

Truckee Tahoe Airport District Budget Forecast

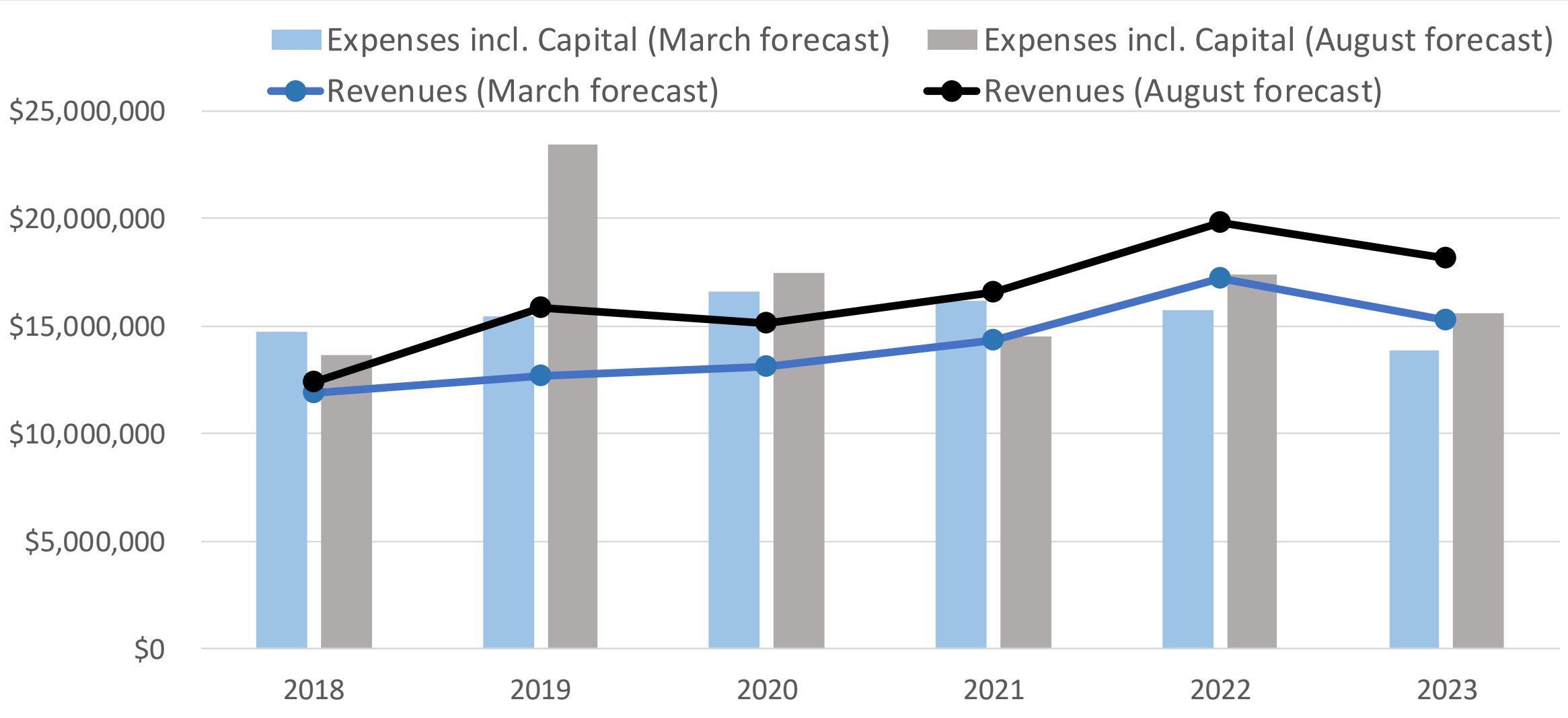
August 22, 2018

Purpose of Budget Forecast

- Planning tool
- Assist the Board in making decisions, particularly with regard to capital projects
 - Financing and timing
- Show projected changes in revenues and expenses over next 5 years
 - Easy to understand format
 - Key variables

