



Budget Highlights - FY 2020

Kevin Smith & Kelly Woo

FY 2020 BUDGET OPPORTUNITIES DISCUSSION

- Objective for the meeting is to review budget goals and funding opportunities for the FY 2020 Budget.
- Budget Calendar Year of Jan. 1, 2020 to Dec. 31, 2020.
- Staff has identified 10 ***Budget Opportunities*** for discussion
- We will review the District 5 Year Budget Forecast, discuss budget opportunities for funding consideration in 2020 and beyond as well as other items the Board would like to discuss.
- First Preliminary Budget and Narrative will be presented at the Sept. 25, 2019 Meeting
- Information and Guidance only today.

Budgeting Process...

- Further refinement and development of the budget over next three months.
- Discuss any items relevant to budget planning for FY 2020.
- Next budget review: September 25, 2019.
- Second budget review on November 6, 2019.
- We can do Special Budget Meetings if necessary.
- Final Budget approval: December 4, 2019 Regular Board meeting.
- Note: 5 Year Budget Forecast refers to the Hansford Economic Consulting Document while FY2020 Budget refers to the annual budget which will be presented at the September 2019 meeting pending the outcome of this Budget Workshop.



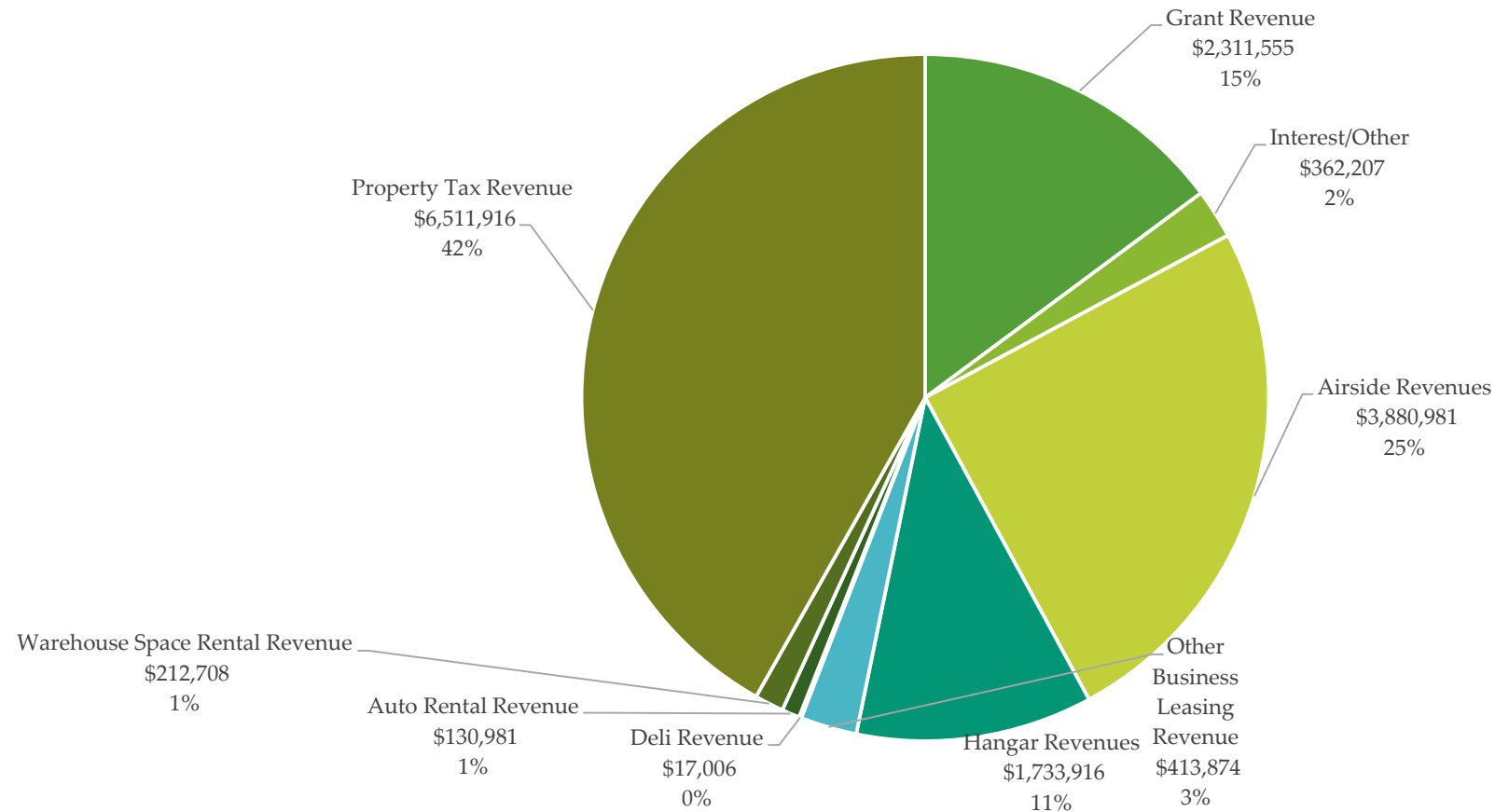
Presentation of 5 Year Forecast

OPERATING REVENUES

FY 12/31/2019

\$15,575,143 (estimated Year End)

