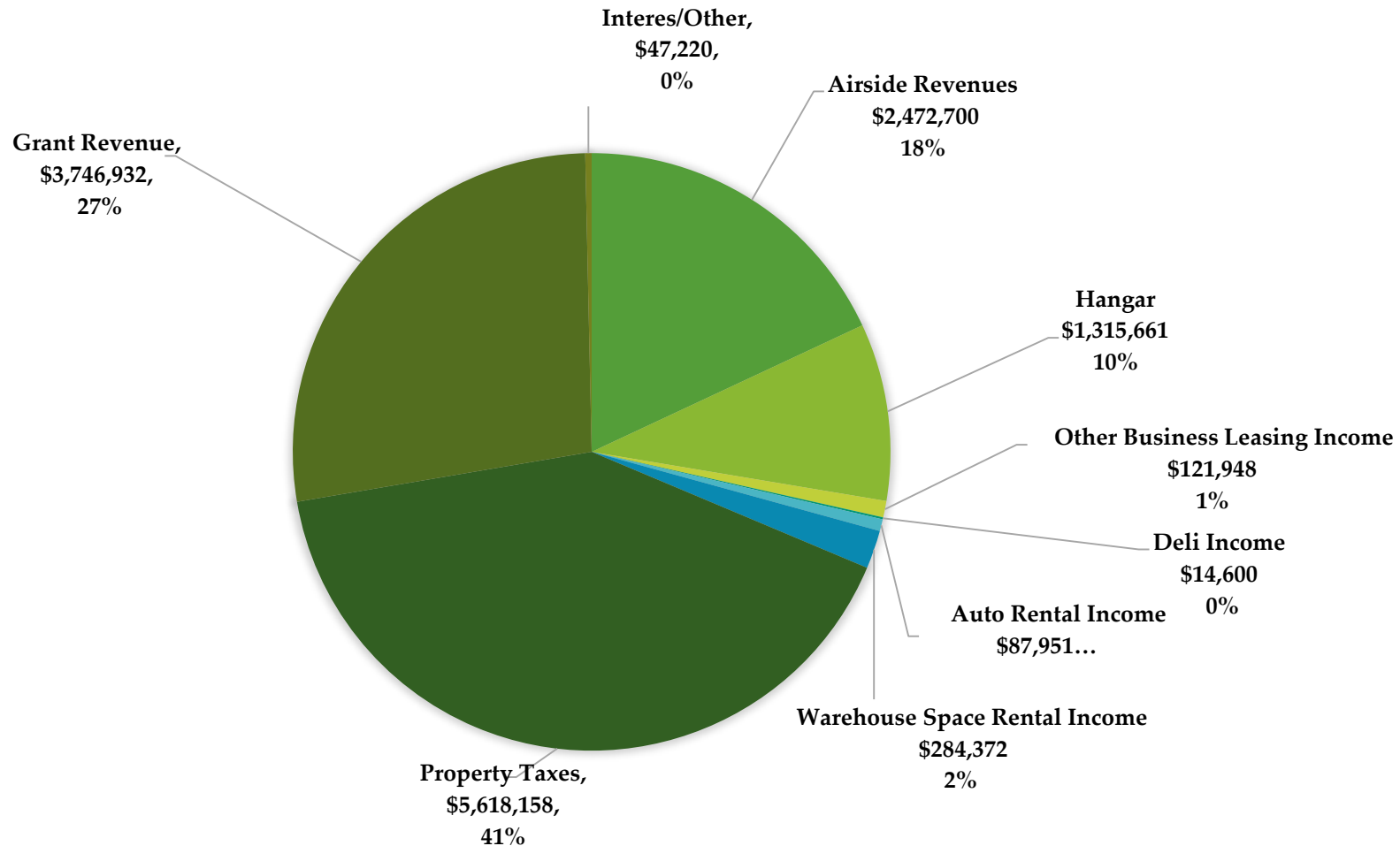
Budgeting Process...

- Further refinement and development of the budget over next three months.
- Any other items relevant to budget planning for FY 2018
- Next budget review: October 25, 2017.
- We can do Special Budget Meeting if necessary mid-November.
- Final Budget approval: November 29, 2017 Regular Board meeting