Comparison with March Forecast

- Revenues
 - Increased from \$72.7 Mill to \$85.5 Mill
 - Driven by Airside (fuel sales, transient use and service fees)
- Expenses
 - Increased from \$67.2 Mill to \$76.6 Mill
 - Driven by pavement maintenance, hangar roof maintenance, warehouse maintenance, water system upgrades, and many other smaller items increased based on actual spending Jan-June 2018
- Major infrastructure & capital projects
 - Increased from \$10.7 Mill to \$13.4 Mill
 - Removed air traffic control tower, added administrative building expansion and Super T Hangars, increased Hangar 2 cost
 - Added new loader



General Assumptions

Expenses

- Majority of costs inflated at 2.0% per year
- Cost of goods (fuel) at 2.5% for aviation fuel, and 5.0% for jet fuel
- Payroll and employee benefits at 8.0% for salaries/wages, 10% for PERS, and 5% for other benefits and taxes
- Professional and community/agency partnerships independent for each line item
- Routine maintenance according to facility/maintenance plans (pavement, facilities, lands, and utilities)

Revenues

- Majority of revenues inflated at 2.5% per year
- Aviation fuel increased 5.0% per year, jet fuel increased 10% per year
- Property Tax for each county increased independently
- FAA Grant Revenue estimated by TTAD staff

