

Technical Memorandum

To: Kevin Smith, General Manager

From: Catherine Hansford

Date: August 17, 2018

Subject: TTAD Budget Forecast Update

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. This forecast has been prepared for the Board of Directors (Board) meeting August 22, 2018; it is an update of a forecast previously prepared in March 2018.

Major changes made to the forecast since March are summarized here:

- The March forecast was based on the 2018 approved budget. This forecast is based on actual revenues and expenses for the first six months of the 2018 fiscal year plus the last six months of last fiscal year as a proxy for the second half of 2018.
- Capital projects have been revised based on expenditures to date for the first half of the fiscal year and best estimates for the remainder of 2018. Some capital projects have been moved to 2019.
- Major infrastructure projects and associated costs have changed. The Air Traffic Control Tower project has been removed as it is now slated for 2024, outside of this five-year projection. Cost estimates for Hangar 2 have increased. The Hangar 1 office building, Super T's and administrative building expansion have been added.
- Forecast revenues have increased through the 5-year period. This is primarily driven by an adjustment to the aviation and jet fuel sales from annual increases of 2.5% and 5.0%, respectively, to 5.0% and 10.0%, respectively.
- Forecast operating expenses are also projected higher than in March. The major operating cost increase is for airfield pavement; FAA grant revenue will offset a portion of this cost. Several other smaller operating costs combined comprise the remaining cost increases (examples of larger items include water system updates and hangar maintenance costs).

- Reconciliation of revenues and expenses from 2017 resulted in a decrease in beginning fund balance for fiscal year 2018 from \$10 million to \$9 million.

Budget Forecast

Table 1 summarizes the base projection of the five-year budget forecast, which is built on several assumptions outlined in this memorandum, including construction of all major infrastructure projects (Hangar 2, Super Ts, Administrative Building Expansion).

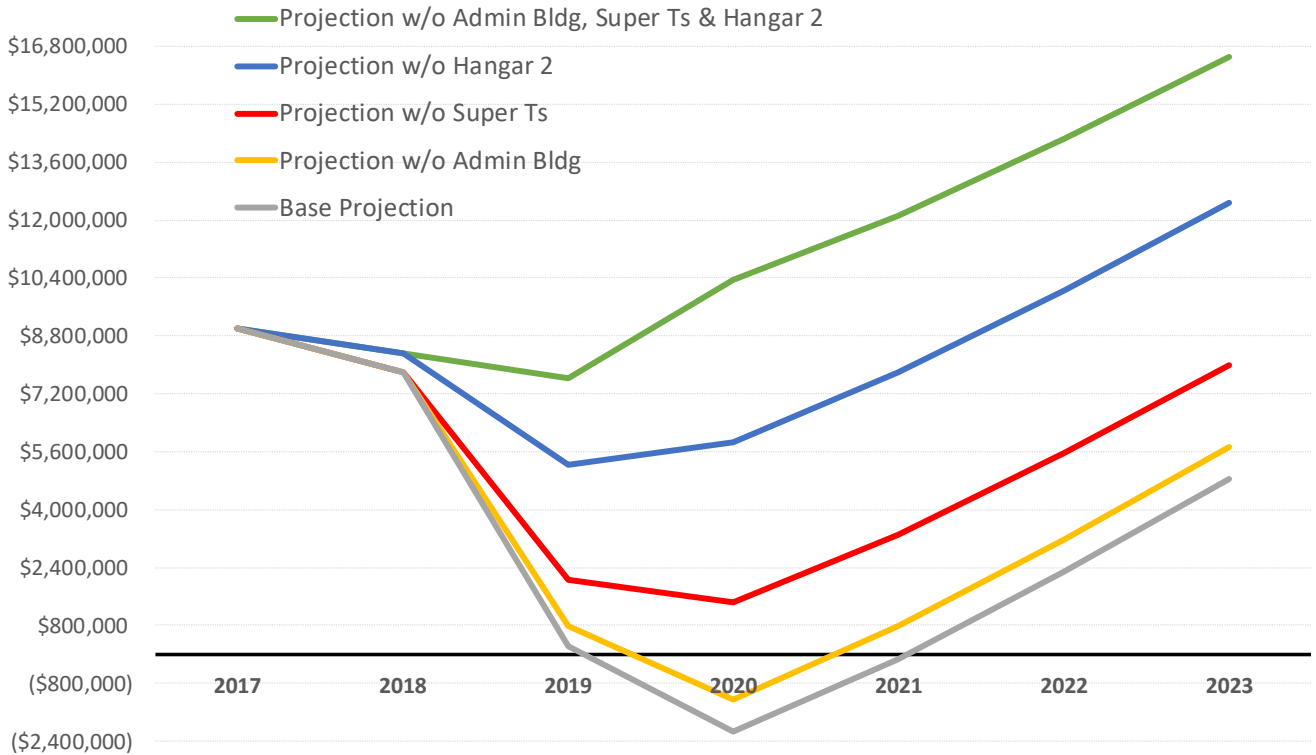
The District is projected to end the year with an unrestricted fund balance of \$7.80 million (shown as the beginning balance for 2019 in **Table 1**). A negative balance is projected to occur fiscal years 2020 and 2021 if all major infrastructure projects proceed; however, the fund balance is projected to recover to approximately \$4.83 million by the end of fiscal year 2023. This shows a need for short-term borrowing if the Board proceeds with all major infrastructure projects; alternatively, the construction of an infrastructure project could be delayed.

