

Technical Memorandum

To: Kevin Smith, General Manager

From: Catherine Hansford

Date: March 5, 2018

Subject: TTAD Budget Forecast -- DRAFT

Purpose

This memorandum presents the revenue and expenditures forecast for the next five fiscal years for the Truckee Tahoe Airport District (TTAD). The TTAD's fiscal year runs from January through December, therefore the projection is through December 2023. The forecast has been prepared for the Board of Directors (Board) meeting March 7th 2018.

Budget Forecast

Table 1 summarizes the base projection of the five-year budget forecast, which is built on several assumptions outlined in this memorandum.

Table 1
Forecast Summary

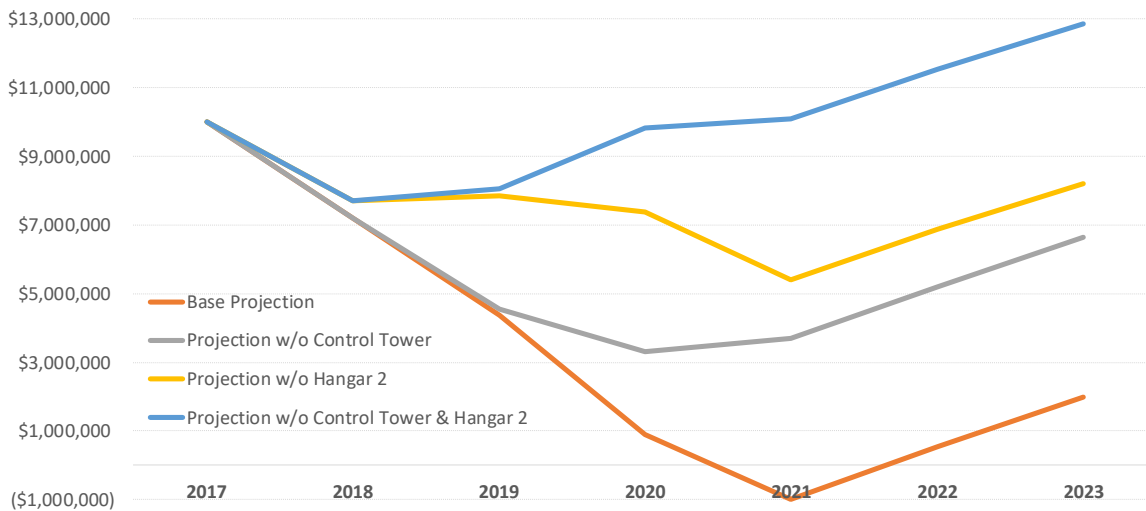
Revenues and Expenses	Budget 2018	Fiscal Year (January - December)				
		2019	2020	2021	2022	2023
Revenues						
Operating Revenue	\$4,812,850	\$5,291,999	\$5,465,153	\$5,713,256	\$5,901,308	\$6,096,412
Non-Operating Revenues	\$7,101,000	\$7,368,540	\$7,682,037	\$8,611,252	\$11,356,985	\$9,220,075
Total Revenues	\$11,913,850	\$12,660,538	\$13,147,190	\$14,324,508	\$17,258,294	\$15,316,488
Expenses						
Operating Expenses	\$9,891,068	\$9,727,028	\$10,080,109	\$10,497,408	\$9,682,671	\$10,117,174
Non-Operating Expenses	\$2,340,816	\$2,567,464	\$1,294,343	\$3,462,700	\$6,037,290	\$3,756,570
Total Expenses	\$12,231,884	\$12,294,492	\$11,374,452	\$13,960,108	\$15,719,961	\$13,873,744
Net Income	(\$318,034)	\$366,046	\$1,772,738	\$364,400	\$1,538,333	\$1,442,744
Beginning Unrestricted Fund Balance	\$10,000,000	\$7,196,966	\$4,363,012	\$885,751	(\$999,849)	\$538,484
Net Income	(\$318,034)	\$366,046	\$1,772,738	\$364,400	\$1,538,333	\$1,442,744
Capital Expenditures	(\$2,485,000)	(\$3,200,000)	(\$5,250,000)	(\$2,250,000)	\$0	\$0
Ending Unrestricted Fund Balance	\$7,196,966	\$4,363,012	\$885,751	(\$999,849)	\$538,484	\$1,981,227

The District begins the 2018 budget year with an unrestricted cash balance of \$10.00 million. It is projected to end the year with \$7.20 million. Assuming the Board moves forward with construction of both Hangar 2 and the new air traffic control tower over the 5-year forecast period, the District will draw on reserves, ending fiscal year 2021 with a deficit of \$1.00 million. It is projected there will be no fiscal deficit in the next two fiscal years, as the fund balance is projected to be \$1.98 million by the end of fiscal year 2023.

Figure 1 shows the projected ending unrestricted cash balance under four scenarios:

- Base projection
- Projection without Hangar 2
- Projection without the air traffic control tower
- Projection without both Hangar 2 and the air traffic control tower

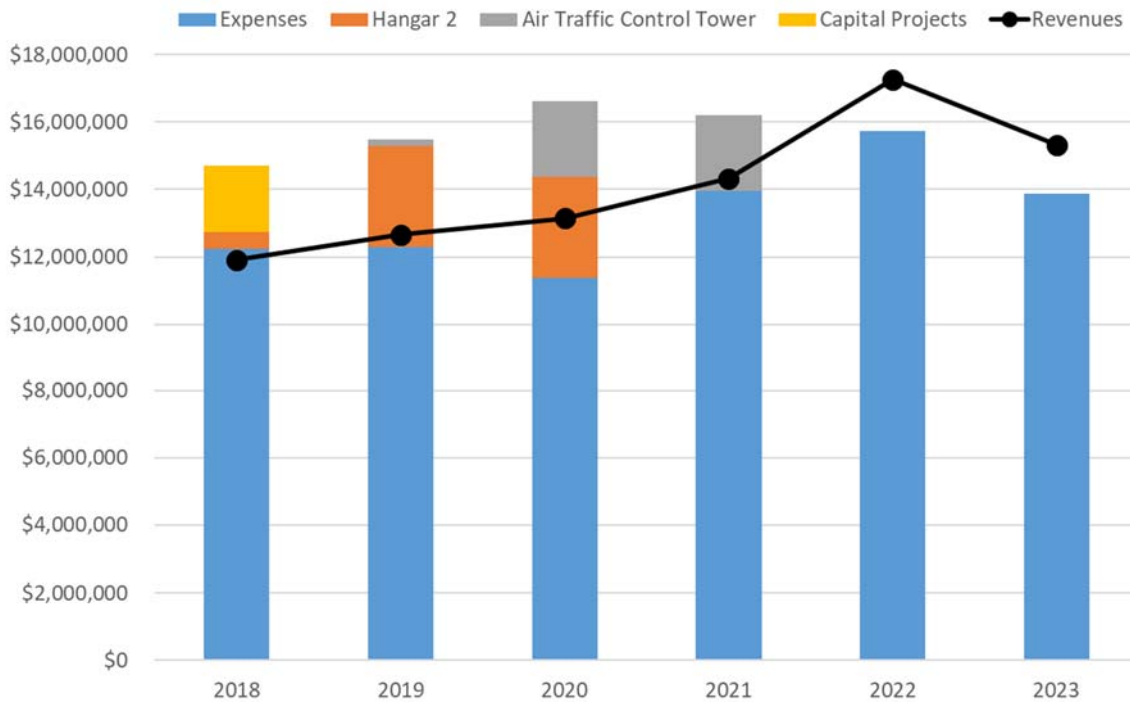
Figure 1
Projected Unrestricted Cash Balances



Attachment A provides supporting tables for the forecast. All tables show the base projection.