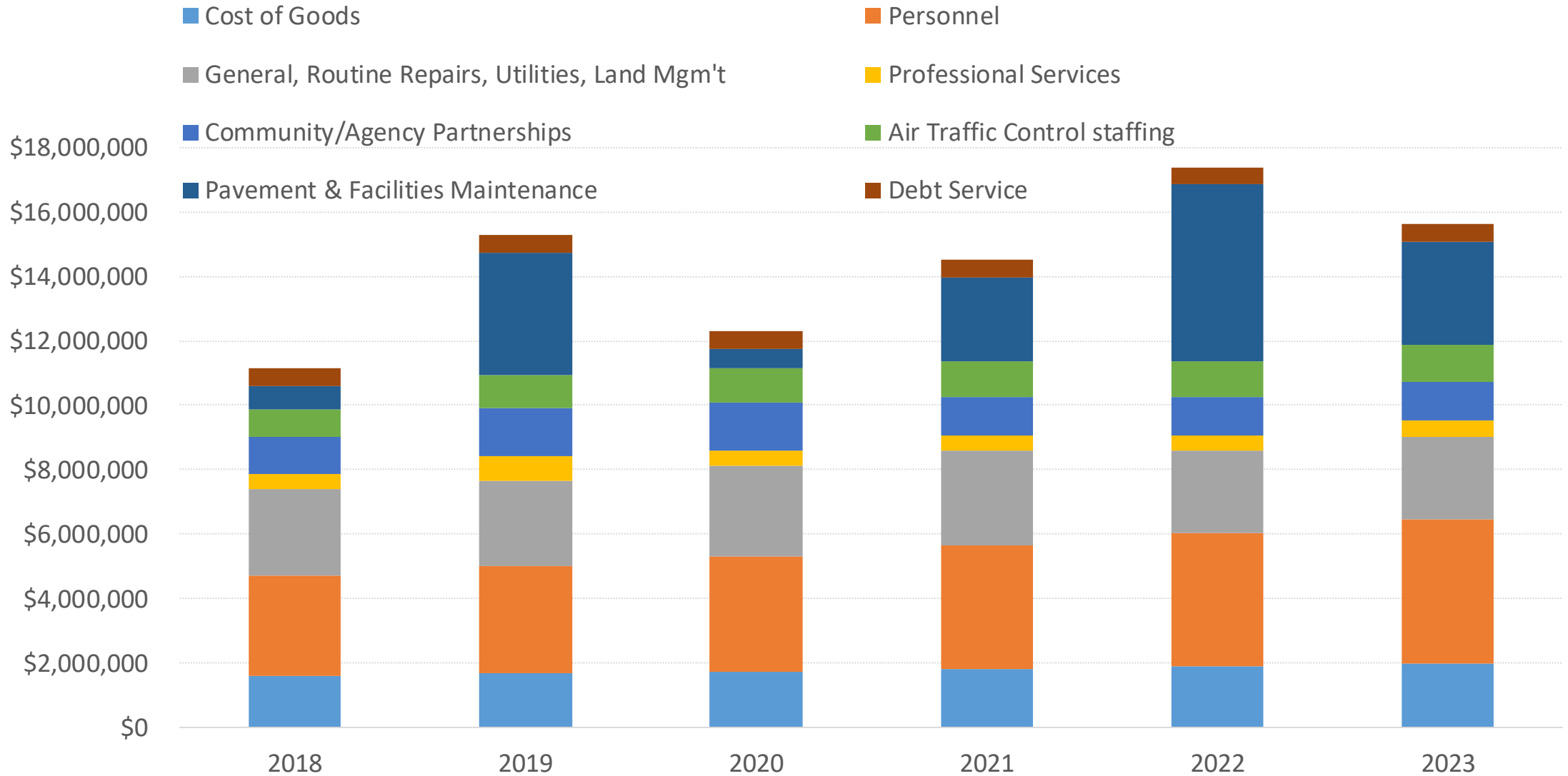
Key Operations Assumptions: Expenses

- Community/Agency Partnerships
 - \$1.15 million in 2018
 - \$6.64 million included in next 5 years for community/ agency partnerships
- Professional Services
 - Includes air traffic control tower planning and lobbyist, greenhouse gas reduction initiatives, one-time solar feasibility study, and \$100,000/year (inflated) for opportunities (not specified)
- Pavement, Facilities, Forest & Lands and Utilities Maintenance Costs
 - Auerbach Engineering is completing a comprehensive assessment of facilities maintenance costs; the forecast is based on TTAD staff input
 - Pavement costs per 2014 pavement maintenance/management plan
 - Utilities includes a water system master plan and system upgrades
 - Forest & Lands includes Waddle Ranch maintenance costs

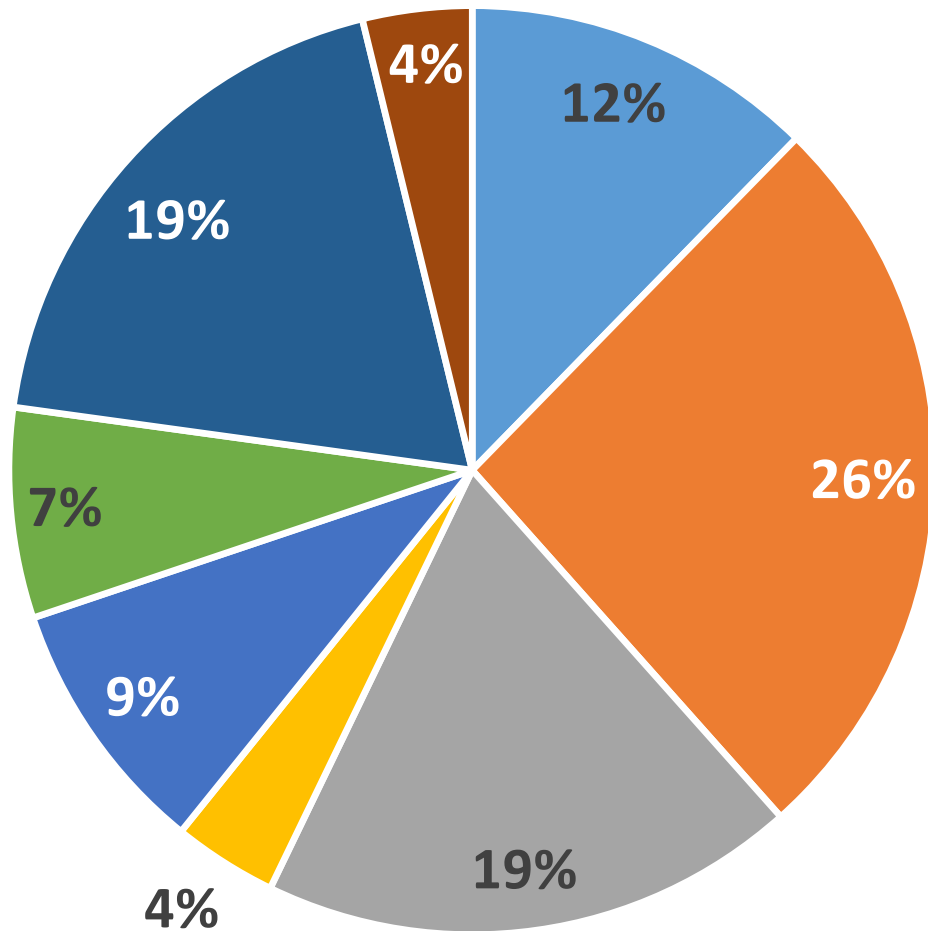
Major Infrastructure Projects Assumptions

