



# **TRUCKEE TAHOE AIRPORT DISTRICT**

## **Fiscal Year 2014-2015 (FY2015)**

### **Operating and Capital Expenditure Budget Workshop**

#### **Introduction**

This is the first discussion of the FY2015 budget. At the April 23, 2014 meeting, budget goals will be presented by staff based on the strategic plan and the assumptions that will be used in the budget will be reviewed. Preliminary cost estimates for some of the goals brought forward will be discussed.

Included in the Budget Goals section, there are mandates to review the District's spending priorities and the use of public funds (page 8). The spending priorities included in the strategic plan are detailed in this material as a topic to be considered before budgeting can begin. In addition, the "Historical Percentage of Annual Property Tax Revenues Used by Area/Program" table has been updated showing actual results through FY 2013 and FY 2014 budgeted percentages. The Board elected not to give guidance as to specific percentages of property taxes to be used in each program area when the FY2013 and FY2014 budgets were being completed; but they asked to have the data presented to them going forward.

#### **Table of Contents:**

**Budget Goals**  
**Spending Priorities Review**  
**Budget Assumptions**  
**Budget Parameters Discussion and Table**

**Pages 2-10**  
**Page 11**  
**Pages 12-24**  
**Pages 25-26**



KEY	
<span style="display: inline-block; width: 15px; height: 15px; background-color: #90EE90; border: 1px solid black;"></span>	Ongoing goal – continued resources required.
<span style="display: inline-block; width: 15px; height: 15px; background-color: #FFFF00; border: 1px solid black;"></span>	New goal – to be included in FY2015 budget.
<span style="display: inline-block; width: 15px; height: 15px; background-color: #FF0000; border: 1px solid black;"></span>	Completed – no additional resources required.

## BUDGET GOALS

The budget goals list includes ongoing and completed goal from the FY2014 budget and new goals for the FY2015 budget.

Strategy Area 1: Site and Facilities		Status
	<b>Safety Management System</b> (1.3 / Obj. 1-3)	Staff believes that integration of a Safety Management System (SMS) will be a large component of the second phase activity (UNICOM enhancement). To adequately train staff and unify service offerings compliant with accepted aviation standards, a consultant will be utilized to develop standards of operations – see additional discussion on page 14.
	<b>Create a Capital Facility Plan for Airport Utilities</b> (including water, power, sewer, electrical, storm water, etc.) (1.1 Obj. 1)	The plan is in the final stages and will be complete by 9/30/14.
	<b>Complete Projects as Detailed in the Capital Facilities Plan</b> (1.1 Obj. 1)	The plan will be followed, subject to evaluation of individual projects by Staff and District Engineer.
	<b>Replace Plow Truck</b> (1.1 Obj 1)	Specifications for the equipment are complete. We will be advised by the FAA if funding is forthcoming for this project by late-summer, if not funded, staff will recommend the District replace the 1990 Plow Truck with District funds.
	<b>Replace Loader</b> (1.1 Obj 1)	The Cat 950B Loader will be 30 years old in 2015, it has had the transmission rebuilt and the couplers replaced. The District will apply for FAA funding in summer of 2014, as it is an eligible item.



<b>Complete airfield survey work in compliance with Grant Assurance 4, "Good Title" and AC 150-1500-18b (1.1 Obj. 6)</b>	Ongoing project, phase one underway. Phase 2 includes title report.
<b>Wide Area Multilateration (WAM) Flight Tracking Expansion</b> to increase coverage of the southern area of the District and Lake Tahoe (1.1 Obj 3)	Evaluation of possible coverage will be completed in FY2014. The results of the study will determine if Staff will recommend expanding the coverage area.
<b>Utilize Master Plan</b> process to assist in answering question presented in Strategy 1.1 Obj. 3 and Obj. 5 of the Strategic Plan.	Master Plan process will continue into FY2015. Funding will be \$70,000 for the CEQA process.
<b>Treadmill Desk</b> for use by employees in administration building to improve employee health. (1.1 Obj. 5)	Staff will look into purchasing one desk that can be used by various employees when their work can be performed at this type of workstation.
<b>Continue funding for District GIS program</b> including incorporating Flight Tracking data into GIS data layers. (1.1 Obj. 6)	The GIS program provides ongoing benefit to the District and will be funded at \$45,000. Utilities Capital Facility Plan will be integrated with GIS.
<b>Integrate airfield engineering as built data into handheld iPad maps for operations.</b> (1.1 Obj. 6)	Ongoing project, phase one underway. Phase 2 includes refinement of application, training, utilization and verification.
<b>Consultation for exhibit creation. Template creation.</b> (1.1 Obj. 6)	Use expert consultation for construction of exhibit templates and enhanced use of ARC GIS Online (included in funding request listed above for GIS system).
<b>Continue to fund recommendations outlined in the Pavement Maintenance Plan, including the replacement of bad aggregate on ramp and taxi ways through Mill and Fill and Reclamite treatments</b> per Pavement Maintenance Plan. (1.1 Obj. 7)	The summer 2014 work will be considered when planning projects to budget for FY2015. The area that will be treated in Summer of 2014, South Ramp, is the last large area of pavement with the poor aggregate.
<b>Develop and work towards publication of preferred Charted Visual Approach Procedures.</b> (1.3 Obj. 1 and 3.3 Obj. 1-3)	Lake Tahoe Arrival, Departure procedures and continued advances in airspace and path utilization to combat community annoyance.