Table A-1 provides the projection by revenue and expense categories. **Figure 2** on the following page displays the revenues and expenses under the base projection. Capital expenditures (shown in yellow in the figure) include projects listed in **Table A-2**.

Figure 2
Projection of Revenues and Expenses



Methodology and Assumptions

The forecast of revenues and expenditures is based on the 2018 budget, historical changes in spending and income, and discussion with TTAD staff. Key assumptions included in the base projection that are subject to change include:

- Hangar 2 Project:** Spending of \$500,000 in 2018 (design and other soft costs), \$3.00 million in 2019 and \$3.00 million in 2020 (construction costs).
- Air Traffic Control Tower:** Planning/design costs of \$200,000 in 2019, \$2.25 million in 2020 and \$2.25 million in 2021 for construction, plus additional control tower year-round staffing costs of \$1.00 million annually in fiscal years 2018 through 2021. Fiscal years 2019 through 2021 are inflated by 3.0% per year to account for contract increases.
- FAA Grants:** Federal grants can vary widely from year to year but typically are between \$500,000 and \$2.00 million. The budget forecast assumes at least \$1.00 million grant funding each year, with \$1.60 million in 2021, \$4.00 million in 2022, and \$1.50 million in 2023. The amount of FAA funding included in the forecast is commensurate with the amount and cost of pavement maintenance.

- **Property Tax Revenues:** Placer County property taxes grow at an annual rate of 5.35%. Nevada County property taxes grow at an annual rate of 4.05%.
- **Community/Agency Partnerships:** The 2018 budget includes \$1.75 million for several community/agency partnerships, with \$1.60 million of the total for workforce housing initiatives and general agency partnerships. The forecast freezes the 2018 budget spending, with the exception of the Boys and Girls club, which contract is due renewal this year and spending is projected to increase 2.0% per year. The 2018 workforce housing project cost of \$600,000 is discontinued, as this was a one-time expense. Over the next five years, \$5.00 million is included in the forecast for general workforce and other agency partnerships.
- **Professional Services:** In addition to typical annual costs such as accounting and legal support, professional services include annual recurring efforts on greenhouse gas reduction initiatives and a one-time solar feasibility study, as well as smaller budget items such as the art exhibit coordinator. In total, professional services costs are forecast to decrease between 2018 and 2019 before increasing again to account for inflation.
- **Facilities Maintenance Costs:** Estimates of facilities maintenance costs are included in the forecast, dropping between 2018 and 2019, and then increasing; however, TTAD has contracted with Auerbach Engineering to provide a comprehensive assessment of facilities maintenance costs. The forecast should be updated with the comprehensive assessment figures when they become available.

Projected Expenses

Operations expenses are projected based on an analysis of historical costs and interviews with TTAD management. **Table A-3** shows that total operating expenses (which nets out repairs and maintenance, as these costs fluctuate from year to year) increased at an annual average rate of 15.25% between 2013 and 2017. During the same time period, the California Consumer Price Index (CCPI) increased at an annual average rate of 2.41%. The 20-City Engineering News Record Construction Cost Index (ENR CCI) increased at an annual average rate of 2.97%, and the San Francisco ENR CCI increased at an annual average rate of 2.47%. **Table A-3a** provides the indices' history for the past 20 years. The average annual increases for personnel costs are typical of public agency increases. The general and administrative expenses primarily increased at a greater rate than the indices due to spending on professional services and community/agency partnerships.

Table A-4 shows how expenses were projected by line item. Non-operating expenses to address costs of maintenance plans for facilities, utilities, pavement, and forest/lands, are projected in **Tables A-5 through A-8**.

Figure 3 shows the types of projected expenditures from fiscal year 2018 through fiscal year 2023. The annual projection of expenditures is shown in **Figure 4**.

Figure 3
Projected Types of Expenditures

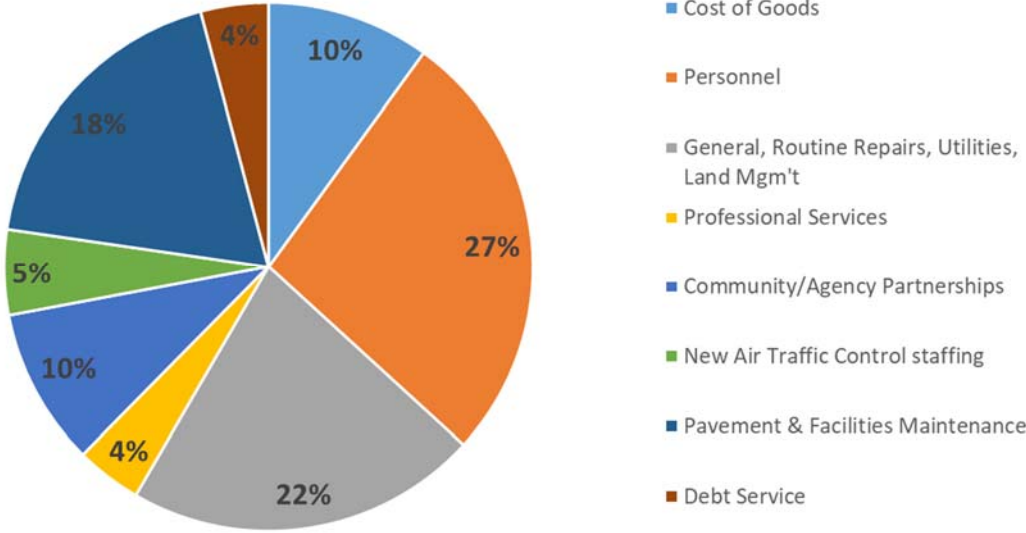
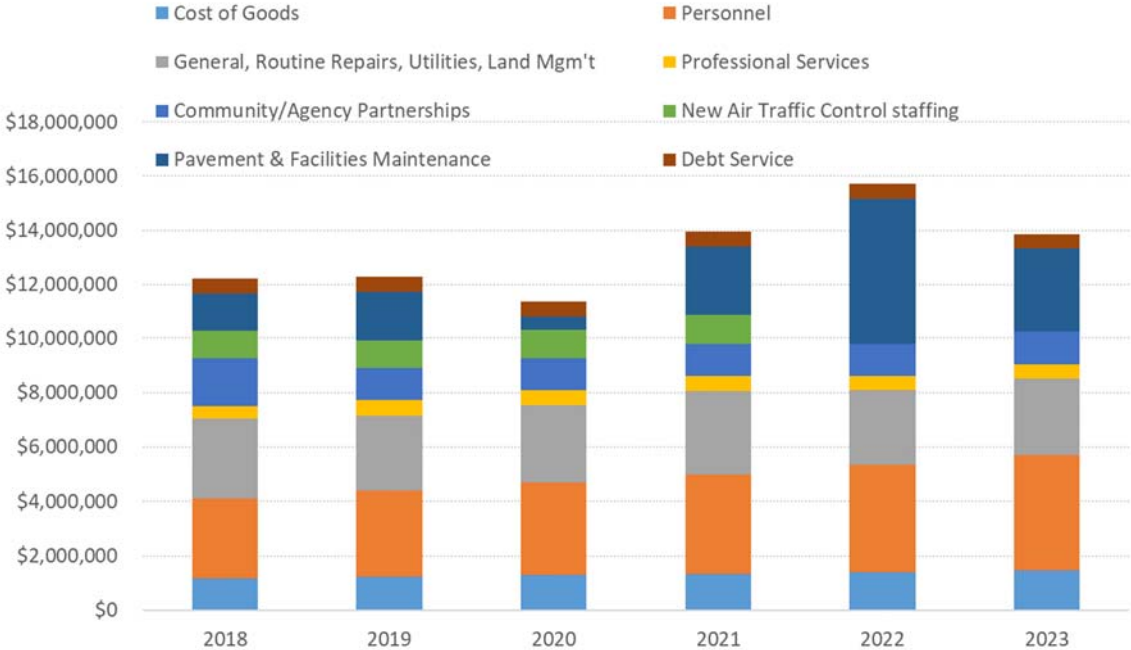


Figure 4
Annual Projection of Expenditures



Projected Revenues

The projection of revenues by line item is shown in **Table A-9**. Revenues include: airside revenues, hangar rental income, other business income, warehouse income, property tax, interest and miscellaneous revenues, and FAA grant revenues. Most revenues were inflated by the historical 20-year average annual increase in the CCPI of 2.50%. Jet fuel sales and T-Hangar/Box Hangar electricity surcharges were increased by 5.0% per year. Warehouse space rental income was increased 1.5% annually. Property taxes were increased by 5.35% per year for Placer County and 4.05% per year for Nevada County. Interest and other miscellaneous revenues were increased 2.00% annually.