Table 1
Forecast Summary

Revenues and Expenses	Fiscal Year (January - December)				
	2019	2020	2021	2022	2023
Revenues					
Operating Revenue	\$6,594,401	\$7,102,354	\$7,592,530	\$8,100,786	\$8,595,795
Non-Operating Revenues	\$9,286,916	\$8,011,059	\$8,951,351	\$11,708,609	\$9,583,696
Total Revenues	\$15,881,317	\$15,113,414	\$16,543,881	\$19,809,395	\$18,179,490
Expenses					
Operating Expenses	\$10,685,555	\$10,810,455	\$10,961,493	\$11,274,886	\$11,780,704
Non-Operating Expenses	\$4,602,372	\$1,474,599	\$3,561,693	\$6,127,834	\$3,849,716
Total Expenses	\$15,287,927	\$12,285,054	\$14,523,186	\$17,402,720	\$15,630,420
Net Income	\$593,390	\$2,828,360	\$2,020,695	\$2,406,675	\$2,549,070
Beginning Unrestricted Fund Balance	\$7,803,102	\$225,492	(\$2,146,148)	(\$125,453)	\$2,281,221
Net Income	\$593,390	\$2,828,360	\$2,020,695	\$2,406,675	\$2,549,070
Capital Expenditures	(\$8,171,000)	(\$5,200,000)	\$0	\$0	\$0
Ending Unrestricted Fund Balance	\$225,492	(\$2,146,148)	(\$125,453)	\$2,281,221	\$4,830,291

Figure 1 on the following page shows the projected ending unrestricted cash balance under five scenarios: (1) Base projection, (2) Projection without Hangar 2, (3) Projection without Administrative Building Expansion, (4) Projection without Super T Hangars, and (5) Projection without Administrative Building Expansion, Super T Hangars, and Hangar 2.

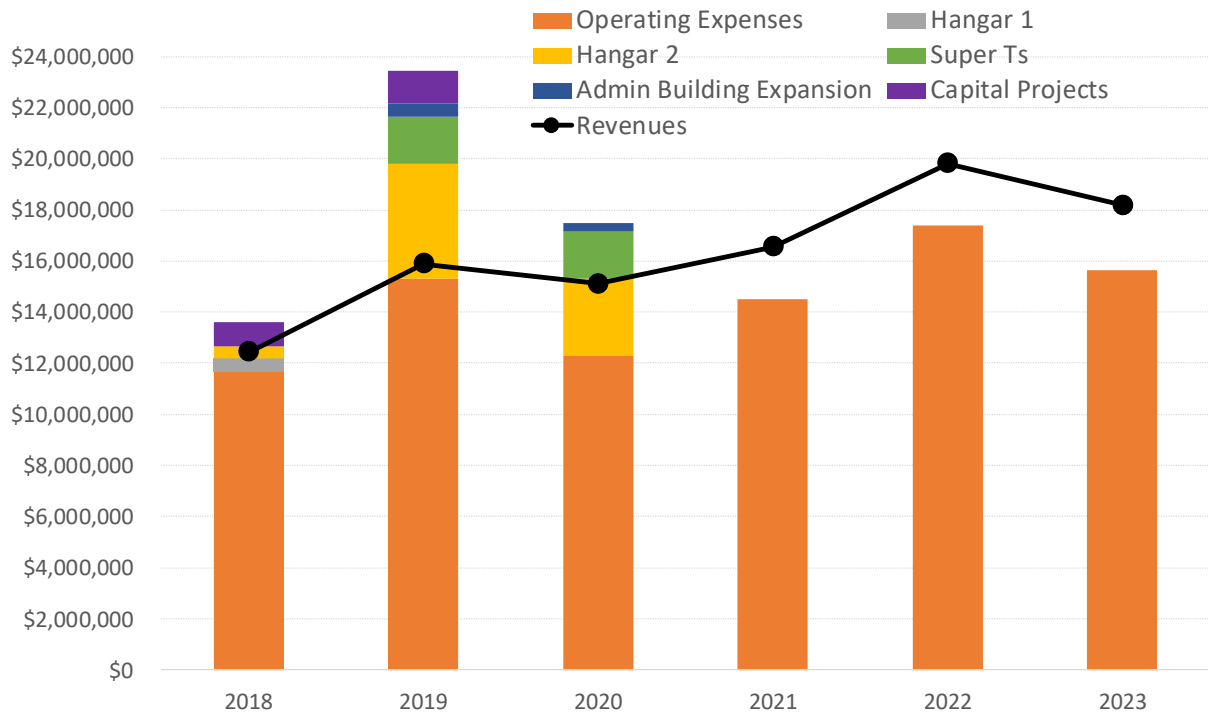
Figure 1
Projected Unrestricted Cash Balances



Attachment A provides supporting tables for the forecast. All tables show the base projection (all major infrastructure projects completed).

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 purple 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 best estimates of 2018 income and spending, historical changes in income and spending, and discussion with TTAD staff. Key assumptions included in the base projection that are subject to change include:

- **Hangar 2:** Spending of \$500,000 in 2018 (design and other soft costs), \$4.5 million in 2019 and \$3.0 million in 2020 (construction costs).
- **Administrative Office Buildings:** Spending of \$550,000 in 2019, and \$350,000 in 2020 for additional restaurant space and other improvements. In addition, the Hangar 1 office building is estimated to be completed in 2018 at an approximate cost of \$500,000 (Hangar 1 was omitted from the March forecast).
- **Super T Hangars:** A total estimated cost of \$3.7 million is split evenly between calendar years 2019 and 2020 for construction of 12 new hangars.
- **FAA Grants:** Federal grants can vary widely from year to year but typically are between \$500,000 and \$2.0 million. The budget forecast assumes at least \$1.00 million grant funding each year; however, the 2018 grant will not be realized until 2019; therefore, the 2018 grant amount is \$130,000 and the 2019 grant amount is

\$2.6 million. The amount of FAA funding included in the forecast is commensurate with the estimated quantity 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 estimate includes \$1.15 million for several community/agency partnerships, with \$1.0 million of the total for workforce housing initiatives and general agency partnerships. The forecast increases or holds spending levels as agreed to in contracts with community partners including the Boys and Girls club, Reno Air Service Corp, Excellence in Education and other partners. Over the next five years, \$6.64 million is included in the forecast for community/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 stay below \$300,000 per year, with the exception of 2019, during which year there is an addition \$300,000 forecast for air traffic control tower planning costs and the solar feasibility study.
- **Facilities Maintenance Costs:** Estimates of facilities maintenance costs include some significant hangar roof repairs in 2019, and inflationary cost increases to maintain the terminal building, new hangars, the airfield, and other ancillary buildings. 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 primarily 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