<b>Place a Flight Tracking monitor on the UNICOM desk for use by employees while managing the airfield. (1.3 Obj. 1)</b>	The wall-mounted monitors are not easily viewed by the employee working the UNICOM desk.
<b>UNICOM Enhancements (1.3 Obj. 1 &amp; 2 and 2.1 Obj. 1-3)</b>	Implement strategies to improve airfield safety, reduce community annoyance and improve UNICOM service offering.
<b>Install a glass wall near the UNICOM desk to decrease the noise and increase safety in the workplace. (1.3 Obj 2)</b>	The installation of a glass wall will cut down on noise from the public area below that can interfere with UNICOM operations and may decrease aircraft noise inside the admin building. It will also provide a modicum of security and privacy to the operations in the UNICOM office.
<b>Emphasize GIS and Flight Tracking tools to assist in pilot and community education. (1.3 Obj. 1 &amp; Obj. 3)</b>	Ongoing goal. Current year saw use of GIS tracks in the Quarterly Comments Reports. Next step is to integrate with the website – funding will be required to complete that step.
<b>Refocus pilot and transient user education projects. (1.1 Obj. 3)</b>	Ongoing project. Items to be considered in FY2015 budget include UNICOM Enhancement and potentially contracting for services from a professional air traffic controller to assist with training.
<b>Continue Quarterly Pilot Meetings to foster regular interaction with local airport users. (1.1 Obj. 3)</b>	Meetings held in November and February, one planned for June – will continue in upcoming year.
<b>Consider additional funding for support and maintenance of IT network, hardware and data assets. Add additional IT contractor support or possibly part time IT employee. (1.1 Obj. 7&amp;8)</b>	Enhance existing security structure, disaster recovery, backup, mirror data center and cloud. Enhance security system.
<b>Enhanced Aircraft Rescue and Firefighting (ARFF) Resources for Airport (1.3 – Strategic Directive)</b>	Truck has been ordered. Delivery expected in Spring of 2015.



### Strategy Area 2: Standards of Service

### Status

Consider long term strategy for Hangar 2 including possible usage by aviation organizations that may provide a community benefit. (Area 2)	Dependent upon the discussions regarding Hangar #3.
Investigate the possibility of offering a “crew car” for use by transient pilots. (2.1 Obj1)	Staff has inquired with the District’s auto insurance carrier, but they require all vehicle drivers be included on the policy. There may be opportunity to obtain different coverage at a higher cost.
Implement the Aviation Orientation Training Program including incentives for completion and maintenance of skills. (2.1 Obj. 3)	Program will be aligned with UNICOM enhancement project. Funding will be included in the FY2015 budget.
Encourage staff and reward them for identifying cost saving measures. (2.1 Obj. 3)	This concept has not been fully developed, but will be continued and funded in FY2015.
Finalize Minimum Standards and complete division of PI 504, which also includes updating the District’s Rules and Regulations. (2.3 Obj. 2)	Will be completed after the Master Plan is finalized. A minimum standards review will be completed – funding will be included in FY2015 budget.
Construct an Aircraft / Community Hangar Facility (2.1 & 2.2 Strategic Directives - also included under Strategy Area 3)	The Board is currently reviewing impacts, benefits and financial implications of the project.

### Strategy Area 3: Community Benefit

### Status

Create and begin to implement Open Space Acquisition Plan. Consider easements and/or acquisition of Alder Hill. (3.1 Obj. 1-2)	Master Plan dependent. Funding may be required in the FY2015 budget.
--	--



<b>Implement recommendations as appropriate in updated Forest Management Plan</b> including consideration for water resources and archeological sites. (3.1 Obj. 3 & 3.2 Obj. 3)	Refocus this year – there will be funding in the FY2015 budget for the road work (carried over from FY2014 and the other projects detailed in the Forest Management Plan.
<b>Waddle Ranch Road</b> - pay construction cost for road rebuild into Waddle Ranch property. (3.2 Obj. 1)	This is included in the Forest Management Plan.
<b>Forest Management in accordance with approved plan</b> (3 Obj. 3.2)	The plan will be followed, supervised by Staff.
<b>Focused effort by Board, Staff and ACAT to identify non-traditional approaches to encourage observance of annoyance mitigation programs.</b> (3.3 Obj. 1)	Underway, will be funded in the FY2015 budget based on ideas being discussed by ACAT and Staff.
<b>Wireless Airport Surveillance Platform (WASP) Replacement</b> due to age of system – cameras were installed in 2008. (3.3 Obj. 1 & 2)	Upgrade is recommended by Staff for stability and functionality.
<b>Continue to support and be active in Community Block Parties.</b> (3.4 Obj. 1)	Ongoing goal – funding will be provided – we are already scheduled for the Glenshire event.
<b>Continue funding for Excellence in ED and Charter Schools</b> for field trips to Discovery Academy and/or California Air and Space Museum. (3.4 Obj. 4)	Ongoing goal. Budget will include funding for this project.
<b>Increase sponsorship funding for community organizations</b> (3.4 Obj. 1)	The requests for community sponsorships have increased, and staff will evaluate increasing the participation in these programs.
<b>Hire a part-time Education/Day Camp Coordinator position</b> to work with Civil Air Patrol, EAA and other groups to provide aviation related educational opportunities for area youth and in-school programs. (3.4 Obj. 4)	This position would be part-time – potentially seasonal. Scope of work is being developed by Staff.
<b>Construct emergency service helipad in Tahoe City.</b> Approximate cost with permitting is \$215,000 to \$300,000. Final costs depend on site selection and TRPA permitting fees. (3.4 Obj. 4)	Permitting underway – to be constructed in FY2015.