Sources of projected revenue from fiscal year 2018 through fiscal year 2023 are shown in **Figure 5**. Annual sources of revenue are shown in **Figure 6**.

Figure 5
Projected Sources of Revenue

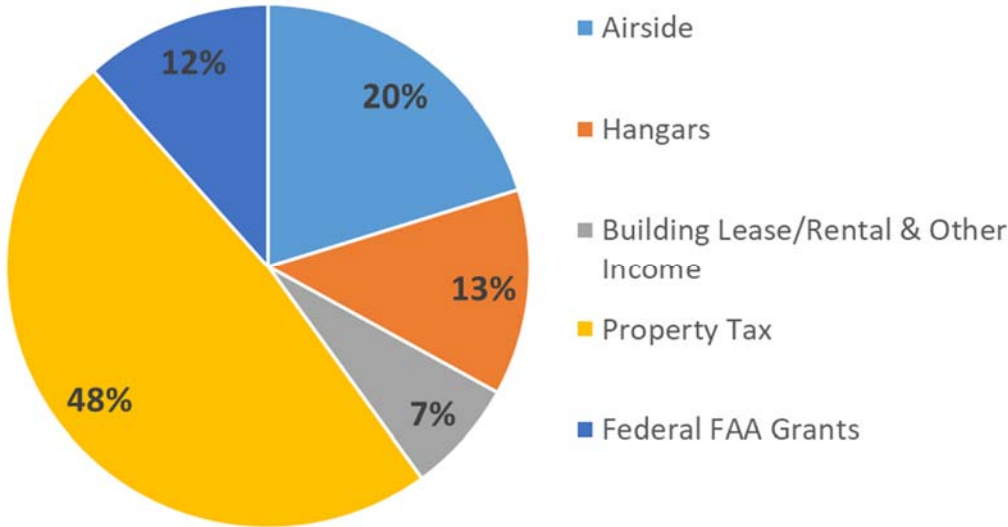


Figure 6
Projected Annual Revenue Sources

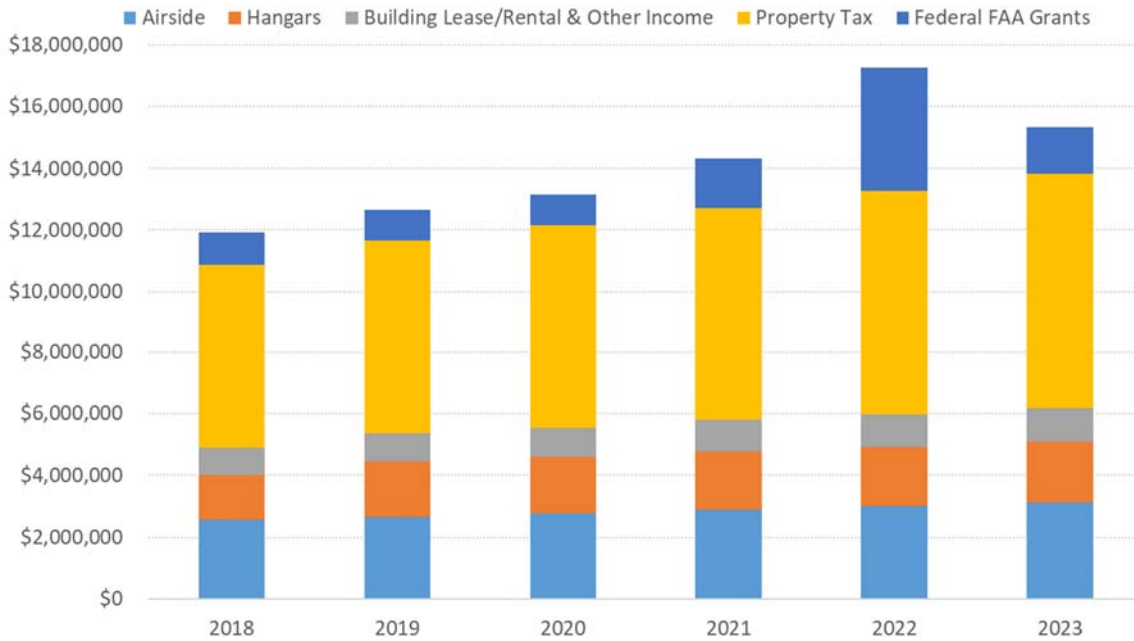
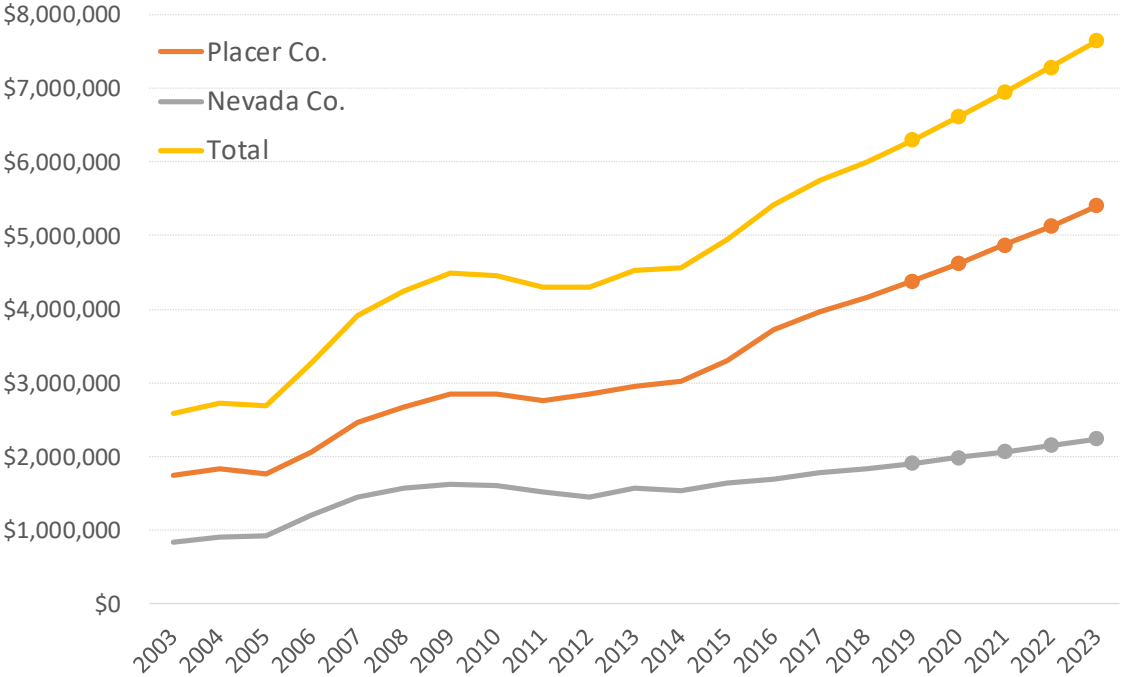


Table A-10 shows the prior three years' revenue by line item. Operating revenues increased by 4.35% on average each year. With the exception of 2019, in which year revenues are projected to increase by 9.96% due to rent from the new executive hangars, operating revenues are projected to increase 3.27% to 4.54% each year.