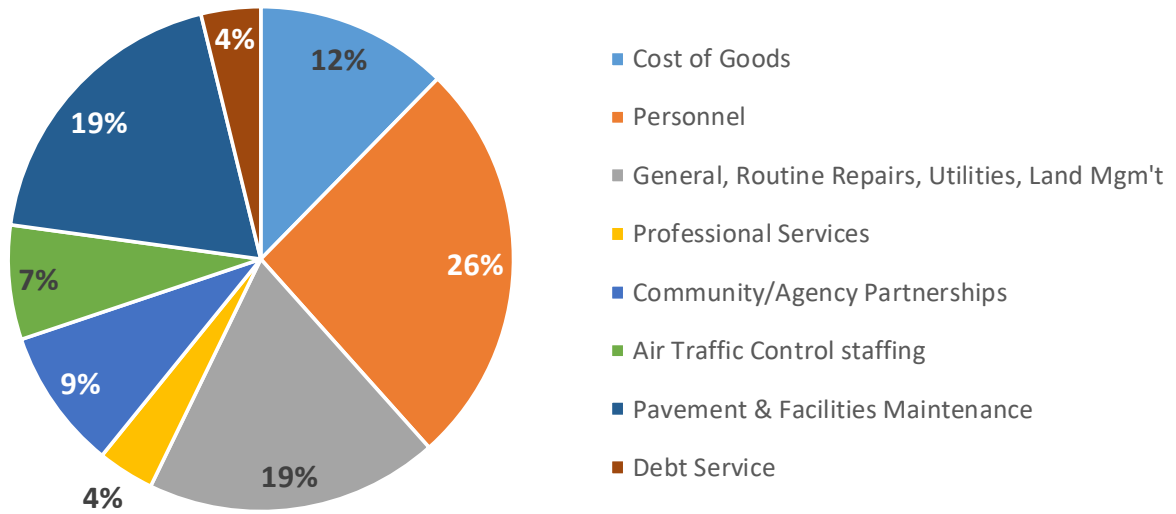
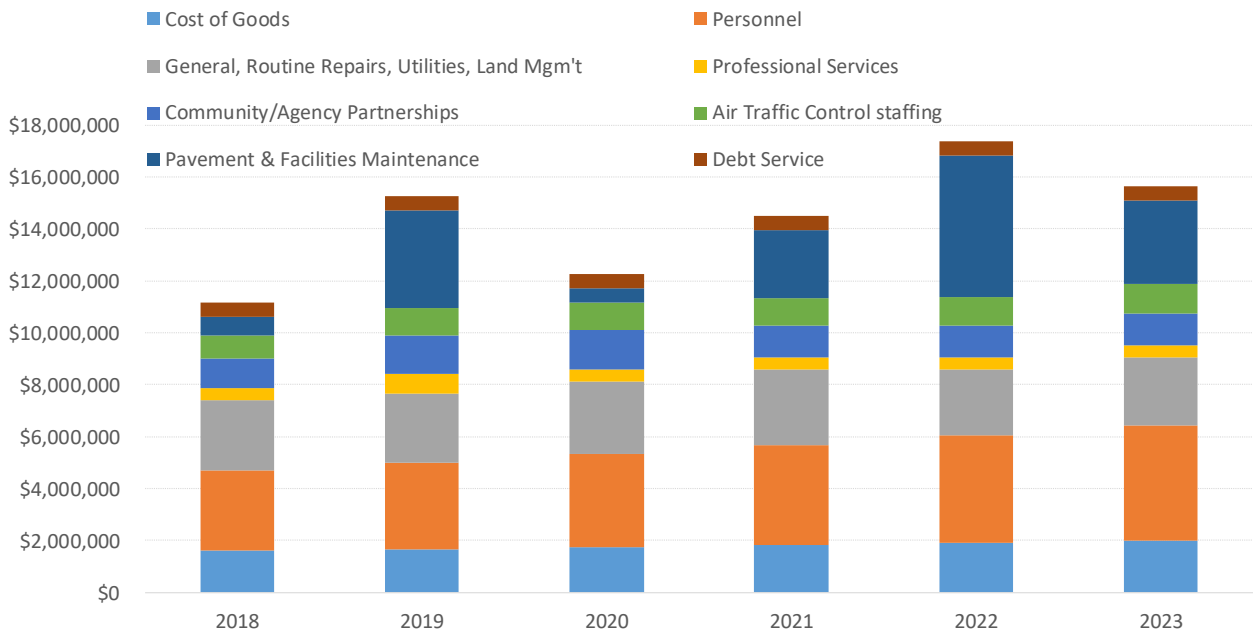


Figure 4
Annual Projection of Expenditures



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 were increased by 10.0% per year. Aviation fuel sales, transient use fees, 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