<b>Make Flight Tracking data available online</b> with a user friendly interface (3.5 Obj. 1)	Ongoing goal – will be funded in FY2015 budget. Will be integrated with website work.
<b>Residential Sound Insulation Study</b> (3.3 Obj. 2)	Funds to study a program.
<b>Include budget for \$2500 loan forgiveness to annoyance mitigation expense.</b> (3.3 Obj. 2)	Ongoing goal.
<b>Create a Volans /iPad App</b> to increase awareness for safety and noise (3.3 Obj. 2)	A Beta test site has been received and is being reviewed. After evaluation, it will be included in the ACAT budget if warranted.
<b>Fund Air Show for FY2015</b> (3.4 Obj.2)	July 2014 Air Fair underway – budget will include funds for an event in 2015.
<b>Track and regularly report service and benefits provided by the District to non-aviation as well as the aviation community members, organizations, clubs, etc.</b> Staff will track items such as community rooms, staff time for school tours and class presentations, use of flight simulator, time invested in community initiatives and participation at events, etc. (3.4 Obj. 2&4)	Procedures to provide this detail through the Quarterly Communications reports are in place. District Newsletter and Pilot News publication are ongoing. The District will retain FreshTracks to assist with PR and communications and keep these programs active.
<b>Trail Around the Airport</b> to provide community benefits and use as an opportunity to educate the public about the airport. (3.4 Obj 2 &4)	Development of an Airport Trails Master Plan – to be integrated with surrounding trails and include aviation specific interpretive signs.
<b>Construct an Aircraft / Community Hangar Facility</b> (3.4 Obj. 4 – also included under Strategy Area 2)	This will be further discussed as the Master Plan is finalized. A decision as to whether or not to include it in the draft budget presented in September can be made by the Board of Directors.
<b>Play Area Enhancements</b> (3.4 Obj. 2)	Provide additional features for seven to twelve-year olds.



Strategy Area 4: Communication and Community Outreach		Status
<b>Fund a program to support quarterly pilot safety meetings</b> to foster interaction between Board, Airport staff and our local pilot community. (4.1 Obj. 1-3)		Underway in FY2014 – will be budgeted again in FY2015.
<b>Fund Board Meeting Broadcasting program.</b> (Strategy Area 4)		Underway in FY2014 – will be budgeted again in FY2015.
<b>Continue to fund ACAT Road Show and continue focused transient user outreach and look for new ways to communicate with transient pilots.</b> (4.2 Obj. 1-2)		Underway in FY2014 – will be budgeted again in FY2015.
<b>Look for new ways to communicate with impacted residents.</b> Door to door programs in affected neighborhoods with new handouts or other media describing programs the District has implemented and restating our interest in hearing their concerns. (4.3 Obj. 1-2)		The District reached out to residents who made noise calls in the past, but have not called recently. The “flip-books” have been printed, but door-to-door visits have begun.
<b>Quality quarterly staff meetings</b> with meaningful engagement of employees for idea generation and problem solving. Invite Board of Directors to late spring or early summer staff meeting for combined training on relevant and appropriate topics. (4.5 Obj. 1-3)		All-staff meetings were held on a monthly basis. There are plans for a combined meeting with the Board sometime this summer.
<b>Provide funding for ACAT to continue useful and relevant programs within the scope of their mission.</b> ACAT will propose Budget and program to be included in first budget draft (4.6)		Ongoing process. Subject of March joint meeting. Areas of emphasis include: UNICOM enhancement, Night-time operations study, and Pilot Incentives.
<b>Redesign of District website.</b> The current website is Flash based; it needs to be rewritten in HTML5		The anticipated launch date of the new website is sometime in February.





### Strategy Area 5: District Finances

### Status

<b>Continue implementation and monitoring of PI 504 rates and fee changes.</b> (5.1 – Obj. 1)	Ongoing – no funding requirement. Revenues budgeted will be based on current fee schedule.
<b>Continue to seek FAA AIP Grant funding as appropriate</b> and based on need identified in Capital Facility Plans. (5.1 Obj. 1)	Ongoing – grant funds will be included in the FY2015 budget as appropriate.
<b>Review percentages regarding use of public funds.</b> (5.2 Obj. 2)	To be reviewed during budget process.
<b>Review Spending Priorities to assure relevancy.</b> (5.2 Obj. 2)	To be reviewed during budget process.
<b>Clearly define the “operation capabilities” of the District.</b> (5.2 Obj. 2)	Master Plan Topic

### Strategy Area 6: Board Governance

### Status

<b>Plan and fund annual Brown Act training</b> for Board, ACAT and appropriate Staff. (6.1 Obj. 1)	Now that legal counsel is finalized, training will be scheduled. To be completed by end of this fiscal year.
<b>Plan and fund at least two annual Board Staff Workshops.</b> One for Senior Staff and Board and the other for General Staff and Board. (6.2 – Strategic Directive)	A workshop was held in January, a meeting of the Board and all staff will be held this summer – funding will continue in FY2015.
<b>Data Content Management System (CMS) /Website Expansion and Enhancement</b> to enhance business process and transparency. (6.1 Obj 3)	CMS is an ongoing project from FY2014 – a contractor has been retained, installation is in process and training for staff is scheduled for late April. The Website expansion and enhancement project will require funding in FY2015 – it will allow additional business processes to be accomplished via the web and pilot page enhancements.