Property Tax: **Table A-11** shows TTAD property tax revenue for the past 25 years. Fiscal year 1994 is the first fiscal year following incorporation of the Town of Truckee. The table demonstrates that about two-thirds of property tax is from Placer County, and one-third from Nevada County, and that the proportion of property tax from Placer County has increased from 63% to 69% since 2006. Over the past 25 years, Placer County property tax revenue increased at an annual average rate of 7.06%. Nevada County property tax revenue increased at an annual average rate of 6.06%. Pursuant to Proposition 13, assessed value of existing properties may only be increased 2.00% per year until the property is sold, at which time the assessed value is revised. The average annual percentage increase for the forecast assumes two-thirds of the difference between 7.06% and 2.00% for Placer County, and half of the difference between 6.06% and 2.00% for Nevada County.

Figure 7 shows historical and projected property tax revenues. The graph clearly shows the effect of the Great Recession between 2009 and 2014.

Figure 7
Historical and Projected Property Tax Revenue



ATTACHMENT A

TTAD BUDGET FORECAST

SUPPORT TABLES

**Table A-1
Truckee Tahoe Airport District
Five-Year Budget Forecast
Summary of Forecasted Revenues and Expenses**

DRAFT

Revenues and Expenses	Budget 2018	Fiscal Year (January - December)				
		2019	2020	2021	2022	2023
REVENUES						
Operating Revenues						
Airside	\$2,565,400	\$2,669,428	\$2,778,057	\$2,891,502	\$3,009,990	\$3,133,756
Hangar Rental Income	\$1,438,000	\$1,775,150	\$1,820,789	\$1,867,631	\$1,915,711	\$1,965,063
Other Business Income	\$582,950	\$617,524	\$632,962	\$717,276	\$735,208	\$753,588
Warehouse Income	\$226,500	\$229,898	\$233,346	\$236,846	\$240,399	\$244,005
Subtotal Operating Revenues	\$4,812,850	\$5,291,999	\$5,465,153	\$5,713,256	\$5,901,308	\$6,096,412
Non-Operating Revenues						
Property Tax	\$6,001,000	\$6,298,160	\$6,610,249	\$6,938,029	\$7,282,297	\$7,643,894
Interest & Miscellaneous [1]	\$69,000	\$70,380	\$71,788	\$73,223	\$74,688	\$76,182
FAA Grant Revenues	\$1,031,000	\$1,000,000	\$1,000,000	\$1,600,000	\$4,000,000	\$1,500,000
Subtotal Non-Operating Revenues	\$7,101,000	\$7,368,540	\$7,682,037	\$8,611,252	\$11,356,985	\$9,220,075
TOTAL REVENUES	\$11,913,850	\$12,660,538	\$13,147,190	\$14,324,508	\$17,258,294	\$15,316,488
EXPENSES						
Operating Expenses						
Cost of Goods Sold	\$1,186,158	\$1,237,421	\$1,291,047	\$1,347,147	\$1,405,842	\$1,467,254
Payroll and Employee Benefits	\$2,937,910	\$3,158,139	\$3,395,649	\$3,651,835	\$3,928,209	\$4,226,407
Operating, General & Administrative Expenses	\$5,627,000	\$5,188,168	\$5,246,735	\$5,348,288	\$4,194,941	\$4,266,209
Repairs and Maintenance (Routine)	\$140,000	\$143,300	\$146,679	\$150,137	\$153,679	\$157,304
Subtotal Operating Expenses	\$9,891,068	\$9,727,028	\$10,080,109	\$10,497,408	\$9,682,671	\$10,117,174
Non-Operating Expenses						
Gain (Loss) on Disposal of Assets	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$548,816	\$548,816	\$548,816	\$548,816	\$548,816	\$548,816
Pavement Maintenance	\$850,000	\$1,403,246	\$75,643	\$2,063,561	\$4,836,043	\$2,536,810
Land Management	\$369,000	\$190,875	\$232,031	\$382,267	\$101,785	\$103,011
Facilities Maintenance	\$573,000	\$416,628	\$429,707	\$459,654	\$541,981	\$558,995
Utility Infrastructure Maintenance	\$0	\$7,898	\$8,146	\$8,402	\$8,666	\$8,938
Subtotal Non-Operating Expenses	\$2,340,816	\$2,567,464	\$1,294,343	\$3,462,700	\$6,037,290	\$3,756,570
TOTAL EXPENSES	\$12,231,884	\$12,294,492	\$11,374,452	\$13,960,108	\$15,719,961	\$13,873,744
NET INCOME	(\$318,034)	\$366,046	\$1,772,738	\$364,400	\$1,538,333	\$1,442,744
Beginning Unrestricted Fund Balance						
Beginning Unrestricted Fund Balance	\$10,000,000	\$7,196,966	\$4,363,012	\$885,751	(\$999,849)	\$538,484
Net Income	(\$318,034)	\$366,046	\$1,772,738	\$364,400	\$1,538,333	\$1,442,744
Bond Proceeds	\$7,800,000	\$0	\$0	\$0	\$0	\$0
Executive Hangars	(\$7,800,000)	\$0	\$0	\$0	\$0	\$0
Hangar 2	(\$500,000)	(\$3,000,000)	(\$3,000,000)	\$0	\$0	\$0
Air Traffic Control Tower	\$0	(\$200,000)	(\$2,250,000)	(\$2,250,000)	\$0	\$0
Capital Projects	(\$1,985,000)	\$0	\$0	\$0	\$0	\$0
Ending Unrestricted Fund Balance	\$7,196,966	\$4,363,012	\$885,751	(\$999,849)	\$538,484	\$1,981,227

Source: Truckee Tahoe Airport District and HEC.

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[1] Excludes restricted interest of approximately \$52,000.

Table A-2
Truckee Tahoe Airport District
Five-Year Budget Forecast
Fiscal Year 2018 Budgeted Capital Expenditures

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Fiscal Year 2018 Capital Expenses	Budgeted Cost
	FY 2018
Capitalized Grant Projects	\$950,000
Aircraft-Cessna 172	\$515,000
ADS-B (Automatic Dependent Surveillance-Broadcast)	\$250,000
Admin Building Expansion	\$0
100LL Truck	\$60,000
Sign at 267	\$15,000
Sidewalk at 267/Airport Rd	\$45,000
Alder Hill Tower	\$150,000
Total Capital Expenses	\$1,985,000

Source: Truckee Tahoe Airport District.

cap18

Table A-3
Truckee Tahoe Airport District
Five-Year Budget Forecast
Historical Operating Expenses Annual Increases

DRAFT

Expenses	Fiscal Year Ending					2017 estimate	Total 4-Year Change	Annual Avg. % Change
	2013	2014	2015	2016	2017			
Salaries and Wages	\$1,300,540	\$1,315,239	\$1,467,753	\$1,613,837	\$1,864,350	\$563,810	9.42%	
Employee Benefits	\$638,881	\$698,365	\$660,261	\$615,224	\$813,997	\$175,116	6.24%	
General and Administrative	\$1,929,729	\$1,897,816	\$3,301,104	\$2,388,803	\$4,147,500	\$2,217,771	21.08%	
Subtotal	\$3,869,150	\$3,911,420	\$5,429,118	\$4,617,864	\$6,825,847	\$2,956,697	15.25%	
	<i>Dec-13</i>	<i>Dec-14</i>	<i>Dec-15</i>	<i>Dec-16</i>	<i>Dec-17</i>			
California Consumer Price Index	241.53	244.81	250.71	256.95	265.65	24.12	2.41%	
20-City ENR CCI	9,668.00	9,936.00	10,135.00	10,442.61	10,870.06	1,202.06	2.97%	
San Francisco ENR CCI	10,898.84	10,915.84	11,155.41	11,609.44	12,014.72	1,115.88	2.47%	