OPERATING REVENUES

FY 9/30/2016

\$13,709,542

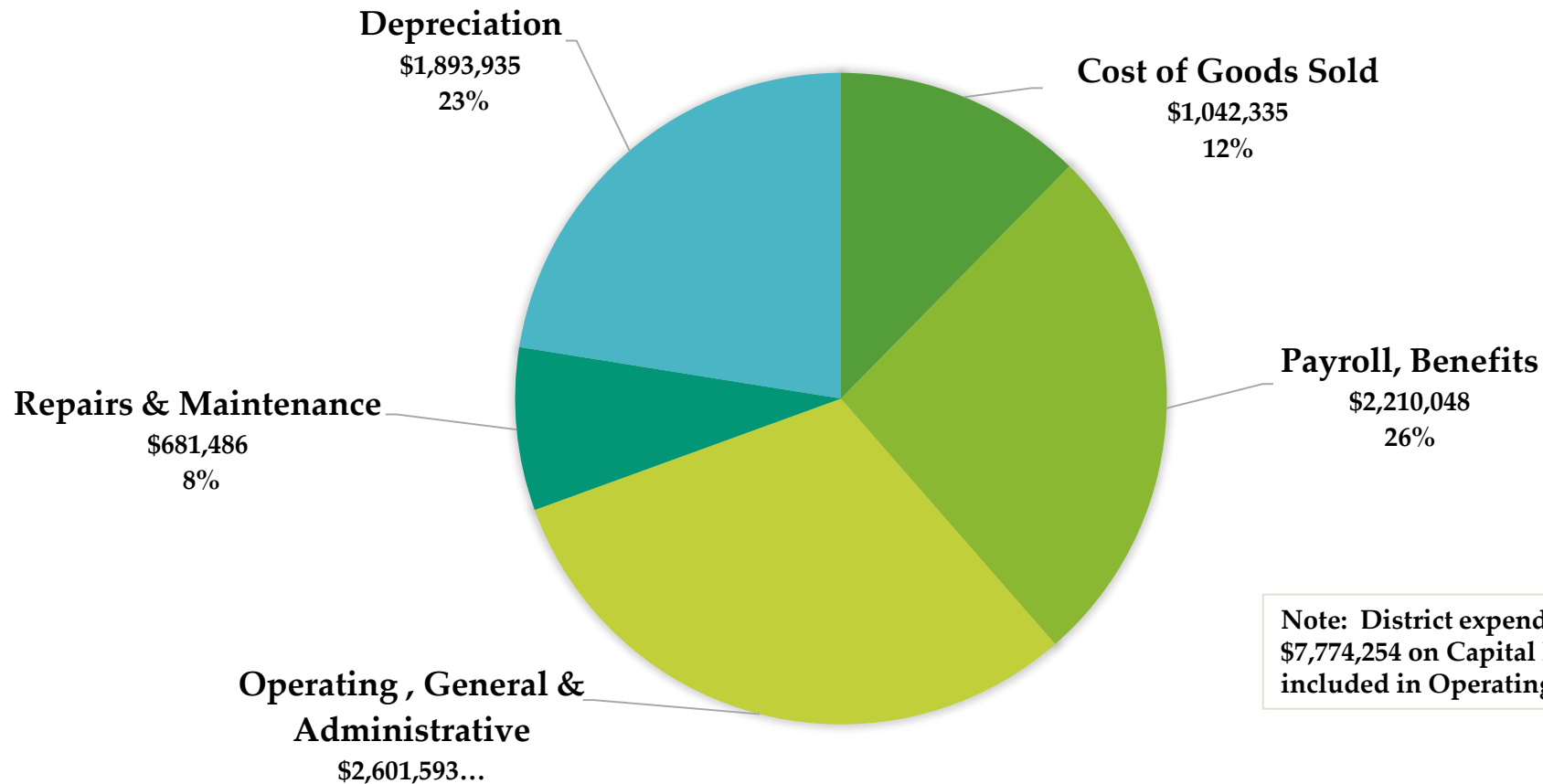


OPERATING EXPENDITURES

FY 9/30/2016

\$8,294,397 (Pie Chart)