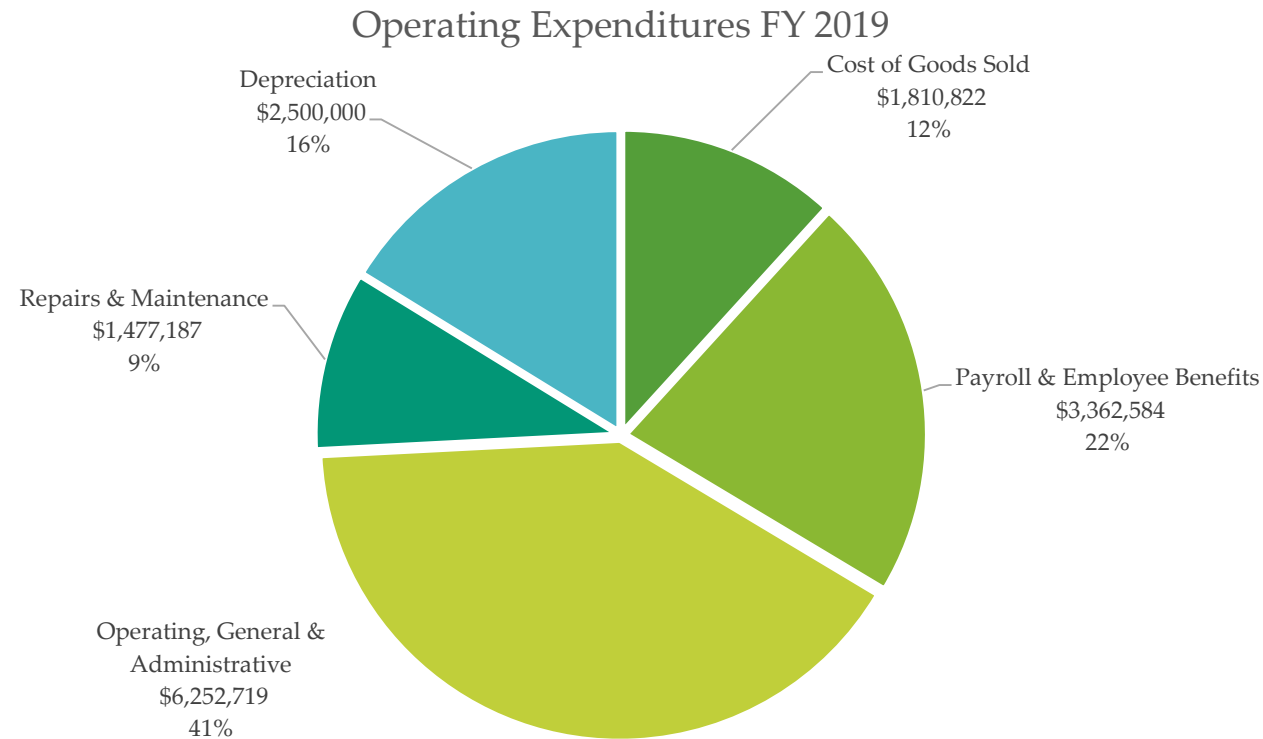
Operating Revenues FY 2019



OPERATING EXPENDITURES

FY 12/31/2019

\$15,403,313



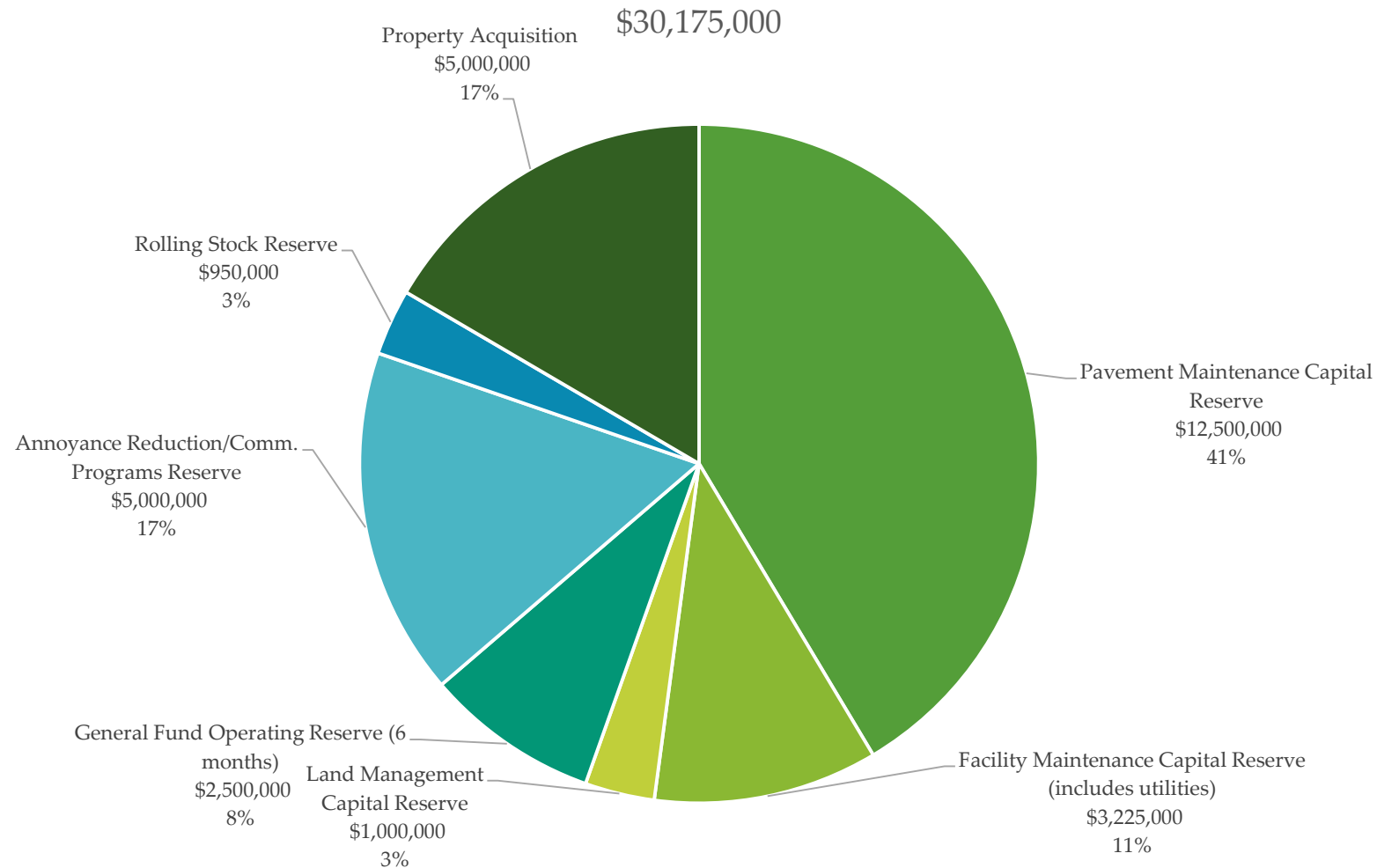
CAPITAL/OPERATING RESERVES

Target Reserves	Capital Operating Reserve Recommendation	Percentage	5 Year (2021 – 2025) Capital/Operating Funding Needs	Percentage
Pavement Maintenance Capital Reserve	\$2,500,000	23%	(update in 2020) \$12,500,000	40%
Facility Maintenance Capital Reserve (includes utilities)	\$1,750,000	16%	(under review) \$3,225,000	10%
Land Management Capital Reserve	\$750,000	7%	(under review) \$1,000,000	3%
General Fund Operating Reserve (6 months)	\$2,500,000	22%	\$2,500,000	7%
Annoyance Reduction/Comm. Programs Reserve	\$1,850,000	16%	\$5,000,000	16%
Rolling Stock Reserve	\$750,000	7%	\$950,000	8%
Property Acquisition	\$1,000,000	9%	\$5,000,000	16%
Total (2019 Year End Estimate)	\$11,100,000		\$30,175,000	

5 YEAR CAPITAL/OPERATING FUNDS NEEDS

\$30,175,000

5 YEAR CAPITAL/OPERATING FUNDS NEEDS



Budget Opportunities

1. Community Sponsorships and Partnerships

- The FY2019 Budget included \$50,000 for Sponsorships. (\$0 to \$3000)
- District is on tract to spend \$60,000 on individual community sponsorships for FY 2019 (up to \$3000).
- FY2020 Staff suggests \$60,000 for Community Sponsorships. (\$0 to \$3,000).
- FY2020 Staff will include \$500,000 for Agency Partnerships. (\$50,001 and up)
- The 5 Year Budget Forecast includes \$60,000 for Sponsorships and \$500,000 for Agency Partnerships.