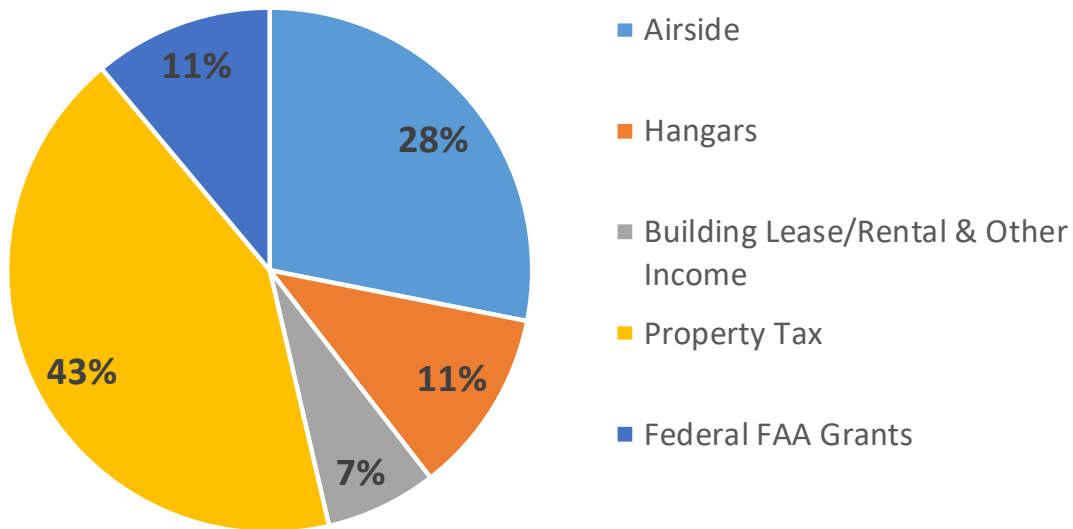
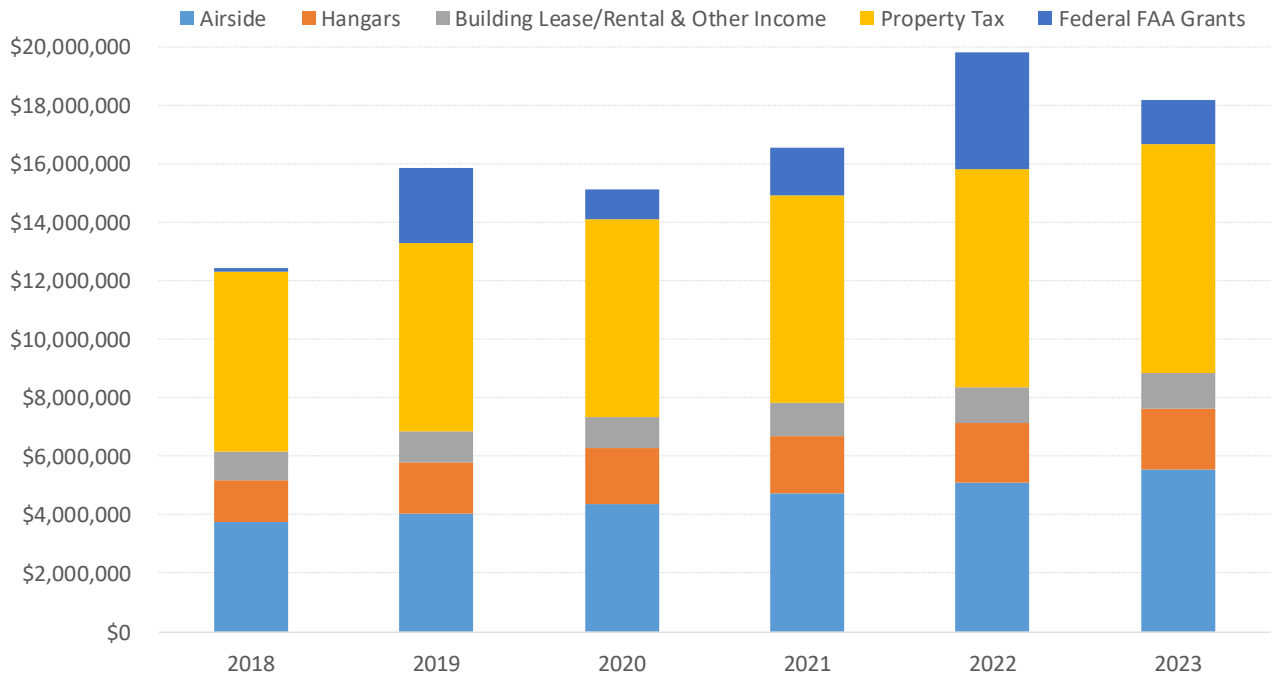


Table A-10 shows the prior three years' revenue by line item. The 2017 operating revenues were revised upwards from the March projection. Operating revenues increased by 10.76% on average each year. With the exception of 2019, in which year revenues are projected to increase by 11.35% due to rent from the new executive hangars, operating revenues are projected to increase 6.11% to 7.70% each year.

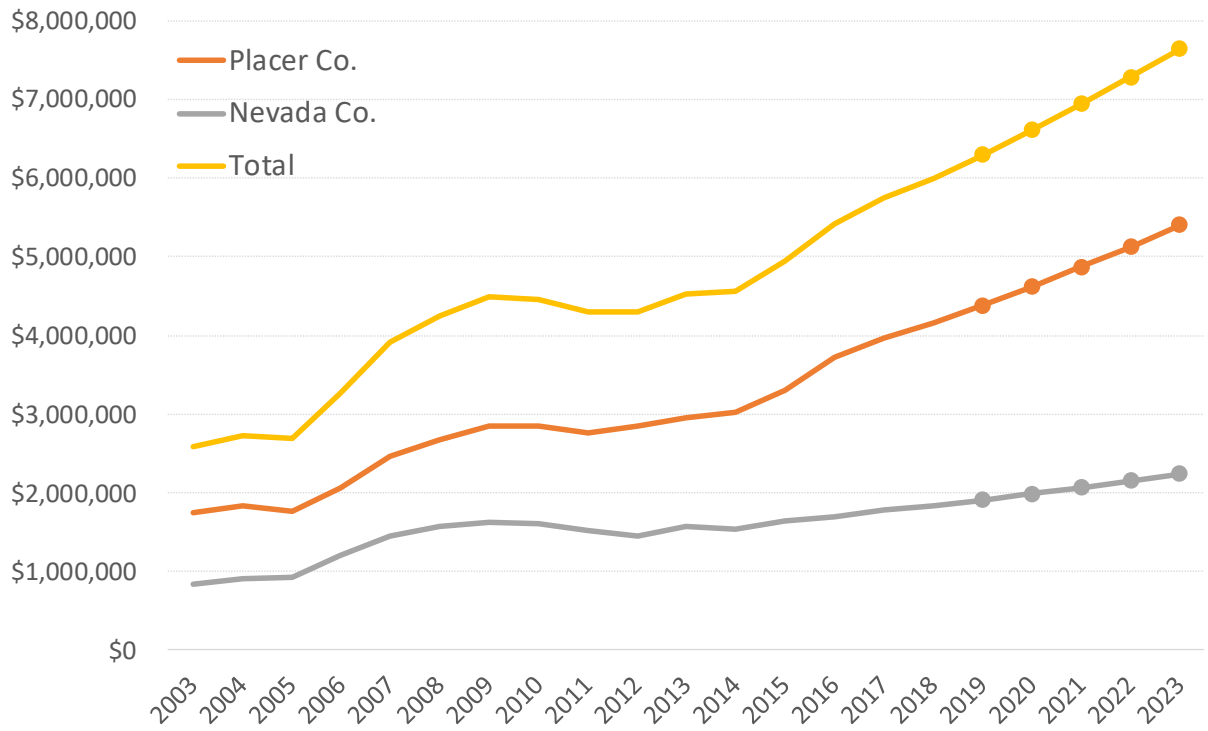
Figure 6
Projected Annual Revenue Sources