	<b>Continue to encourage and financially support, where appropriate, staff and Board member participation in local and regional service groups, planning forums, and other community groups. (6.1 Obj. 4)</b>	Ongoing goal – will be funded in the FY2015 budget.
	<b>Fund and newsletter, website, user workshops, and broadcasting of Airport District Board Meetings. (6.1 Obj. 5)</b>	The Pilot Newsletter is now going out regularly. Ongoing goal – will be funded in the FY2015 budget.
	<b>Foster more Board/Staff interaction</b> opportunities both formal and informal (6.2 – Strategic Directive)	Holiday party provided some interaction and the upcoming baseball game will also allow additional interaction. Ongoing goal.
	<b>Review <i>Division of Responsibilities</i> chart for relevancy and currency. (6.2)</b>	This was reviewed by Staff prior to the retreat in January. Once the Master Plan is completed, the Strategic Plan will be updated, and this will be reviewed with the Board.



## SPENDING PRIORITIES REVIEW

Strategy area 5.2 of the Strategic Plan discusses the District's spending priorities. Presented below are the priorities as listed in the Plan for the Board to review.

### Objective 2

The District will apply the following hierarchy of spending priorities when making financial decisions:

- Protect the operational capabilities of the District
- Institute and maintain programs to reduce noise and annoyance
- Pre-fund future expense commitments when those commitments are certain, and it is financially feasible to do so
- Direct community investment will take priority over expenditures that would have an indirect community benefit.

Staff would like the Board to give direction either affirming or changing these priorities, as they directly affect decisions made during the budget process.



## BUDGET ASSUMPTIONS

The focus of this section will be the assumptions to be used in developing the FY2014 budget and presenting information gathered by staff regarding potential expenditures (both capital and operating) for the upcoming year.

### *AIRSIDE REVENUES*

The current budget (FY2014) estimated selling 3% fewer gallons of 100LL and 7% more gallons of JetA as were sold in the prior fiscal year. That amounted to 80,840 gallons of 100LL and 258,616 of Jet A. As of the end of March 2014 (six months into the fiscal year), we have sold 33,040 gallons of 100LL and 117,429 gallons of JetA. The number of gallons of 100LL sold is 15% more than the number sold in the first six months of the prior year. The number of gallons of JetA sold exceeds the gallons sold in the prior year by 58%. As the busier summer season begins, the District will undoubtedly see an increase in fuel sales. At this time, staff recommends budgeting FY2015 starting with the same number of gallons that were sold in the period from July 2013 – June 2014. The number of gallons of 100LL will be increased by 3% and the number of gallons of JetA sold in those months will be increased by 10% to reflect the upward trend of those sales. Sales in the upcoming summer months will be monitored, and if they show reason to adjust this assumption, a change will be proposed.

The other significant Airside Revenue line items are Tiedowns and Transient Use Fees. Both of these categories will be subject to the same evaluation as fuel sales in determining the number of events to include in the budget. The rate structure currently in effect will be used in the budgeting process.

### *HANGARS*

The Consumer Price Index (CPI) increase that is included in the hangar leases is based on the change in the West-B/C (less than 1.5 million in population) for the period from July – June each year. For the period from July of 2013 to February of 2014, the change is an increase of .2% - considering that there are four more months to include in the year, Staff is estimating a CPI increase of .5% for hangar rents – but that will be evaluated based on the change in the index as the budget is prepared. The vacancy factor over the past twelve months (May 2013 – April 2014) has been 8.6%, which is less than the vacancy factor of 12% that was used in the FY2014 budget. In the month of April there were 21 T-hangar vacancies – which equates to a vacancy factor of 9%. For the FY2015 budget, staff proposes a vacancy factor of 10% be included in the budget. Hangar vacancy issues have been studied by staff, with the Board approving



short-term lease of 33% of surplus hangars for non-aeronautical uses at the March board meeting. Those revenues will be included in the FY2015 budget.

#### *OTHER BUSINESS LEASES (OBL) AND WAREHOUSE REVENUES*

A CPI increase of 0.5% will be included in the real estate leases for all tenants (subject to actual change in the index – see discussion of CPI adjustment under Hangars section above). Additional assumptions include:

- Hangar #1 (Sierra Aero) will remain occupied, and their rate will be increased September 1, 2014 to \$1,500 as stated in their lease addendum.
- Hangar #2 will be assumed to remain vacant pending the Hangar #3 decision.
- The deli space lease will be budgeted per their new lease rates. A lease will be reviewed by the board at the April meeting. The deli lease is anticipated to increase by about \$775.

#### *PAYROLL AND EMPLOYEE BENEFITS*

At the July Board meeting, staff will bring a cost of living adjustment to the Board based on the change in the West B/C index for the 12 months ending June 2014 (which will be available in mid-July). If it is approved, the pay scale will be adjusted and the revised rates will be used in the budget. In addition, there will be 3% budgeted for merit increases, to be awarded at the General Manager's discretion, based on performance reviews. The vacancy factor used in the FY2014 budget was one hourly position being open for one-quarter of the year (based on an average hourly rate) and the temporary (snow removal employees) payroll being 25% less than budgeted. The FY2015 budget will assume the same vacancy rate.

The District changed the employee medical coverage program in 2012 – opting to contract for a less robust Anthem/BlueCross plan and cover the balance through self-insurance (keeping District employees with the same level of benefit). There is no way of being certain of “incurred, but not reported” claims; however, since the time of the changeover from Blue Shield, the District has saved a substantial amount. Staff suspects there could be increased costs for next year. This is the first year with the Affordable Care Act changes in place, which could affect the small group pricing structure; however, no information will be available from Anthem on the renewal rates until June 2014. Staff recommends monitoring the situation and including increased funding for employee benefit coverage in FY2015. The Board will be updated on the new rates, when they become available.