2. Funding for Regional Housing Solutions and Opportunities

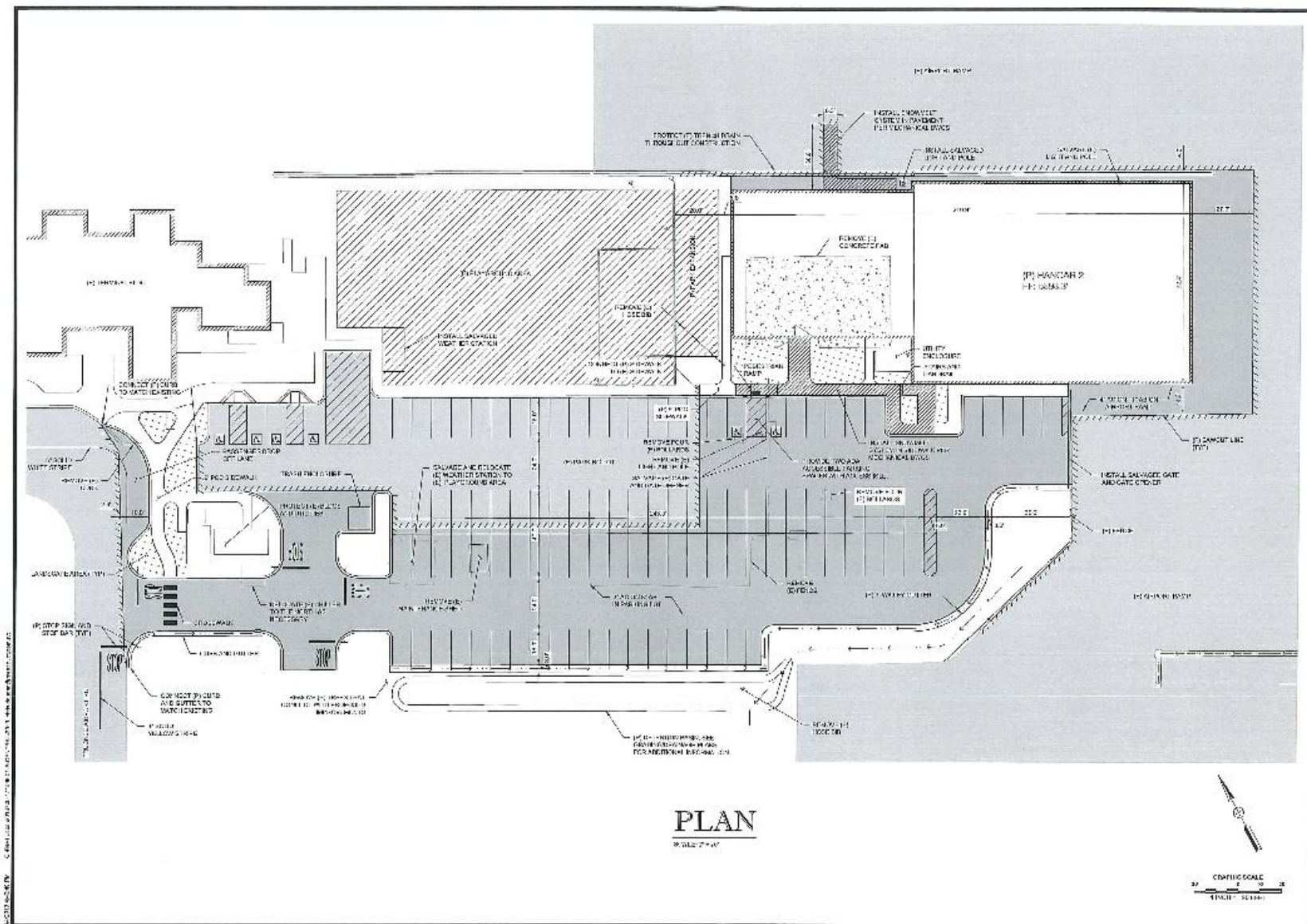
- Greater community is working on housing solutions through the Mountain Housing Council.
- Budget Forecast includes \$0 for the Rick Lee Lizzando Project (\$60,000 has been paid out in 2018). Based on conversations with the Mr. Lee, he will not have any units available until 2021.
- The Budget includes \$500,000 for the Nahas project on the west shore on Dollar Hill. The Board approved this funding in the FY2018 Budget.
- Placer County has inquired as to the District's interest in additional funding beyond our current commitment.
- In addition to the Nahas Funding, \$500,000 is proposed to be included in the FY2020 Budget for other housing initiatives. Staff seeks direction on number to include in the Preliminary Budget.
- 5 Year Budget Forecast has \$500,000 unallocated to specific housing projects in addition to the \$500,000 for Nahas. (Total proposed for FY2020 Budget - \$1,000,000).

3. Pavement Management

- The FY2020 Pavement Management Budget is pending. It appears this will be a lighter project year. The District has received approximately \$7,000,000 over the past 3 years in Federal Airport Improvement Program (AIP) Funding. Staff will have a detailed budget for the September 2018 Board Meeting.
- The updated Airport Capital Improvement Program (ACIP) will be presented for approval at the Sept. 25, 2019 Board Meeting.
- Staff will likely propose \$650,000 for FY2020. These funds will be used to meet our ACIP FAA match requirement as well as consider a few other small scale non-AIP eligible pavement projects around the airport.
- The budget also includes \$90,000 for an update to our 2014 Pavement Management Plan.
- The 5 year forecast includes \$650,000 for pavement projects and \$90,000 for an updated Pavement Management Plan.

4. East Terminal Parking Lot Expansion

- Staff has included \$1,600,000 for the East Terminal Parking Lot expansion project in the FY2020 Budget. As part of the Hangar 2 and Hangar 3 design process the final requirements and design for this area have been identified. Staff see great benefit in constructing this project now.
- Upgrading our terminal parking will allow better public parking options, employee parking, as well as circulation through and in front of our main parking area. We will also be able to relocate Gate 7 to a more favorable location.
- Our pickup and drop off area will also be expanded facilitating better public and passenger circulation in front of our main terminal building.
- The Budget Forecast includes \$1,600,000 for this project.