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



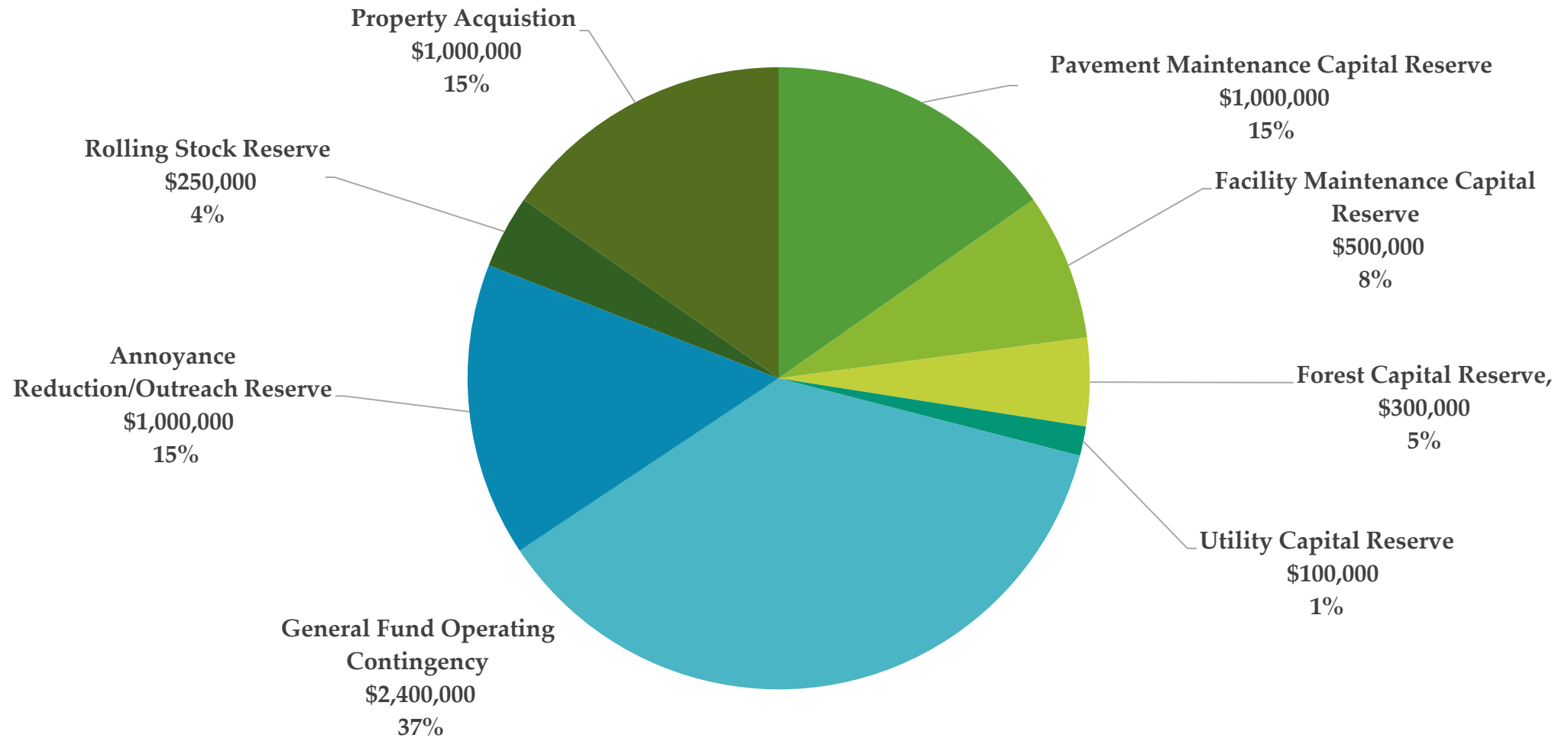
Note: District expended an additional \$7,774,254 on Capital Projects which is not included in Operating Expenditures.