The dental policy renews in March, and the budget will include an increase of 7% for dental coverage for the next policy year. The budget will be based on current employee demographics for all insurance plans.



Many other employee benefits are calculated based on payroll dollars. The Workers' Compensation insurance premiums also include an experience factor. The District's modification factor is decreasing from 119% to 90% effective July 1, 2014. That will be included in the calculation of the premium amount.

As of the January 1, 2013, when the Public Employees' Pension Reform Act (PEPRA) became effective, the District now officially has three tiers of pension coverage. The original 2.7%@55 program is still in effect for employees who were hired on or before July 1, 2012. The District's 2<sup>nd</sup> tier program is 2%@60, and it covers any employees hired after July 1, 2012 and before January 1, 2013. Effective January 1, 2013, *new employees* are covered under the 2%@62 program. The key wording is "new employees;" if we hire an employee who was previously a PERS member, they would then be eligible for our 2<sup>nd</sup> tier (2% @60) as opposed to going into the newly created 2% @62 program. The District currently has fourteen members in the 2.7%@55 plan, two in the 2%@60 plan and two in the 2%@62 plan. The employer rates for the plans are shown below:

<b>Payroll period covered</b>	<b>2.7%@55</b>	<b>2%@60</b>	<b>2%@62</b>
July 1, 2013 - June 30, 2014	15.685%	8.049%	6.25%
July 1, 2014 - June 30, 2015	16.691%	8.005%	6.25%
July 1, 2015 - June 30, 2016 (projected)	17.6%	Not available	Not available

The applicable employer contribution rates shown above will be used to calculate pension expense for the FY2015 budget.

Additional funding is anticipated in the Payroll and Benefits area to cover expenses related to the Aviation Orientation and other staff training opportunities. In addition to the Aviation Orientation, other funding being proposed includes: Wildlife Management, Snow Symposium, and Avfuel provided fuel management courses. The Aviation Orientation training will be managed in conjunction with the UNICOM enhancement project.

Staff anticipates completion of the current UNICOM assessment in early May 2014. The Standard Operating Procedure is anticipated to be complete by August 2014. It is widely accepted that integration of a Safety Management System (SMS) will be a large component of the second phase activity (UNICOM enhancement). To consistently train staff and unify service offerings compliant with accepted aviation standards, a consultation agreement or professional services contract from an expert firm such as Tetra Tech or Serco is requested. This industry accepted guidance would allow senior



staff to develop standards of operation, training, aircraft communications and advisory protocols, and certification that would enhance safety first and foremost while defining ourselves as the leader in superior, consistent, and structured UNICOM service offerings.

The training budget will include two annual board/staff workshops; one for senior staff and board and one for all staff and board. The anticipated expense is \$3,000.

Uniforms and safety gear are another benefit included in the benefits section – the budget will include funds to replace the high-visibility jackets for operations and maintenance employees.

***OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES and  
REPAIR AND MAINTENANCE EXPENSES***

Miscellaneous operating expense amounts will be annualized based on current year actual expenses, adjusted for unusual items. An effort will be made to tie expenditures to the strategic plan.

<b>Description</b>	<b>Strategic Area / Objective</b>	<b>Budgetary Factors</b>
ACAT	4.6 / Objective 1-4  1.3 Obj. 1&2 / 2.1 Obj. 1-3 3.3 Obj. 1-2 3.3 Obj. 1 3.3 Obj. 2	ACAT will develop their budget. Staff and ACAT personnel will determine whether the costs ACAT anticipates are expenses or capitalizable, and whether they should appear in the ACAT line item, in the other District Noise Abatement Expenses, or as a capital project. Proposed projects include: UNICOM Enhancement (\$125,000) Night Operations study (\$10,000) Pilot Incentives (\$15,000) Volans / iPad app (\$70,000)
Annoyance Reduction Programs	3.3 / Objective 1-3	The budget will assume the Fly QT program continues in its present form. This line item also includes support for ACAT projects and other Noise Abatement expenses such as the development of a Volans iPad app that would increase awareness and safety.



Description	Strategic Area / Objective	Budgetary Factors
Air Show	3.4 / Objective 2	Staff is recommending that the budget include \$130,000 for an Air Show event in 2015. Final determination will be made after July 12, 2014 Air Show is wrapped up.
Aviation Safety Initiatives	1.3 / Objectives 1-3	The budget will continue funding for aviation safety initiatives such as meetings, education and other projects. Other items contemplated that are safety related include the creation of a Personal Protective Equipment (PPE) safety closet, lighted wind cones in RWY 29 run-up area, \$5,000 to study "mountain-top weather" alternatives and the refurbishment of a used mobile tower from the Arcata airport. Staff is proposing an AAAE based employee training certification incentive program (\$5,000). Some funding will be matched by AAAE.
Communications (phone/radio/internet)	1.1 / Objectives 7	The budget will include funding (estimated at \$42,000) to replace the existing analog radios used by the operations and maintenance staff with digital radios. This will include the replacement of antennas as necessary to allow static-free, safe communications.
Conventions & Conferences	6.2 / Objective 1	Staff will review attendance at conferences and conventions during the current fiscal year and set a budget for the upcoming fiscal year. Inquiries will be made of Directors as to their intentions to attend any events.