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

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Revenues and Expenses	Fiscal Year (January - December)					
	2018	2019	2020	2021	2022	2023
REVENUES						
Operating Revenues						
Airside	\$3,746,985	\$4,045,610	\$4,370,856	\$4,725,238	\$5,111,513	\$5,532,707
Hangar Rental Income	\$1,419,525	\$1,756,217	\$1,921,386	\$1,970,748	\$2,021,410	\$2,073,408
Other Business Income	\$531,645	\$564,936	\$579,060	\$662,026	\$729,827	\$748,073
Warehouse Income	\$224,274	\$227,638	\$231,053	\$234,518	\$238,036	\$241,607
Subtotal Operating Revenues	\$5,922,429	\$6,594,401	\$7,102,354	\$7,592,530	\$8,100,786	\$8,595,795
Non-Operating Revenues						
Property Tax	\$6,138,939	\$6,442,929	\$6,762,193	\$7,097,507	\$7,449,688	\$7,819,596
Interest & Miscellaneous [1]	\$239,203	\$243,987	\$248,867	\$253,844	\$258,921	\$264,099
FAA Grant Revenues	\$130,000	\$2,600,000	\$1,000,000	\$1,600,000	\$4,000,000	\$1,500,000
Subtotal Non-Operating Revenues	\$6,508,142	\$9,286,916	\$8,011,059	\$8,951,351	\$11,708,609	\$9,583,696
TOTAL REVENUES	\$12,430,571	\$15,881,317	\$15,113,414	\$16,543,881	\$19,809,395	\$18,179,490
EXPENSES						
Operating Expenses						
Cost of Goods Sold	\$1,588,717	\$1,658,283	\$1,731,081	\$1,807,267	\$1,887,002	\$1,970,458
Payroll and Employee Benefits	\$3,100,764	\$3,333,930	\$3,585,600	\$3,857,290	\$4,150,644	\$4,467,444
Operating, General & Administrative Expenses	\$4,670,934	\$5,539,842	\$5,336,691	\$5,136,187	\$5,072,738	\$5,174,457
Repairs and Maintenance (Routine)	\$150,000	\$153,500	\$157,083	\$160,749	\$164,503	\$168,345
Subtotal Operating Expenses	\$9,510,415	\$10,685,555	\$10,810,455	\$10,961,493	\$11,274,886	\$11,780,704
Non-Operating Expenses						
Gain (Loss) on Disposal of Assets	\$516,238	\$0	\$0	\$0	\$0	\$0
Debt Service	\$548,816	\$548,816	\$548,816	\$548,816	\$548,816	\$548,816
Pavement Maintenance	\$160,000	\$2,943,395	\$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	\$861,628	\$510,452	\$559,391	\$633,533	\$653,421
Utility Infrastructure Maintenance	\$0	\$57,658	\$107,658	\$7,658	\$7,658	\$7,658
Subtotal Non-Operating Expenses	\$2,167,054	\$4,602,372	\$1,474,599	\$3,561,693	\$6,127,834	\$3,849,716
TOTAL EXPENSES	\$11,677,469	\$15,287,927	\$12,285,054	\$14,523,186	\$17,402,720	\$15,630,420
NET INCOME	\$753,102	\$593,390	\$2,828,360	\$2,020,695	\$2,406,675	\$2,549,070
Beginning Unrestricted Fund Balance						
Beginning Unrestricted Fund Balance	\$9,000,000	\$7,803,102	\$225,492	(\$2,146,148)	(\$125,453)	\$2,281,221
Net Income	\$753,102	\$593,390	\$2,828,360	\$2,020,695	\$2,406,675	\$2,549,070
Bond Proceeds	\$7,800,000	\$0	\$0	\$0	\$0	\$0
Executive Hangars	(\$7,800,000)	\$0	\$0	\$0	\$0	\$0
Hangar 1 Office Building	(\$500,000)	\$0	\$0	\$0	\$0	\$0
Hangar 2	(\$500,000)	(\$4,500,000)	(\$3,000,000)	\$0	\$0	\$0
Super Ts Hangar Row	\$0	(\$1,850,000)	(\$1,850,000)	\$0	\$0	\$0
Admin Building Expansion	\$0	(\$550,000)	(\$350,000)	\$0	\$0	\$0
Capital Projects	(\$950,000)	(\$1,271,000)	\$0	\$0	\$0	\$0
Ending Unrestricted Fund Balance	\$7,803,102	\$225,492	(\$2,146,148)	(\$125,453)	\$2,281,221	\$4,830,291

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
Budgeted Capital Expenditures Fiscal Years 2018 and 2019

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Fiscal Year 2018 Capital Expenses	Budgeted Cost	
	FY 2018	FY 2019
Capitalized Grant Projects	\$150,000	\$800,000
Aircraft-Cessna 172	\$515,000	\$0
ADS-B (Automatic Dependent Surveillance-Broadcast)	\$75,000	\$175,000
100LL Truck	\$60,000	\$0
Sign at 267	\$0	\$15,000
Sidewalk at 267/Airport Rd	\$0	\$45,000
Alder Hill Tower	\$150,000	\$0
New Loader	\$0	\$236,000
Total Capital Expenses	\$950,000	\$1,271,000

Source: Truckee Tahoe Airport District.