Source: Engineering News Record, California Department of Finance, Truckee Tahoe Airport District.

indices

Table A-3a
Truckee Tahoe Airport District
Five-Year Budget Forecast
Historical Inflation Indices

DRAFT

Year	20-City ENR CCI Dec	San Fran ENR CCI Dec	CA CPI Dec
2017	10,870.06	12,014.72	265.65
2016	10,442.61	11,609.44	256.95
2015	10,135.00	11,155.41	250.71
2014	9,936.00	10,915.84	244.81
2013	9,668.00	10,898.84	241.53
2012	9,412.00	10,355.09	237.70
2011	9,172.00	10,204.79	233.00
2010	8,952.00	10,120.29	227.50
2009	8,641.00	9,722.17	224.30
2008	8,551.00	9,781.67	219.80
2007	8,089.00	9,131.81	219.60
2006	7,888.00	9,108.66	211.00
2005	7,647.00	8,462.45	204.20
2004	7,308.00	8,228.39	197.00
2003	6,782.00	7,788.80	190.10
2002	6,563.00	7,644.46	187.20
2001	6,390.00	7,399.07	181.80
2000	6,283.00	7,447.99	177.30
1999	6,127.00	6,816.70	170.00
1998	5,991.00	6,845.59	165.10
1997	5,858.00	6,731.08	162.00
Change	5,012.06	5,283.64	103.65
Annual % Change	3.14%	2.94%	2.50%

Source: Engineering New Record and
California Department of Finance.

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**Table A-4
Truckee Tahoe Airport District
Five-Year Budget Forecast
Detailed Forecast of Expenses**

DRAFT

Expenses	Annual Increase	Budget 2018	Fiscal Year (January - December)				
			2019	2020	2021	2022	2023
Cost of Goods Sold							
Aviation Fuel Cost - 100 LL	2.5%	\$319,280	\$327,262	\$335,444	\$343,830	\$352,425	\$361,236
Jet Fuel & Prist Cost	5.0%	\$864,378	\$907,597	\$952,977	\$1,000,626	\$1,050,657	\$1,103,190
Oil and Lubricant Cost	2.5%	\$1,000	\$1,025	\$1,051	\$1,077	\$1,104	\$1,131
Merchandise Purchases	2.5%	\$1,500	\$1,538	\$1,576	\$1,615	\$1,656	\$1,697
Inventory Shrinkage	0.0%	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cost of Goods Sold		\$1,186,158	\$1,237,421	\$1,291,047	\$1,347,147	\$1,405,842	\$1,467,254
Payroll and Employee Benefits							
Salaries and Wages	8.0%	\$2,045,960	\$2,209,637	\$2,386,408	\$2,577,320	\$2,783,506	\$3,006,186
PERS Contributions	10.0%	\$279,900	\$307,890	\$338,679	\$372,547	\$409,802	\$450,782
Medicare & FICA Expense	5.0%	\$38,090	\$39,995	\$41,994	\$44,094	\$46,299	\$48,614
Unemployment Taxes	5.0%	\$3,000	\$3,150	\$3,308	\$3,473	\$3,647	\$3,829
Employee Benefits (Insurance)	5.0%	\$447,960	\$470,358	\$493,876	\$518,570	\$544,498	\$571,723
Workers' Compensation Insurance	5.0%	\$55,000	\$57,750	\$60,638	\$63,669	\$66,853	\$70,195
Training, Education and Other	2.0%	\$68,000	\$69,360	\$70,747	\$72,162	\$73,605	\$75,077
Total Payroll and Employee Benefits		\$2,937,910	\$3,158,139	\$3,395,649	\$3,651,835	\$3,928,209	\$4,226,407
Operating, General & Administrative Expenses							
ACAT	2.5%	\$84,000	\$86,100	\$88,253	\$90,459	\$92,720	\$95,038
Fly QT Program	2.5%	\$126,000	\$129,150	\$132,379	\$135,688	\$139,080	\$142,557
Accidents and Damage	2.0%	\$500	\$510	\$520	\$531	\$541	\$552
Access Control	2.0%	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122
Airshow	2.0%	\$226,000	\$230,520	\$235,130	\$239,833	\$244,630	\$249,522
Aviation Safety Initiatives	2.0%	\$110,000	\$75,000	\$76,500	\$78,030	\$79,591	\$81,182
Cash (Over)/Short - Bad Debt Expense	2.0%	\$100	\$102	\$104	\$106	\$108	\$110
Communications	2.0%	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122	\$55,204
Conventions, Conferences	2.0%	\$45,000	\$45,900	\$46,818	\$47,754	\$48,709	\$49,684
County Support	2.0%	\$120,000	\$122,400	\$124,848	\$127,345	\$129,892	\$132,490
Credit Card Fees & Finance Charges	2.0%	\$88,000	\$89,760	\$91,555	\$93,386	\$95,254	\$97,159
Directors' Fees & Expenses	2.0%	\$110,000	\$112,200	\$114,444	\$116,733	\$119,068	\$121,449
Dues & Subscriptions	2.0%	\$18,000	\$18,360	\$18,727	\$19,102	\$19,484	\$19,873
Election Expense	2.0%	\$0	\$0	\$0	\$0	\$0	\$0
Employee Relations Activities	2.0%	\$18,000	\$18,360	\$18,727	\$19,102	\$19,484	\$19,873
Employment Expense	2.0%	\$5,000	\$5,100	\$5,202	\$5,306	\$5,412	\$5,520
Equipment Rental	2.0%	\$28,000	\$28,560	\$29,131	\$29,714	\$30,308	\$30,914
Geographic Information System	2.0%	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122
Grounds Maintenance/Landscaping	2.0%	\$17,500	\$17,850	\$18,207	\$18,571	\$18,943	\$19,321
Homebasing Incentive	2.5%	\$87,500	\$89,688	\$91,930	\$94,228	\$96,584	\$98,998
Insurance	2.0%	\$105,000	\$107,100	\$109,242	\$111,427	\$113,655	\$115,928
Library & Reference Materials	2.0%	\$1,100	\$1,122	\$1,144	\$1,167	\$1,191	\$1,214
Office Equipment	2.0%	\$80,000	\$81,600	\$83,232	\$84,897	\$86,595	\$88,326
Office Supplies	2.0%	\$27,500	\$28,050	\$28,611	\$29,183	\$29,767	\$30,362
Operating Supplies, Small Tools, Janitorial	2.0%	\$120,000	\$122,400	\$124,848	\$127,345	\$129,892	\$132,490
Operations Monitoring Expenses [1]	2.0%	\$224,000	\$228,480	\$233,050	\$237,711	\$135,304	\$138,010
Permits, Licenses & Fees	2.0%	\$15,000	\$15,300	\$15,606	\$15,918	\$16,236	\$16,561
Postage, Freight & Delivery	2.0%	\$8,000	\$8,160	\$8,323	\$8,490	\$8,659	\$8,833
Printing, Copying, Publication of Legal	2.0%	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495	\$6,624
Professional Services							
Accounting & Auditing	2.0%	\$32,000	\$32,640	\$33,293	\$33,959	\$34,638	\$35,331
Legal	2.0%	\$105,000	\$107,100	\$109,242	\$111,427	\$113,655	\$115,928
Computer Support	2.0%	\$98,000	\$99,960	\$101,959	\$103,998	\$106,078	\$108,200