Description	Strategic Area / Objective	Budgetary Factors
Directors' Fees and Board Meeting Expenses	6.1 / Objective 1-5  Area 4 – Outreach (related to broadcasting of meetings)	Budget will be based on 18 meetings in the upcoming fiscal year. The current rate for Directors' insurance premiums will be escalated by 10%. The costs related to the broadcasting of the board meetings will be based on current rates.
Employee Relations Expense	4.5 / Objectives 1-3	Staff wants to ensure quality, monthly staff meetings with meaningful engagement of employees to generate ideas and problem solve. Ideally the board will be invited to a summer meeting which will be combined with training on a relevant and appropriate topic (as mentioned above under training); \$4,000 will be included in the budget to accomplish this. In addition, the budget will include \$2,500 in funding to encourage staff and reward them for identifying cost saving measures. Other employee relations expenses will be budgeted based on anticipated events.
Geographic Information System (GIS) Expenses	1.3 / Objectives 1 & 3 3.1 / Objectives 1& 2	GIS expenditures will be funded – with a current estimate of \$45,000 – subject to the number of licenses it is decided the District needs. The GIS will be used to assist pilot and community education and is also integral in the Flight Tracking System capabilities. Staff would like to use expert consultation for construction of exhibit templates and enhanced use of ARC GIS Online.
Homebase Incentive	5.1 and 5.2	The homebasing incentive program will continue in its current form.



Description	Strategic Area / Objective	Budgetary Factors
Insurance - Property - Liability - Elected Officials	5.2 / Objective 2	The current year insurance expense is within the budgeted amounts. The largest premium is related to property coverage, and that policy doesn't renew until July 1. The expense for FY2015 will be based on the policies in place at the time the budget is created and info obtained from insurance brokers.
Office Equipment		Budgeting for office equipment will be done based on analysis of the status of current equipment. PI 501 <i>Technology Infrastructure</i> governs the IT equipment – which is anticipated to be the largest portion of this line item in the upcoming year. An increase is anticipated as the number of devices has increased over the past couple of years. There is also a need to purchase some additional office furniture and items for the public areas. Staff has suggested that a treadmill desk be purchased that could be placed in a common area and used by employees as their work permits.
Operating Supplies		The operating supplies line will be budgeted based on experience and employee input. Replacement of the refrigerator in the Pilot's kitchen is being considered, as well as the purchase of a hand-held battery operated vacuum, various shop tools and cable clamps for hangar doors.



Description	Strategic Area / Objective	Budgetary Factors
Operations Monitoring Expenses	3.3 / Objective 1	This line item includes the cost related to the Wireless Airport Surveillance Platform (WASP) cameras and the Flight Tracking System. The WASP costs will be budgeted based on current rates. Note that in the capital expenditure section, the replacement of WASP system is included.
	3.5 / Objective 1-3	The budget for flight tracking expenses will be broken down into operations (including site leases and subscriptions) and maintenance (including the maintenance fee and other repairs).
	3.5 / Objective 3	ATC Certification Process and Facility Transmitting Authorization process will require funding continuing into FY2015.
Outreach Program	Strategy Area 3.4 / Objective 1 and Strategy Area 4	Detail of the outreach program will be provided in a format similar to the prior year. It will include line items for educational grants, community sponsorships, participation in community block parties, obtaining feedback from airport users, and other outreach. The amount of funding for community sponsorships may be increased due to the increase in requests the District has received.
Professional Services	Accounting/Audit – Strategy Area 5.1	The audit and accounting fees will be budgeted based on the District's contract with providers.



Description	Strategic Area / Objective	Budgetary Factors
Professional Services	Legal / Computer Support / Other	These professional services will be budgeted based on staff's estimate of consultant time. IT Support will be budgeted based on current year levels. Other professional service consultant projects will include:
	Strategy Area 4	The remaining master plan / CEQA fees (\$70,000)
	3.1 / Objective 1 and 3.3 / Objective 1-3	Creation of charted visual arrivals and departures
	3.1 / Objective 3	Surveying of the Alder Hill parcel (\$8,000),
	1.3 / Objective 1-3	Consulting related to the Safety Management System, safety programs organization and branding project (\$125,000),
	1.1 / Objective 2	The creation of a District Lands Title Search Report (\$30,000), and
	6.1 / Objective 3	The expansion of the Data content management system to enhance the website (\$75,000)
	3.4 / Objective 2 & 4	Creation of a Trails Master Plan (\$10,000)
Utilities	1.1 / Objective 7	Utilities will be budgeted based on our experience in the new building. Service providers will be asked about upcoming rate increases. The amount budgeted for Fire Alarm Monitoring/Inspection, which is included in this caption, will be increased by \$10,000 due to 5-year inspections being due on buildings.



Description	Strategic Area / Objective	Budgetary Factors
Equipment and Vehicle Expenses	1.1 / Objective 4 and 7	This includes not only Equipment & Vehicle maintenance expenses, but also the fuel. Estimating diesel usage for plowing is very difficult. Staff will estimate based on current prices and an average of diesel usage over 5 years. Additional anticipated expenses include: the replacement of the hose on the JetA tank in the fuel farm, new tires for one flatbed truck, golf carts and the mules, modification to the tug seat, back-up cameras for vehicles, and truck safety strobes.
Repair and Maintenance - Airfield Equipment, Lights and Signs	1.1 / Objective 1 and 7	Amounts will be based on needs anticipated by the staff. Work is required on the fuel tanks based on the Capital Maintenance Plan - if not completed in FY2014, it will be budgeted in FY2015. Additional funding may be budgeted to provide an enclosure around the self-serve sales terminal to protect customers and the equipment from the weather. There is a need for two taxiway signs at taxiway R.
Repair and Maintenance – Pavement Maintenance and Cracksealing	1.2 / Objectives 1,4 & 7	The revised pavement management program shows \$738,000 in maintenance projects for the summer of 2015. An additional 15% for project management will be included in the budget. This is aside from the \$972K in capital pavement projects, which are included in the next section. The actual work to be performed will be re-evaluated based on the work completed in the summer of 2014.