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	

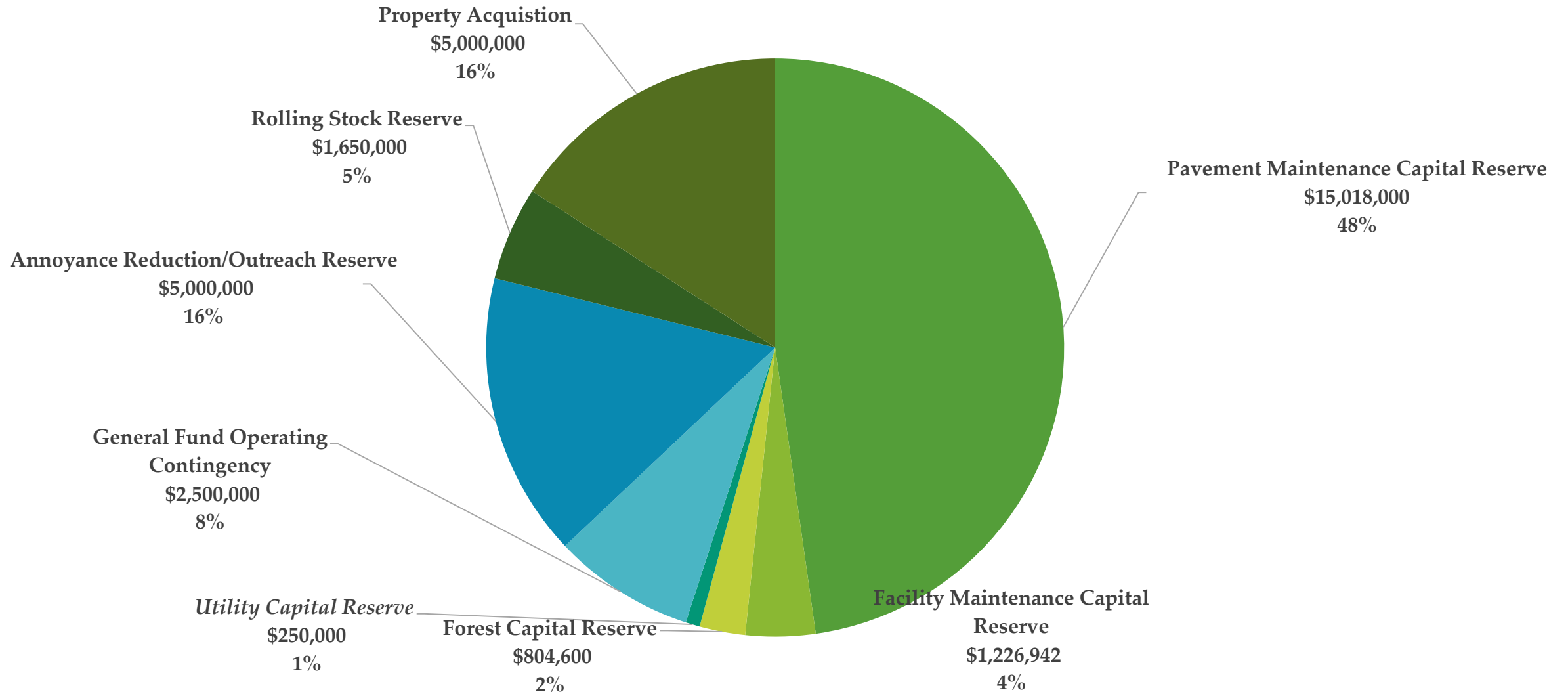
CAPITAL OPERATING RESERVE

\$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 \$265,000 on 4 individual Agency Partnerships. (one pending for \$10,000)
- Preliminary Budget includes \$50,000 for Sponsorships and \$250,000 for Agency Partnerships.

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 of the Community Partnership Policy Instruction.
- The Budget currently includes \$250,000 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 of the Community Partnership Policy Instruction.
- The Budget currently includes \$250,000 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)
- Director Stephens suggests an additional \$1,600,000 be set aside in FY2018 for housing initiatives. Staff seeks direction on number to include in the Preliminary Budget.
- 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).

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.

5. Pavement Management

- Staff recommends \$700,000 for FY2018 based on our Pavement Maintenance Plan.
- \$504,000 will be for Projects outlined in ACIP.
- \$50,000 for Planning for North West Ramp addition per ALP.
- Staff anticipates \$453,000 in FAA funding
- Full ACIP will be presented for approval at the Sept. 27, 2017 Board Meeting.
- FY2018 Preliminary Budget includes \$700,000.
- FY2018 Preliminary Budget also includes \$453,000 in FAA grant revenue.

6. *Cessna 172 JTA Aircraft Purchase*

- Aircraft acquisition is \$475,000.
- Previously tested Red Hawk was noticeably quieter than competing 100LL C172. Testing to be completed in early October on the C172 JTA.
- Staff and observers were impressed with reduced noise signature of the original C172 tested in 2015. Consensus was that aircraft could reduce annoyance particularly related to repetitive operations.
- HMMH will conducted sound measurements on the new aircraft in early October. Information will be available for the Oct. 25 Board Meeting Budget Discussion.
- Staff estimates based on leaseback proforma that District will receive \$10,000 to \$20,000 annually to offset acquisition costs.
- **Preliminary Budget includes \$475,000.**

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.

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 approximately \$100,000. (just received quote for \$144,000)
- Preliminary Budget includes \$520,000.

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.

10. Additional Cameras to Capture Touch and Go Operations

- Board expressed interest in capturing touch and go operations with Vector operations monitoring system.
- Additional data will make operations counts more accurate. Currently it is very difficult to track these operations with existing network of 11 cameras.
- Proposal would be 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.
- FY2018 Preliminary Budget includes \$60,000 for this system upgrade.

11. *Personnel and Staffing*

- 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. Last position added in FY2017.
- District uses scalable seasonal labor for summer and winter peaks. This works very well. 3 Summer Line Service Techs and 3 Equipment Operators in Winter are included in budget as in past years.
- With increase in operations and revenue there is an associated increase in processing revenue and expenditures, tracking, and bookkeeping.
- The Finance and Administration department proposes a part time Accounting Clerk to assist with these duties.
- Cost for position is \$30,000 annually and is included in FY2018 Budget.

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)

- GM and Director of Aviation and Community Services continue to re-evaluate Noise Manager Position in connection with Information Technology functions of District.
- Due to increases in technology systems and annoyance mitigation responsibilities, Management see a need to have distinct Noise Manager and IT functions.
- Noise Manager needs to be full time dedicated FTE as currently budgeted. Staff is studying how IT services can best be provided to District.
- FY2018 Preliminary Budget includes current salary for Noise Manager as in past budget years. Budget includes \$60,000 for IT contractors. This is \$30,000 increase from last year.

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.
- Cost is estimated at \$765,000.
- FY2018 Preliminary Budget includes \$50,000 for study, design, and preliminary engineering.