- Hangar 2 Project: Total \$8.0 Million
 - \$500,000 in 2018 (design and other soft costs)
 - \$4.50 million in 2019 and \$3.00 million in 2020 (construction)
- Super T Hangars - Total \$3.7 Million
 - \$1,850,000 each year in 2019 and 2020
- Administrative Building Expansion – Total \$900,000
 - \$550,000 in 2019 and \$350,000 in 2020

Annual Projection of Expenditures



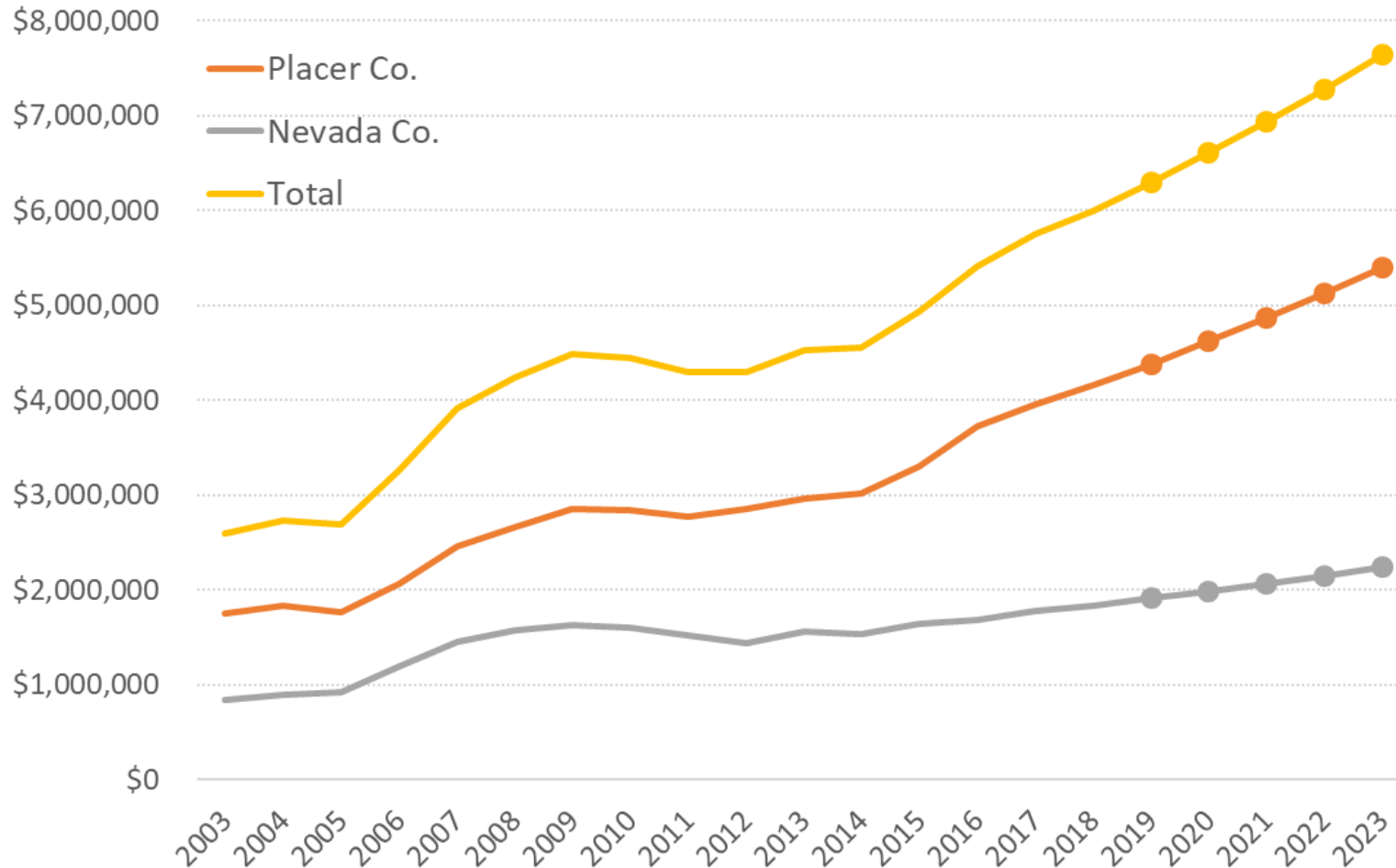
Types of Expenditures – 2018 through 2023