Description	Strategic Area / Objective	Budgetary Factors
Repair and Maintenance – Facilities	1.1 / Objective 1	Budget will reflect maintenance and repair to buildings based on the Capital Facilities Plan and staff evaluation. Additional funds will be budgeted for maintenance costs related to the HVAC system in the Admin Building (\$25,000), fire alarm maintenance services (\$4,000), terminal landscaping weed barriers (\$5,000), miscellaneous Admin Building items (\$12,000) – to include vents on the Pilot Kitchen door, re-piping of hot water to the deli, installing a water shut-off valve in Hangar #1, replacing the urinal in Hangar #1, installing a glass door/wall to separate UNICOM from the rest of the building, replacing the vinyl floor in the maintenance building, changing the ceiling light fixtures and repainting the UNICOM ceiling.
Land Management	3.2 / Objective 1	The work on the access road will be completed before proceeding with the treatment of more land. Estimate \$80,000 for work to be performed on road. Additional funding is proposed for the work in the Forest Management Plan (\$169,600).

**PROPERTY TAXES – Strategic Plan Element 5.2 – Objective 1**

Property tax revenues will be estimated based upon the property valuations received from the counties in mid-July.



**CAPITAL PROJECTS** – The most significant capital project currently under consideration is Hangar #3, direction on the project will be known before the budget is finalized. Staff believes the project will not be completed in the upcoming fiscal year, so 60% of the amount C & S estimated as construction costs are shown in the table below, the balance would be funded in FY2016. Two of the pavement projects included in the updated pavement management plan for 2015 are capital projects: the removal and reconstruction of pavement at the Jet Ramp and near Hangar Row H, Staff and the District Engineer have determined that FAA funding is unlikely for the projects, as the FAA has placed a priority on runway-related projects. The table below only includes the Jet Ramp reconstruction; the costs shown for that project is taken from the revised Pavement Management Plan update, with a 15% load factor for engineering, design and project management.

The following capital projects are currently being considered by staff:

Description	Strategic Element/Objective	Preliminary Cost Estimate	AIP Eligible / Funding Likely
Construction of Hangar #3 – Alternative I (YEAR 1)	Strategic Directives 2.1 & 2.2 and 3.4 Objective 4	\$1,745,130	N/N
Remove pavement and reconstruct at Jet Ramp	1.1 / Objective 7	\$971,750	Y/N
Plow Truck – See <b>Note A</b>	1.1 / Objective 1	\$430,000	Y/N
Loader - See <b>Note B</b>	1.1 / Objective 1	\$300,000	Y/N
Helipad for Emergency Services (Tahoe City)	3.4 / Objective 4	\$270,000	N/N
Replace 1986 Ford F700 Jet Refueler	1.1 / Objective 1	\$210,350	N/N
Enhancement of Wide Area Multilateration System (Flight Tracking System)	1.1 / Objective 3	\$175,000	N/N
WASP Camera Platform Replacement	3.3 / Objective 1 & 2	\$100,000	N/N
Replace Bald Mountain Beacon	Strategic Directive 1.3	\$100,000	N/N

**Note A** – The project is ready to bid, and Staff will submit it for FAA “end-of-year” funding. Funding may be approved late in the summer of 2014, but purchase would not occur until FY2015. If not funded by the FAA, Staff recommends District funds be expended.



**Note B** – The loader will be handled as the Plow Truck was in the prior year. The specs will be written and it will be submitted for FAA funding in the upcoming year. If it is not funded, Staff will recommend that the District fund it in FY2016.

In addition, any projects currently in process, but not completed by the end of the fiscal year will be carried over into the FY2015 budget. Current projects in this category include the Jet Fuel convault for the Emergency Services Provider and Designing and Permitting of the Multi-purpose Hangar.





## BUDGETING PARAMETERS

In the past, the Board established budgeting parameters, based on percentages of property tax revenues, which staff used as a guideline in creating the budget. Beginning with the formulation of the FY2012 budget, the Board decided that they wanted to be aware of the allocation percentages of property taxes, but did not want to set them up as target parameters. At the July 2011 meeting, various board members stated how they would change the “suggested” allocations, but the decision was made that the Board would prefer not to set target percentages. They did agree that pavement maintenance warranted its own category. The table on the following page shows the percentages for the years from FY2007 – FY2013 (including a 7 year average) and the FY2014 budgeted amounts. The pavement maintenance expense has been broken out in the early years to make the chart comparable.

For reference, the suggested allocation of property taxes presented at the July 2011 Board meeting was as follows:

<b>Area/Program</b>	<b>% of Property Taxes (up to) Suggested</b>
<b>To Fund Operations</b>	20
<b>Pavement Maintenance</b>	10
<b>TTAD Portion of FAA Grant Projects</b>	5
<b>Annoyance Reduction Programs and Community Outreach Project</b>	20
<b>Other Capital Projects</b>	25
<b>Land Purchase / Management</b>	20

The parameters have been “over-arching” over the past fiscal years. Significant transactions in a single year may cause an area or program to exceed its suggested parameter. When reviewing the following table, it must be remembered that budgeted property tax revenues in 2014 are down 3% from what they were in 2008-2009, which affect the resulting percentages of property tax revenues in a given year.