**Table A-4
Truckee Tahoe Airport District
Five-Year Budget Forecast
Detailed Forecast of Expenses**

DRAFT

Expenses	Annual Increase	Budget 2018	Fiscal Year (January - December)				
			2019	2020	2021	2022	2023
Other Professional							
Air Traffic Control Tower Planning/Soft Costs [2]	varies	\$0	\$50,000	\$25,000	\$25,000	\$0	\$0
Lobbyist for Air Traffic Control Tower [2]	2.0%	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122	\$55,204
Greenhouse Gas Reduction Initiatives [3]	2.0%	\$100,000	\$102,000	\$104,040	\$106,121	\$108,243	\$110,408
Solar Feasibility Studies /Soft Costs [4]	one-time	\$0	\$100,000	\$0	\$0	\$0	\$0
Art Exhibit Coordinator	2.0%	\$5,500	\$5,610	\$5,722	\$5,837	\$5,953	\$6,072
Board off-site Meeting	2.0%	\$5,000	\$5,100	\$5,202	\$5,306	\$5,412	\$5,520
Admin Building Expansion	one-time	\$50,000	\$0	\$0	\$0	\$0	\$0
Other Opportunities [5]	2.0%	\$15,000	\$15,300	\$102,000	\$104,040	\$106,121	\$108,243
Subtotal Other Professional		\$225,500	\$329,010	\$293,984	\$299,364	\$279,851	\$285,448
Engineering	2.0%	\$35,000	\$35,700	\$36,414	\$37,142	\$37,885	\$38,643
Fiscal Analyst - Sustainability	2.0%	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122
Public Relations - Outreach							
Consulting	2.0%	\$22,000	\$22,440	\$22,889	\$23,347	\$23,814	\$24,290
Internet, Print, Broadcast & Direct Mail	2.0%	\$123,000	\$100,000	\$102,000	\$104,040	\$106,121	\$108,243
Events and Programs	2.0%	\$25,000	\$25,500	\$26,010	\$26,530	\$27,061	\$27,602
Sponsorships	2.0%	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122	\$55,204
Community/Agency Partnerships							
Boys & Girls Club	2.0%	\$45,000	\$45,900	\$46,818	\$47,754	\$48,709	\$49,684
Hwy 267 Bus Route	0.0%	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Excellence in Education	0.0%	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
Reno Air Service Corp	0.0%	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
TNT TMA for NLT Express	0.0%	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Bike Share Program	0.0%	\$18,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Workforce Housing Project	one-time	\$600,000	\$0	\$0	\$0	\$0	\$0
General Workforce Housing Development	0.0%	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
General Agency Partnerships	0.0%	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Subtotal Community/Agency Partnerships		\$1,750,000	\$1,178,900	\$1,179,818	\$1,180,754	\$1,181,709	\$1,182,684
Pilot Outreach	2.0%	\$98,000	\$99,960	\$101,959	\$103,998	\$106,078	\$108,200
Promotional Items	2.0%	\$20,000	\$20,400	\$20,808	\$21,224	\$21,649	\$22,082
Travel	2.0%	\$3,300	\$3,366	\$3,433	\$3,502	\$3,572	\$3,643
Utilities	5.0%	\$230,000	\$241,500	\$253,575	\$266,254	\$279,566	\$293,545
Other (Income) Expense	2.0%	\$0	\$0	\$0	\$0	\$0	\$0
Air Traffic Control Staffing	3.0%	\$1,000,000	\$1,030,000	\$1,060,900	\$1,092,727	\$0	\$0
Total Operating, General & Administrative		\$5,627,000	\$5,188,168	\$5,246,735	\$5,348,288	\$4,194,941	\$4,266,209
Repairs and Maintenance (Routine)							
Vehicles Expense	2.5%	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$56,570
Equipment Expense	2.5%	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$56,570
Airfield Equipment, Lights & Signs	2.0%	\$25,000	\$25,500	\$26,010	\$26,530	\$27,061	\$27,602
Aviation Safety Equipment	2.0%	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824	\$11,041
Unicom Enhancement	2.0%	\$5,000	\$5,100	\$5,202	\$5,306	\$5,412	\$5,520
Subtotal Repairs and Maintenance		\$140,000	\$143,300	\$146,679	\$150,137	\$153,679	\$157,304
Non-Operating Expenses							
Gain (Loss) on Disposal of Assets	0.0%	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	schedule	\$548,816	\$548,816	\$548,816	\$548,816	\$548,816	\$548,816
Pavement Maintenance	Table A-5	\$850,000	\$1,403,246	\$75,643	\$2,063,561	\$4,836,043	\$2,536,810
Land Management	Table A-6	\$369,000	\$190,875	\$232,031	\$382,267	\$101,785	\$103,011
Facilities Maintenance	Table A-7	\$573,000	\$416,628	\$429,707	\$459,654	\$541,981	\$558,995
Utility Infrastructure Maintenance	Table A-8	\$0	\$7,898	\$8,146	\$8,402	\$8,666	\$8,938
Subtotal Non-Operating Expenses		\$2,340,816	\$2,567,464	\$1,294,343	\$3,462,700	\$6,037,290	\$3,756,570
TOTAL EXPENSES		\$12,231,884	\$12,294,492	\$11,374,452	\$13,960,108	\$15,719,961	\$13,873,744

Source: Truckee Tahoe Airport District and HEC.

exp proj

[1] Per ADS-B mandate.

[2] Assumes new tower will be in place by end of fiscal year 2022.

[3] Assumes \$100,000 / year for the next five years inflated.

[4] New cost for studying feasibility of solar energy generation estimated at \$100,000 in fiscal year 2019 and \$50,000 each year thereafter, inflated.

[5] Other opportunities not yet identified assumed to increase to \$100,000 per year inflated from fiscal year 2020 onwards.

**Table A-5
Truckee Tahoe Airport District
Five-Year Budget Forecast
Facilities Plans Forecast Expenses: Pavement Maintenance**

DRAFT

Pavement Maintenance Item	5-Year Total	Fiscal Year (January - December)				
		2019	2020	2021	2022	2023
Airfield Pavements	\$870,000	\$340,000		\$380,000		\$150,000
Apron A1						\$1,590,000
Runway 11-29: Crack Repair, Seal Cracks and Joints T/Ws A, B, C, D (Holding Apron)	\$156,000				\$156,000	
Runway 2-20: Add Rock, Pulverize, Recompact + 3" AC T/Ws G, V, P, Q: Add Rock. Pulverize, Recompact + 3" AC	\$48,000	\$48,000				
Runway 2-20: Add Rock, Pulverize, Recompact + 3" AC	\$1,970,000				\$1,970,000	
T/Ws G, V, P, Q: Add Rock. Pulverize, Recompact + 3" AC	\$1,480,000				\$1,480,000	
Apron 3: Remove AC and Reconstruct	\$1,207,000			\$1,207,000		
Hangars A-H and Taxilane R: Reconstruct	\$760,000	\$760,000				
Hangars J-K, Row West K: Saw and Seal New Joints - Supplemental	\$20,000		\$20,000			
Hangars J-K, Row West JK: Saw and Seal New Joints - Supplemental	\$20,000		\$20,000			
Hangars J-K, Row West J: Saw and Seal New Joints - Supplemental	\$20,000		\$20,000			
Hangars L-M Taxilane T, Row East M: Crack Repair, Seal Cracks & Joints	\$23,500					\$23,500
Hangars L-M Row West M: Crack Repair, Seal Cracks & Joints	\$23,500					\$23,500
Hangars L-M Row South L: Crack Repair, Seal Cracks & Joints	\$23,500					\$23,500
South of Warehouse Row WH: Crack Repair, Seal Cracks & Joints	\$23,500					\$23,500
Total Pavement Maintenance Items - 2011 \$s	\$8,235,000	\$1,148,000	\$60,000	\$1,587,000	\$3,606,000	\$1,834,000
Total Pavement Maintenance Items - 2018 \$s [1]	\$9,759,588	\$1,360,535	\$71,108	\$1,880,810	\$4,273,598	\$2,173,538
Total Estimated Costs - Inflated \$s [2]	\$10,915,302	\$1,403,246	\$75,643	\$2,063,561	\$4,836,043	\$2,536,810

Source: Truckee Tahoe Airport District and HEC.

pave

[1] Inflation factor for 2011 to 2018 uses the historical ENR Construction Cost Index December 2011 to December 2017 change:

Dec-11	9,172
Dec-17	10,870

[2] Inflated using the average 20-year historical ENR Construction Cost Index increase of 3.14% per year.