- Cost of Goods
- Personnel
- General, Routine Repairs, Utilities, Land Mgm't
- Professional Services
- Community/Agency Partnerships
- Air Traffic Control staffing
- Pavement & Facilities Maintenance
- Debt Service

Key Operations Assumptions: Revenues

Property Tax Revenues: *Placer County: 5.35% per year, Nevada County: 4.05% per year*



FAA Grants

Assumes at least \$1.00 mill/year

-\$1.60 million in 2021

-\$4.00 million in 2022

-\$1.50 million in 2023

Airside

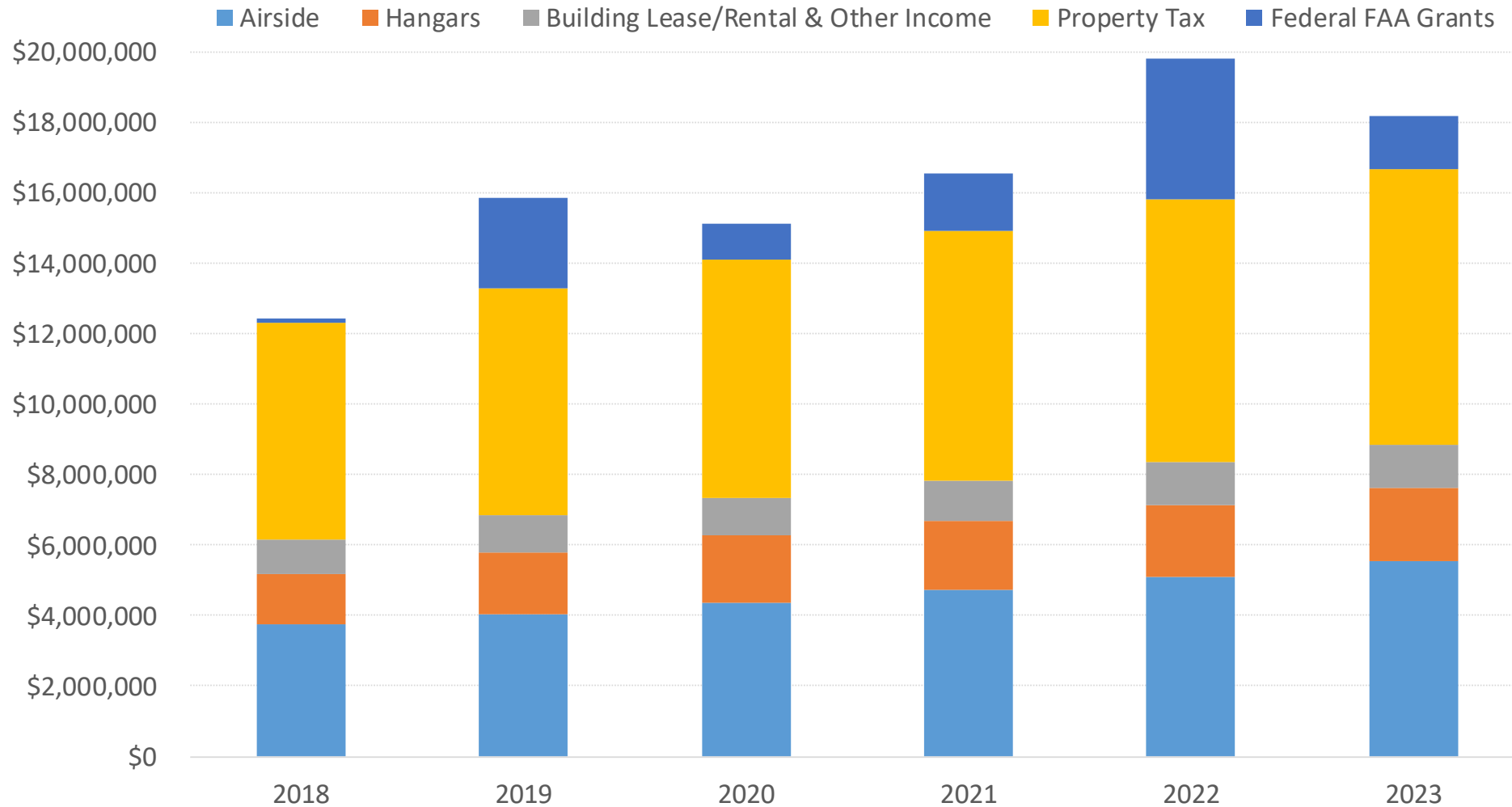
Fuel sales & transient use fees

Tiedowns and services

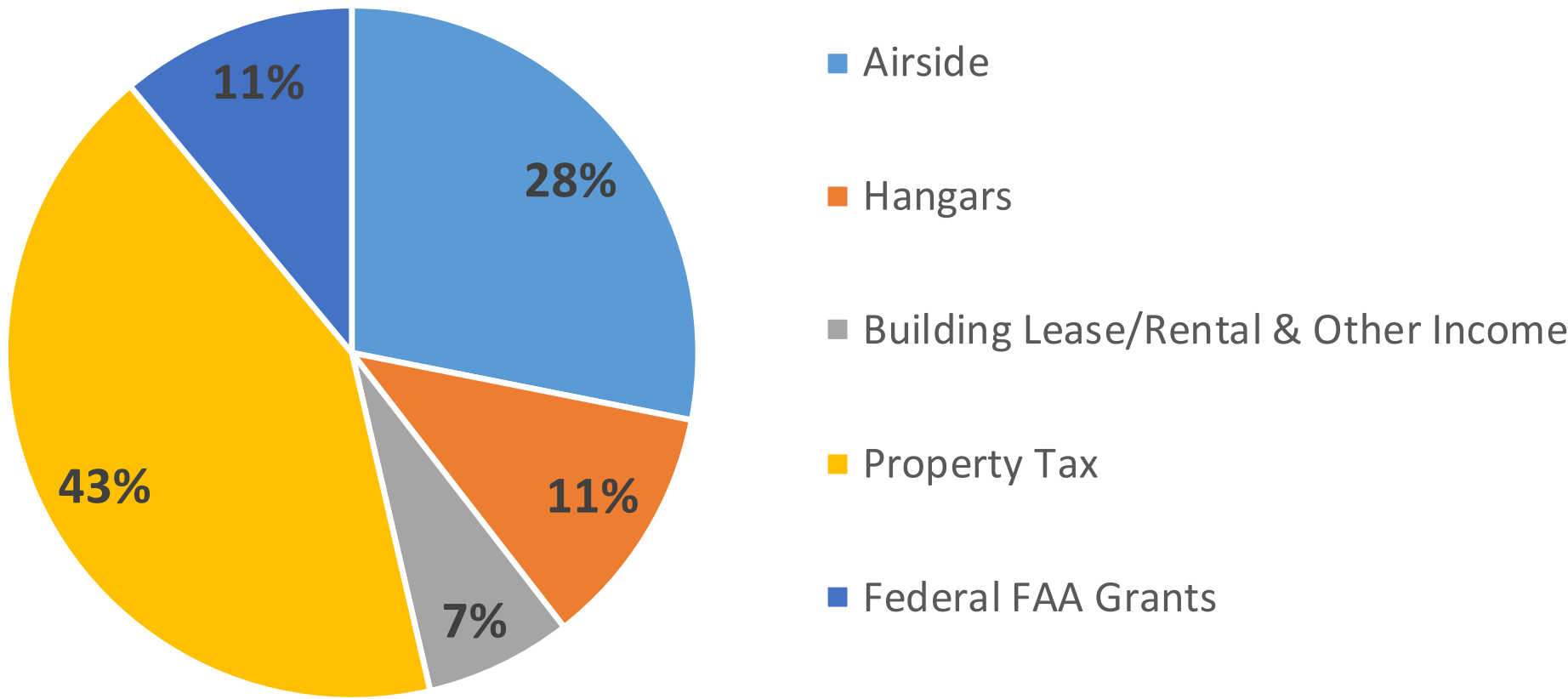
Hangar Rent

New rent from executive hangars, hangar 2 and Super T hangars, hangar 1 increased rent