Truckee Tahoe Airport District Historical Usage of Property Tax Revenues Percentage of Annual Property Tax Revenues Used by Area/Program									
Area/Program	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Seven Year Average	2013-2014 Budget
<b>(Gain) Loss from Operations</b>	6	(4)	10	2	8	17 (includes relo exp of 5%)	10	7.0	34 <b>(See Note A)</b>
<b>Related to Pavement Maintenance</b>	0	1	0	1	10	34	15	8.7	16
<b>TTAD Portion of FAA Grant Projects</b>	0	0	0	1	.5	7	1	1.4	1
<b>Annoyance Reduction Programs and Community Outreach Project</b>	10	11	10	8	12	17	24	13.1	28
<b>Other Capital Projects</b>	6	3	8	43	114	45	2	31.6	34
<b>Land Purchase / Management</b>	0	145	13	6	43	20	1	32.6	7
<b>Other (Income)/Expense</b>	(12)	(8)	(4)	(2)	(1.5)	(2)	(1)	(4.4)	(1)
<b>Increase (Decrease) to Unrestricted Net Assets</b>	90	(48)	63	41	(86)	(38)	48	10.0	(19)
<b>Total</b>	100	100	100	100	100	100	100	100	100

**Note A** – The FY2014 budgeted operating expenses include \$500,859 (11% of budgeted property taxes) for expenses related to the work outlined in the Capital Facilities Plan, amounts related to the Master Plan, website development, aviation consulting and operations monitoring expenses that exceed the amount incurred in prior years.

## Dream List - 2014 Update

Project	Expenditure	Revenue	Notes
<b>Outreach</b>			
1 Air Fair Funding	120,000/year	25,000 to 35,000	All revenue is for local non-profits
2 STEM Progarm - Education	200,000/year	0	Fund a science teacher in schools promote and excite children about aerospace studies
3 Enhanced ARFF Program (Truck & Training)	450,000	0	Complete
4 Residential Sound Insullation Program	100,000	0	May decrease annoyance for neighborhoods close to airport.
5 Community Composting Facility	50,000	?	Provide an area and basic facilities for composting
6 Open Space Endowment	50,000+	depends on return	Interesting idea but not currently under consideration
<b>Airfield Maintenance and Operations</b>			
7 Pavement Maintenance Program CFP	500,000 per year	0	500,000 rolling average
8 Utilities CFP	50,000	0	Study to be completed FY2014
9 Structures CFP	75,000 to 300,000 per year	0	Study Complete
10 Complete Master Plan	60,000 to 100,000		Includes CEQA and other out of Scope of Work items
11 Safety Management System	125000	other benefits	Underway and included in Budget
<b>Land Acquisitions/Development</b>			
12 Old Town Corp Yard	2,200,000	minimal	Currently not being considedet
13 Canyon Springs	?	0	District could participate as a partner in larger community acquisition
14 Alder Hill	1,500,000	0	Site of Alder Hill Beacon. 122 Acres
15 SPI/East West Partners Property - Brockway Summit	?	0	District would likely be partner in larger community acquisition
16 Airport Flats	?	0	Property could become available north of airport on an individual lot basis
17 Martis Valley Estates - Home Acquisitions	?	0	Has been discussed in past. Not popular per Master Plan Comments
18 Land Lease - Clear Capital	25000	150,000 to 300,000 per year	Requires 8 to 10 Acres of airport property encumbered for 20 to 40 years
19 Sell North 40 to TTSA	0	?	
20 Develop north 40 or other property into Bus. Park	?	?	
21 Community Storage Facility (containers)	75000	10,000 per year	Pave a pad and allow local groups to store a shipping containier
<b>Airfield Construction</b>			
22 New Row (5) Box/Executive Hangars	1750000 (BFG)	72000 per year	Revenue from 5 new box hangars
23 Hangar III - Overnight/Event Hagar	2,000,000 to 3,200,000	100,000 to 300,000 per year	Under Consideration and Study
24 Widen and extend runway 2/20	7,000,000 (BFG)	0	Under Study in Master Plan
25 Control Tower (seasonal or permanent)	100,000 to 9,000,000	0	Additional costs to staff are estimated at 25,000 per month
26 Allow private land leasing	minimal	?	Still under consideration
27 Forest Management Program	90,000 per year average	0	Project Complete and Underway
28 Shade Hangers	450,000	15,000 to 20,000/year	12 aircraft shade hangar (175 per month for 6 and 6 at 20 per night for transients)
29 Additional Remote EMS Helipads	300,000 each	0	May be desire to construct more in Kings Beach, Tahoma, Donner Summit
<b>Recreation</b>			
30 Airport Trail System	1,000,000 to 5,000,000		Basic Trails Master Plan is included in the Budget (10,000)
31 land for Museum, library etc.	land	minimal	Set aside land for non-profit and/or community use
32 Airport Camp Ground	150000	minimal	Could construct 8 to 10 campsites at the approach end of 11 or at soar truckee
<b>Equipment</b>			
33 Replace Oshkosh Plow Truck	500000	0	Seeking FAA funding for this equipment
34 Chemical De-icing system	150,000 to 350,000	?	Hangar 3 is a more likely candidtate to assist with de-icing
35 Remote Communication Outlet	0	0	Has to be FAA facility - funded and constructed by FAA
36 Surveillance - MLAT Certification & Expansion	250,000	0	Significant safety benefit