Table A-6
Truckee Tahoe Airport District
Five-Year Budget Forecast
Facilities Plans Forecast Expenses: Forest and Lands Maintenance

DRAFT

Forest and Lands Maintenance Items	5-Year Total	Fiscal Year (January - December)				
		2019	2020	2021	2022	2023
Waddle Ranch Long Term Forest Management Plan 2013						
Treatment Cost	\$636,600	\$155,100	\$184,500	\$157,500	\$70,500	\$69,000
Road Repair Cost (average over 20 years)	\$25,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Permitting Cost (average over 20 years)	\$22,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Total Waddle Ranch Management Costs - 2013 \$s	\$684,100	\$164,600	\$194,000	\$167,000	\$80,000	\$78,500
Total Pavement Maintenance Items - 2018 \$s [1]	\$769,157	\$185,065	\$218,121	\$187,764	\$89,947	\$88,260
Total Estimated Costs - Inflated \$s [2]	\$1,009,969	\$190,875	\$232,031	\$382,267	\$101,785	\$103,011

Source: Truckee Tahoe Airport District and HEC.

lands

[1] Inflation factor for 2013 to 2018 uses the historical ENR Construction Cost Index December 2013 to December 2017 change:

Dec-13	9,668
Dec-17	10,870

[2] Inflated using the average 20-year historical ENR Construction Cost Index increase of 3.14% per year.

Table A-7
Truckee Tahoe Airport District
Five-Year Budget Forecast
Facilities Plans Forecast Expenses: Facilities Maintenance

DRAFT

Facilities Maintenance Items	5-Year Total	Fiscal Year (January - December)				
		2019	2020	2021	2022	2023
Existing Facilities Maintenance Costs						
Airfield	\$319,436	\$60,000	\$61,884	\$63,826	\$65,830	\$67,897
Hangars	\$1,464,083	\$275,000	\$283,633	\$292,537	\$301,721	\$311,193
Other Business Buildings	\$42,592	\$8,000	\$8,251	\$8,510	\$8,777	\$9,053
Warehouse	\$53,239	\$10,000	\$10,314	\$10,638	\$10,972	\$11,316
Terminal Building	\$133,098	\$25,000	\$25,785	\$26,594	\$27,429	\$28,290
Maintenance Buildings	\$47,915	\$9,000	\$9,283	\$9,574	\$9,874	\$10,184
Firefighting & Haz Mat. Response [1]	\$47,915	\$9,000	\$9,283	\$9,574	\$9,874	\$10,184
Subtotal Existing Facilities Maintenance Costs - inflated \$s [2]	\$2,108,280	\$396,000	\$408,432	\$421,253	\$434,478	\$448,117
Estimate of New Facilities Maintenance Costs						
New Executive Hangars Maintenance [3]	\$114,937	\$0	\$0	\$0	\$56,580	\$58,357
Hangar 2 Maintenance [4]	\$50,939	\$0	\$0	\$16,457	\$16,974	\$17,507
Air Traffic Control Tower [4]	\$50,443	\$5,157	\$5,319	\$5,486	\$16,974	\$17,507
Clear Capital & Car Rental Bldg [5]	\$82,366	\$15,471	\$15,957	\$16,457	\$16,974	\$17,507
Subtotal Estimate of New Facilities Maintenance Costs - inflated \$s	\$298,685	\$20,628	\$21,275	\$38,401	\$107,503	\$110,878
Total Estimated Facilities Maintenance Costs - Inflated \$s	\$2,406,965	\$416,628	\$429,707	\$459,654	\$541,981	\$558,995

Source: Truckee Tahoe Airport District and HEC.

facs

[1] Inflated from the 2018 budget estimate of cost.

[2] Estimate of costs for 2019 are increased by the 20-year ENR CCI average cost index of 3.14% per year.

[3] Estimated at \$5,000 per year per hangar in 2018 costs.

[4] Hangar 2 estimated at \$15,000 per year in 2018 \$s.

Air Traffic Control Tower estimated at \$5,000 per year through 2021 and \$15,000 per year thereafter in 2018 \$s.

[5] Estimated at \$15,000 / year in 2018 dollars.

Table A-8
Truckee Tahoe Airport District
Five-Year Budget Forecast
Facilities Plans Forecast Expenses: Utilities Maintenance

DRAFT

Utilities Maintenance Items	5-Year Total	Fiscal Year (January - December)				
		2019	2020	2021	2022	2023
2014 Utilities Maintenance Plan	\$35,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Total Utilities Maintenance Items - 2018 \$s [1]	\$38,290	\$7,658	\$7,658	\$7,658	\$7,658	\$7,658
Total Estimated Costs - Inflated \$s [2]	\$42,051	\$7,898	\$8,146	\$8,402	\$8,666	\$8,938

Source: Truckee Tahoe Airport District and HEC.

utils

[1] Inflation factor for 2014 to 2018 uses the historical ENR Construction Cost Index December 2014 to December 2017 change:

Dec-14 9,936

Dec-17 10,870

[2] Inflated using the average 20-year historical ENR Construction Cost Index increase of 3.14% per year.