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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

[1] 2017 figures in table are estimates for 12 months Jan-Dec 2017.

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	Base 2018	Fiscal Year (January - December)				
			2019	2020	2021	2022	2023
Cost of Goods Sold							
Aviation Fuel Cost - 100 LL	2.5%	\$389,107	\$398,835	\$408,806	\$419,026	\$429,501	\$440,239
Jet Fuel & Prist Cost	5.0%	\$1,193,941	\$1,253,638	\$1,316,320	\$1,382,136	\$1,451,243	\$1,523,805
Oil and Lubricant Cost	2.5%	\$1,522	\$1,560	\$1,599	\$1,639	\$1,680	\$1,722
Merchandise Purchases	2.5%	\$4,147	\$4,251	\$4,357	\$4,466	\$4,578	\$4,692
Inventory Shrinkage	0.0%	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cost of Goods Sold		\$1,588,717	\$1,658,283	\$1,731,081	\$1,807,267	\$1,887,002	\$1,970,458
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%	\$400,000	\$440,000	\$484,000	\$532,400	\$585,640	\$644,204
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%	\$57,390	\$60,260	\$63,272	\$66,436	\$69,758	\$73,246
Training, Education and Other	2.0%	\$108,364	\$110,531	\$112,742	\$114,997	\$117,297	\$119,643
Total Payroll and Employee Benefits		\$3,100,764	\$3,333,930	\$3,585,600	\$3,857,290	\$4,150,644	\$4,467,444
Operating, General & Administrative Expenses							
ACAT	2.5%	\$25,873	\$26,520	\$27,183	\$27,862	\$28,559	\$29,273
Fly QT Program	2.5%	\$127,709	\$130,902	\$134,174	\$137,529	\$140,967	\$144,491
Accidents and Damage	2.0%	\$500	\$510	\$520	\$531	\$541	\$552
Access Control	2.0%	\$32,469	\$33,118	\$33,781	\$34,456	\$35,145	\$35,848
Airshow	3.0%	\$241,305	\$248,544	\$256,000	\$263,680	\$271,591	\$279,739
Aviation Safety Initiatives	2.0%	\$73,114	\$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%	\$59,819	\$61,015	\$62,236	\$63,480	\$64,750	\$66,045
Conventions, Conferences	2.0%	\$15,424	\$15,732	\$16,047	\$16,368	\$16,695	\$17,029
County Support	2.0%	\$0	\$0	\$0	\$0	\$0	\$0
Credit Card Fees & Finance Charges	2.0%	\$101,666	\$103,699	\$105,773	\$107,889	\$110,047	\$112,247
Directors' Fees & Expenses	2.0%	\$81,884	\$83,522	\$85,192	\$86,896	\$88,634	\$90,407
Dues & Subscriptions	2.0%	\$25,072	\$35,573	\$36,285	\$37,011	\$37,751	\$38,506
Election Expense	2.0%	\$35	\$36	\$36	\$37	\$38	\$39
Employee Relations Activities	2.0%	\$20,891	\$25,000	\$25,500	\$26,010	\$26,530	\$27,061
Employment Expense	2.0%	\$5,926	\$6,045	\$6,165	\$6,289	\$6,414	\$6,543
Equipment Rental	2.0%	\$43,547	\$44,418	\$45,306	\$46,212	\$47,137	\$48,079
Geographic Information System	2.0%	\$15,917	\$16,235	\$16,560	\$16,891	\$17,229	\$17,574
Grounds Maintenance/Landscaping	2.0%	\$8,188	\$8,352	\$8,519	\$8,689	\$8,863	\$9,040
Homebasing Incentive	2.5%	\$85,445	\$87,581	\$89,771	\$92,015	\$94,315	\$96,673
Insurance	2.0%	\$96,342	\$98,269	\$100,234	\$102,239	\$104,284	\$106,369
Library & Reference Materials	2.0%	\$100	\$102	\$104	\$106	\$108	\$110
Office Equipment	2.0%	\$54,772	\$55,867	\$56,985	\$58,124	\$59,287	\$60,473
Office Supplies	2.0%	\$19,050	\$19,431	\$19,820	\$20,216	\$20,620	\$21,033
Operating Supplies, Small Tools, Janitorial	2.0%	\$189,428	\$193,217	\$197,081	\$201,023	\$205,043	\$209,144
Operations Monitoring Expenses [1]	2.0%	\$278,056	\$283,617	\$289,289	\$295,075	\$135,304	\$138,010
Permits, Licenses & Fees	2.0%	\$6,957	\$7,096	\$7,238	\$7,383	\$7,530	\$7,681
Postage, Freight & Delivery	2.0%	\$2,415	\$2,463	\$2,513	\$2,563	\$2,614	\$2,666
Printing, Copying, Publication of Legal	2.0%	\$2,883	\$2,941	\$2,999	\$3,059	\$3,121	\$3,183
Professional Services							
Accounting & Auditing	2.0%	\$21,000	\$21,420	\$21,848	\$22,285	\$22,731	\$23,186
Legal	2.0%	\$77,906	\$79,464	\$81,053	\$82,674	\$84,328	\$86,015
Computer Support	2.0%	\$81,583	\$83,215	\$84,879	\$86,577	\$88,308	\$90,074