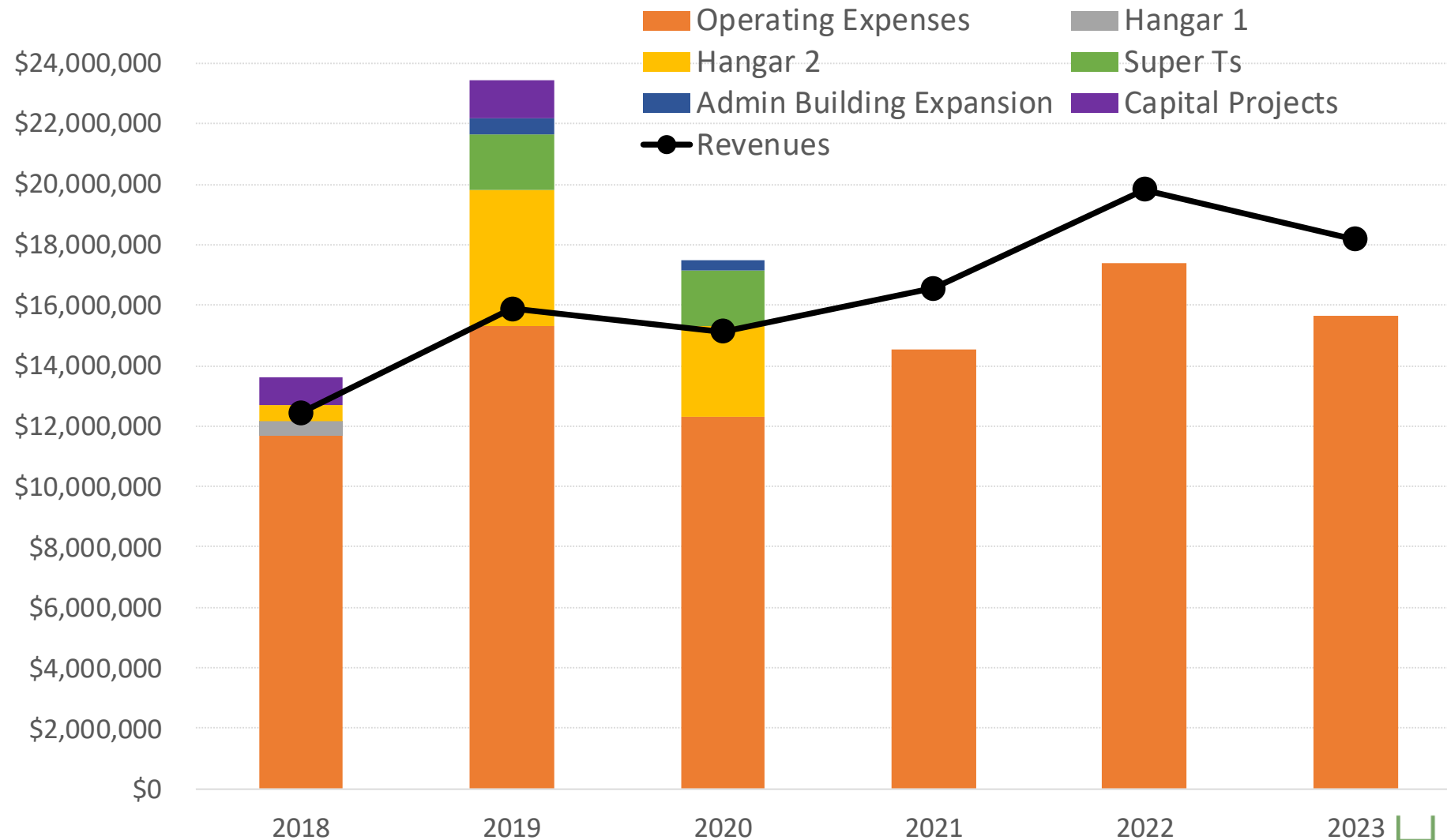
Annual Projection of Revenues



Types of Revenues – 2018 through 2023



Revenue and Expense Projection



Cash Balance Projection