**Table A-9
Truckee Tahoe Airport District
Five-Year Budget Forecast
Detailed Forecast of Revenues**

DRAFT

Revenues	Annual Increase	Budget 2018	Fiscal Year (January - December)				
			2019	2020	2021	2022	2023
Operating Revenues							
Airside							
Aviation Fuel Sales	2.5%	\$399,100	\$409,078	\$419,304	\$429,787	\$440,532	\$451,545
Jet Fuel Sales	5.0%	\$1,600,700	\$1,680,735	\$1,764,772	\$1,853,010	\$1,945,661	\$2,042,944
Auto Parking	2.5%	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$67,884
Oil Sales	2.5%	\$1,600	\$1,640	\$1,681	\$1,723	\$1,766	\$1,810
Tiedowns	2.5%	\$98,000	\$100,450	\$102,961	\$105,535	\$108,174	\$110,878
Transient Use Fees	2.5%	\$315,000	\$322,875	\$330,947	\$339,221	\$347,701	\$356,394
Merchandise	2.5%	\$1,500	\$1,538	\$1,576	\$1,615	\$1,656	\$1,697
Services	2.5%	\$84,000	\$86,100	\$88,253	\$90,459	\$92,720	\$95,038
Vending	2.5%	\$500	\$513	\$525	\$538	\$552	\$566
Miscellaneous	0.0%	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Subtotal Airside		\$2,565,400	\$2,669,428	\$2,778,057	\$2,891,502	\$3,009,990	\$3,133,756
Hangar Rental Income							
T-Hangar / Box Hangar Rental Income	2.5%	\$1,390,000	\$1,424,750	\$1,460,369	\$1,496,878	\$1,534,300	\$1,572,657
T-Hangar / Box Hangar Electricity Surcharge	5.0%	\$48,000	\$50,400	\$52,920	\$55,566	\$58,344	\$61,262
New - Executive Hangar Rent [1]	2.5%	\$0	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144
Subtotal Hangar Rental Income		\$1,438,000	\$1,775,150	\$1,820,789	\$1,867,631	\$1,915,711	\$1,965,063
Other Business Income							
Other Business Leasing Income [2]	2.5%	\$452,450	\$483,761	\$495,855	\$508,252	\$520,958	\$533,982
New - Hangar 2 Rent [3]	2.5%	\$0	\$0	\$0	\$68,490	\$70,202	\$71,958
Concession Income	2.5%	\$130,500	\$133,763	\$137,107	\$140,534	\$144,048	\$147,649
Total Other Business Income		\$582,950	\$617,524	\$632,962	\$717,276	\$735,208	\$753,588
Warehouse Income							
Warehouse Space Rental Income	1.5%	\$226,500	\$229,898	\$233,346	\$236,846	\$240,399	\$244,005
Total Warehouse Income		\$226,500	\$229,898	\$233,346	\$236,846	\$240,399	\$244,005
Total Operating Revenues		\$4,812,850	\$5,291,999	\$5,465,153	\$5,713,256	\$5,901,308	\$6,096,412
Non-Operating Revenues							
Placer County Property Tax	5.35%	\$4,163,000	\$4,385,721	\$4,620,357	\$4,867,546	\$5,127,959	\$5,402,305
Nevada County Property Tax	4.05%	\$1,838,000	\$1,912,439	\$1,989,893	\$2,070,483	\$2,154,338	\$2,241,589
Interest & Miscellaneous [4]	2.00%	\$69,000	\$70,380	\$71,788	\$73,223	\$74,688	\$76,182
FAA Grant Revenues [5]		\$1,031,000	\$1,000,000	\$1,000,000	\$1,600,000	\$4,000,000	\$1,500,000
Total Non-Operating Revenues		\$7,101,000	\$7,368,540	\$7,682,037	\$8,611,252	\$11,356,985	\$9,220,075
TOTAL REVENUES		\$11,913,850	\$12,660,538	\$13,147,190	\$14,324,508	\$17,258,294	\$15,316,488

Source: Truckee Tahoe Airport District and HEC.

rev proj

- [1] Ten executive hangars with average monthly rent of \$2,500 each in 2018 \$s.
[2] Improvements to Hangar 1 result in approximately \$20,000 more in fiscal year 2019 than in fiscal year 2018.
[3] Estimated average monthly rent of \$5,300 in 2018 \$s.
[4] Excludes restricted interest.
[5] Estimate provided by TTAD; these revenues can vary widely from year to year.

Table A-10
Truckee Tahoe Airport District
Five-Year Budget Forecast
Historical Operating Revenues Annual Increases

DRAFT

Operating Revenues	Prior Year Actuals			Total 2-Year Change	Annual Avg. % Change
	2015	2016	2017 estimate		
Airside					
Aviation Fuel Sales	\$402,107	\$409,169	\$387,500	(\$14,607)	-1.83%
Jet Fuel Sales	\$1,503,690	\$1,563,032	\$1,496,000	(\$7,690)	-0.26%
Auto Parking	\$57,350	\$57,936	\$72,000	\$14,650	12.05%
Oil Sales	\$1,504	\$2,051	\$1,500	(\$4)	-0.13%
Tiedowns	\$99,068	\$110,661	\$95,000	(\$4,068)	-2.07%
Transient Use Fees	\$230,705	\$256,550	\$300,000	\$69,295	14.03%
Merchandise	\$1,326	\$1,336	\$1,500	\$174	6.37%
Services	\$33,175	\$61,615	\$80,000	\$46,825	55.29%
Vending	\$370	\$462	\$1,000	\$630	64.50%
Miscellaneous	\$24,730	\$9,888	\$5,000	(\$19,730)	-55.04%
Subtotal Airside	\$2,354,024	\$2,472,700	\$2,439,500	\$85,476	1.80%
Hangar Rental Income					
T-Hangar / Box Hangar Rental Income	\$1,286,903	\$1,269,509	\$1,376,759	\$89,855	3.43%
T-Hangar / Box Hangar Electricity Surcharge	\$46,461	\$46,152	\$48,000	\$1,539	1.64%
Subtotal Hangar Rental Income	\$1,333,365	\$1,315,661	\$1,424,759	\$91,394	3.37%
Other Business Income					
Other Business Leasing Income	\$100,849	\$136,548	\$331,000	\$230,151	81.17%
Concession Income	\$87,066	\$87,951	\$90,000	\$2,934	1.67%
Total Other Business Income	\$187,915	\$224,499	\$421,000	\$233,085	49.68%
Warehouse Income					
Warehouse Space Rental Income	\$283,822	\$284,372	\$244,000	(\$39,822)	-7.28%
Total Warehouse Income	\$283,822	\$284,372	\$244,000	(\$39,822)	-7.28%
Total Operating Revenues	\$4,159,126	\$4,297,232	\$4,529,259	\$370,133	4.35%

Source: Truckee Tahoe Airport District.

revhist

Table A-11
Truckee Tahoe Airport District
Five-Year Budget Forecast
Historical Property Tax Revenues

DRAFT

Fiscal Year Ending	County of				Total
	Placer	% share	Nevada	% share	
<i>time period begins from when Truckee incorporated</i>					
1994	\$809,581	64%	\$448,030	36%	\$1,257,611
1995	\$830,826	65%	\$438,924	35%	\$1,269,750
1996	\$879,507	66%	\$460,107	34%	\$1,339,614
1997	\$913,613	65%	\$494,190	35%	\$1,407,803
1998	\$972,611	65%	\$520,236	35%	\$1,492,846
1999	\$1,071,201	65%	\$564,869	35%	\$1,636,070
2000	\$1,163,909	66%	\$608,555	34%	\$1,772,464
2001	\$1,345,058	67%	\$674,475	33%	\$2,019,533
2002	\$1,609,211	68%	\$751,991	32%	\$2,361,203
2003	\$1,751,632	68%	\$840,744	32%	\$2,592,376
2004	\$1,830,401	67%	\$901,297	33%	\$2,731,698
2005	\$1,762,852	66%	\$923,242	34%	\$2,686,094
2006	\$2,063,974	63%	\$1,200,088	37%	\$3,264,062
2007	\$2,467,088	63%	\$1,452,095	37%	\$3,919,183
2008	\$2,668,657	63%	\$1,576,536	37%	\$4,245,193
2009	\$2,855,368	64%	\$1,627,222	36%	\$4,482,590
2010	\$2,844,325	64%	\$1,606,238	36%	\$4,450,563
2011	\$2,767,979	64%	\$1,525,399	36%	\$4,293,378
2012	\$2,855,705	66%	\$1,446,464	34%	\$4,302,169
2013	\$2,961,510	65%	\$1,568,849	35%	\$4,530,359
2014	\$3,019,875	66%	\$1,534,212	34%	\$4,554,087
2015	\$3,299,141	67%	\$1,640,452	33%	\$4,939,593
2016	\$3,721,443	69%	\$1,688,181	31%	\$5,409,625
2017	\$3,964,584	69%	\$1,784,475	31%	\$5,749,059
2018	\$4,163,000	69%	\$1,838,000	31%	\$6,001,000
Total Change	\$3,353,419		\$1,389,970		\$4,743,389
Avg. Annual Change	7.06%		6.06%		6.73%
Avg. Annual Change for Forecast [1]	5.35%		4.05%		

Source: Truckee Tahoe Airport District.

tax

- [1] Forecast percentage increase is less than the average annual percentage change as follows:
 Placer County is at two-thirds of the difference between 2% and the average annual change.
 Nevada County is at half of the difference between 2% and the average annual change.
 Two percent is the legislative annual cap on growth in assessed value for existing properties;
 the majority of new development assessed value is anticipated to be in Placer County.