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

DRAFT

Expenses	Annual Increase	Base 2018	Fiscal Year (January - December)				
			2019	2020	2021	2022	2023
Other Professional							
Lobbyist for Air Traffic Control Tower	2.0%	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122	\$55,204
Air Traffic Control Tower Planning Costs	0.0%	\$0	\$200,000	\$0	\$0	\$0	\$0
Greenhouse Gas Reduction Initiatives	2.0%	\$100,000	\$102,000	\$104,040	\$106,121	\$108,243	\$110,408
Solar Feasibility Studies /Soft Costs	one-time	\$0	\$100,000	\$0	\$0	\$0	\$0
Art Exhibit Coordinator	2.0%	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495	\$6,624
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	2.0%	\$100,000	\$102,000	\$104,040	\$106,121	\$108,243	\$110,408
Subtotal Other Professional		\$311,000	\$566,220	\$271,544	\$276,975	\$282,515	\$288,165
Engineering	2.0%	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122	\$55,204
Fiscal Analyst - Sustainability	2.0%	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122
Public Relations - Outreach							
Consulting	2.0%	\$45,000	\$45,900	\$46,818	\$47,754	\$48,709	\$49,684
Internet, Print, Broadcast & Direct Mail	2.0%	\$89,544	\$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	0.0%	\$45,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Hwy 267 Bus Route	2.0%	\$65,000	\$66,300	\$67,626	\$68,979	\$70,358	\$71,765
Excellence in Education	2.0%	\$8,500	\$8,670	\$8,843	\$9,020	\$9,201	\$9,385
Reno Air Service Corp	0.0%	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
TNT TMA for NLT Express	0.0%	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Bike Share Program	2.0%	\$18,000	\$36,000	\$36,720	\$37,454	\$38,203	\$38,968
Workforce Housing Project	one-time	\$0	\$300,000	\$300,000	\$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		\$1,150,000	\$1,504,470	\$1,506,689	\$1,208,953	\$1,211,262	\$1,213,617
Pilot Outreach	2.0%	\$82,249	\$83,894	\$85,572	\$87,283	\$89,029	\$90,810
Promotional Items	2.0%	\$5,000	\$5,100	\$5,202	\$5,306	\$5,412	\$5,520
Travel	2.0%	\$75	\$77	\$78	\$80	\$81	\$83
Utilities	5.0%	\$187,690	\$197,075	\$206,928	\$217,275	\$228,138	\$239,545
Other (Income) Expense	2.0%	\$0	\$0	\$0	\$0	\$0	\$0
Air Traffic Control Staffing	3.0%	\$850,000	\$1,030,000	\$1,060,900	\$1,092,727	\$1,125,509	\$1,159,274
Total Operating, General & Administrative		\$4,670,934	\$5,539,842	\$5,336,691	\$5,136,187	\$5,072,738	\$5,174,457
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%	\$35,000	\$35,700	\$36,414	\$37,142	\$37,885	\$38,643
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		\$150,000	\$153,500	\$157,083	\$160,749	\$164,503	\$168,345
Non-Operating Expenses							
Gain (Loss) on Disposal of Assets	0.0%	\$516,238	\$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	\$160,000	\$2,943,395	\$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	\$861,628	\$510,452	\$559,391	\$633,533	\$653,421
Utility Infrastructure Maintenance	Table A-8	\$0	\$57,658	\$107,658	\$7,658	\$7,658	\$7,658
Subtotal Non-Operating Expenses		\$2,167,054	\$4,602,372	\$1,474,599	\$3,561,693	\$6,127,834	\$3,849,716
TOTAL EXPENSES		\$11,677,469	\$15,287,927	\$12,285,054	\$14,523,186	\$17,402,720	\$15,630,420

Source: Truckee Tahoe Airport District and HEC.

exp proj

[1] Per ADS-B mandate.

**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	\$2,130,000	\$1,600,000		\$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 Taxiilane 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	\$9,495,000	\$2,408,000	\$60,000	\$1,587,000	\$3,606,000	\$1,834,000
Total Pavement Maintenance Items - 2018 \$s [1]	\$11,252,859	\$2,853,806	\$71,108	\$1,880,810	\$4,273,598	\$2,173,538
Total Estimated Costs - Inflated \$s [2]	\$12,455,450	\$2,943,395	\$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 Forest & Lands 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	\$2,141,114	\$700,000	\$343,750	\$354,541	\$365,671	\$377,151
Other Business Buildings	\$42,592	\$8,000	\$8,251	\$8,510	\$8,777	\$9,053
Warehouse	\$159,718	\$30,000	\$30,942	\$31,913	\$32,915	\$33,948
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]	\$2,891,789	\$841,000	\$489,176	\$504,533	\$520,372	\$536,708
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
Super T Hangars Maintenance [4]	\$50,939	\$0	\$0	\$16,457	\$16,974	\$17,507
Air Traffic Control Tower	\$27,455	\$5,157	\$5,319	\$5,486	\$5,658	\$5,836
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	\$326,636	\$20,628	\$21,275	\$54,858	\$113,161	\$116,713
Total Estimated Facilities Maintenance Costs - Inflated \$s	\$3,218,425	\$861,628	\$510,452	\$559,391	\$633,533	\$653,421

Source: Truckee Tahoe Airport District and HEC.

fac5

[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] Hangars estimated at \$15,000 per year 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
Utilities Maintenance (per 2014 Plan)	\$35,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Utilities Maintenance Items - 2018 \$s [1]	\$38,290	\$7,658	\$7,658	\$7,658	\$7,658	\$7,658
Water System Plan	\$50,000	\$50,000	\$0	\$0	\$0	\$0
Water System Upgrades	\$100,000	\$0	\$100,000	\$0	\$0	\$0
Total Estimated Utilities Costs - Inflated \$s [2]	\$188,290	\$57,658	\$107,658	\$7,658	\$7,658	\$7,658

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	Estimate 2018	Fiscal Year (January - December)				
			2019	2020	2021	2022	2023
Operating Revenues							
Airside							
Aviation Fuel Sales	5.0%	\$495,055	\$519,808	\$545,798	\$573,088	\$601,742	\$631,830
Jet Fuel Sales	10.0%	\$2,374,220	\$2,611,642	\$2,872,806	\$3,160,087	\$3,476,096	\$3,823,705
Auto Parking	2.5%	\$72,595	\$74,410	\$76,270	\$78,177	\$80,131	\$82,135
Oil Sales	2.5%	\$2,069	\$2,121	\$2,174	\$2,228	\$2,284	\$2,341
Tiedowns	2.5%	\$104,188	\$106,793	\$109,463	\$112,199	\$115,004	\$117,879
Transient Use Fees	5.0%	\$584,419	\$613,640	\$644,322	\$676,538	\$710,365	\$745,883
Merchandise	2.5%	\$4,524	\$4,637	\$4,753	\$4,872	\$4,994	\$5,118
Services	2.5%	\$104,781	\$107,401	\$110,086	\$112,838	\$115,659	\$118,550
Vending	2.5%	\$1,006	\$1,031	\$1,057	\$1,083	\$1,110	\$1,138
Miscellaneous	0.0%	\$4,128	\$4,128	\$4,128	\$4,128	\$4,128	\$4,128
Subtotal Airside		\$3,746,985	\$4,045,610	\$4,370,856	\$4,725,238	\$5,111,513	\$5,532,707
Hangar Rental Income							
T-Hangar / Box Hangar Rental Income	2.5%	\$1,371,380	\$1,405,665	\$1,440,806	\$1,476,826	\$1,513,747	\$1,551,591
T-Hangar / Box Hangar Electricity Surcharge	5.0%	\$48,145	\$50,552	\$53,080	\$55,734	\$58,521	\$61,447
Super T Hangars (approx. - if approved)	2.5%	\$0	\$0	\$120,000	\$123,000	\$126,075	\$129,227
New - Executive Hangar Rent [1]	2.5%	\$0	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144
Subtotal Hangar Rental Income		\$1,419,525	\$1,756,217	\$1,921,386	\$1,970,748	\$2,021,410	\$2,073,408
Other Business Income							
Other Business Leasing Income [2]	2.5%	\$400,031	\$430,032	\$440,783	\$451,802	\$463,097	\$474,675
New - Hangar 2 Rent [3]	2.5%	\$0	\$0	\$0	\$68,490	\$121,452	\$124,489
Concession Income	2.5%	\$131,614	\$134,904	\$138,277	\$141,734	\$145,277	\$148,909
Total Other Business Income		\$531,645	\$564,936	\$579,060	\$662,026	\$729,827	\$748,073
Warehouse Income							
Warehouse Space Rental Income	1.5%	\$224,274	\$227,638	\$231,053	\$234,518	\$238,036	\$241,607
Total Warehouse Income		\$224,274	\$227,638	\$231,053	\$234,518	\$238,036	\$241,607
Total Operating Revenues		\$5,922,429	\$6,594,401	\$7,102,354	\$7,592,530	\$8,100,786	\$8,595,795
Non-Operating Revenues							
Placer County Property Tax	5.35%	\$4,258,691	\$4,486,531	\$4,726,560	\$4,979,431	\$5,245,831	\$5,526,483
Nevada County Property Tax	4.05%	\$1,880,248	\$1,956,398	\$2,035,632	\$2,118,076	\$2,203,858	\$2,293,114
Interest & Miscellaneous [4]	2.00%	\$239,203	\$243,987	\$248,867	\$253,844	\$258,921	\$264,099
FAA Grant Revenues [5]		\$130,000	\$2,600,000	\$1,000,000	\$1,600,000	\$4,000,000	\$1,500,000
Total Non-Operating Revenues		\$6,508,142	\$9,286,916	\$8,011,059	\$8,951,351	\$11,708,609	\$9,583,696
TOTAL REVENUES		\$12,430,571	\$15,881,317	\$15,113,414	\$16,543,881	\$19,809,395	\$18,179,490

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		Estimate 2017	Total 2-Year Change	Annual Avg. % Change
	2015	2016			
Airside					
Aviation Fuel Sales	\$402,107	\$409,169	\$431,286	\$29,179	3.56%
Jet Fuel Sales	\$1,503,690	\$1,563,032	\$1,892,872	\$389,182	12.20%
Auto Parking	\$57,350	\$57,936	\$72,961	\$15,611	12.79%
Oil Sales	\$1,504	\$2,051	\$1,705	\$201	6.46%
Tiedowns	\$99,068	\$110,661	\$90,557	(\$8,512)	-4.39%
Transient Use Fees	\$230,705	\$256,550	\$433,112	\$202,407	37.02%
Merchandise	\$1,326	\$1,336	\$3,634	\$2,308	65.56%
Services	\$33,175	\$61,615	\$89,331	\$56,156	64.10%
Vending	\$370	\$462	\$1,071	\$702	70.26%
Miscellaneous	\$24,730	\$9,888	\$4,914	(\$19,816)	-55.42%
Subtotal Airside	\$2,354,024	\$2,472,700	\$3,021,443	\$667,419	13.29%
Hangar Rental Income					
T-Hangar / Box Hangar Rental Income	\$1,286,903	\$1,269,509	\$1,370,832	\$83,929	3.21%
T-Hangar / Box Hangar Electricity Surcharge	\$46,461	\$46,152	\$48,065	\$1,603	1.71%
Subtotal Hangar Rental Income	\$1,333,365	\$1,315,661	\$1,418,897	\$85,532	3.16%
Other Business Income					
Other Business Leasing Income	\$100,849	\$136,548	\$288,708	\$187,859	69.20%
Concession Income	\$87,066	\$87,951	\$99,039	\$11,973	6.65%
Total Other Business Income	\$187,915	\$224,499	\$387,747	\$199,832	43.65%
Warehouse Income					
Warehouse Space Rental Income	\$283,822	\$284,372	\$273,796	(\$10,026)	-1.78%
Total Warehouse Income	\$283,822	\$284,372	\$273,796	(\$10,026)	-1.78%
Total Operating Revenues	\$4,159,126	\$4,297,232	\$5,101,883	\$942,757	10.76%

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.