PLAN



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STANDARD SPECIFICATIONS
FOR CONSTRUCTION OF AIRPORTS
SECTION 01000 - GENERAL NOTES

C-101

5. Replace 1986 Oshkosh Blower

- O&M Staff recommend replacing the 1986 Oshkosh Blower. The District currently has 2 blowers which are the District's #1 tool for blowing and moving large quantities of snow.
- Staff would like to replace the 1986 Oshkosh Blower with a second Larue Blower.
- Due to the Oshkosh age and availability of parts, it can spend significant time out of service during critical winter operation periods.
- The current Oshkosh has served the District since 1986 and is due for replacement.
- Total project cost is \$500,000 which includes sales tax, upfit, and radios.
- Staff expects to get \$60,000 in sales proceeds for the Oshkosh Blower.
- The Budget Forecast includes \$440,000 for Blower replacement as well as \$60,000 in revenue.

6. Administration Building Addition

- Current staff count has maximized occupancy of Administrative Offices.
- Staff is looking at options to expand staff offices. This was also discussed as part of the FY2019 Budget Process. Funding was provide to study options.
- Ward Young has completed a preliminary design of an expanded Administration Building. The plan outlines an additional 5 offices and a new public meeting room or lease space on the ground floor. (See attached Building Plans)
- The plan also provides for additional phases which include an expanded observation deck, restaurant seating area, and expanded kitchen
- Estimated cost is \$1,200,000.
- The Budget Forecast includes \$1,200,00 for design and construction.

7. Hangar 2 Reconstruction Project

- The Board has studied in detail the various construction options for the new Hangar 2 project. This was last discussed at the June 2019 Board Meeting. Consensus at that meeting was to review this project as part of the 2020 Budget discussion including its impact on the 5 Year Forecast.

Options are:

- 1) Build Hangar Shell Only - \$7,855,092
- 2) Build Office Building Only - \$5,009,619
- 3) Build Everything - \$10,376,090
- 4) Build Site Only - \$1,600,000

- Staff request Board guidance regarding which if any option to include in the FY2020 Budget.
- The Budget Forecast includes the 4 options in the 5 year forecast. Staff is proposing to include Option 4 in the FY2020 Budget.

8. Local and Regional Transit Funding

- This is a new funding concept for 2020. While the District expends approximately \$100,000 per year on local and regional transit, Director Hetherington has requested a specific \$500,000 budget line item to encourage additional and enhanced transit options for constituents.
- Various transit options are currently being considered including enhancements to the North Lake Tahoe Express airport shuttle to facilitate cheaper and better access to the Reno Tahoe International Airport. Other options may include free fare box programs with TART.
- Staff and Director Hetherington would like to explore this with the Board.
- The 5 year Budget Forecast includes \$500,000 for transit funding.

9. Proposed Studies for 2020

- **Vehicle Parking Facilities Development Plan - \$50,000**

- The project will inform the District how to fully utilize our paid parking lots including automation, revenue maximization, way finding and administration of these facilities. This Study was programed for FY2019 but put on hold until final decision making on Hangar 2 is complete.

- **Ponderosa Golf Course Facilities/Master Plan - \$50,000**

- As the Ponderosa Golf Course is a significant District asset, staff is suggesting the District conduct an assessment of exiting conditions, current maintenance needs, and future projected maintenance requirements for this facility. Staff also suggests some master planning to better understand how to improve the facilities, layout of links, expansion opportunities, and practice facilities. This Study would be in partnership with TDRPD. We are still assessing whether or not TDRPD has funding they could contribute to this project.

- **Field House Feasibility Study - \$15,000**

- The Board has suggested the possibility of working with other public agency partners to locate a Field House on Airport property that can serve the greater community. Director Stephens has asked to include some funding to study the concept and feasibility of such a project.

- **Flight Procedure Development - \$75,000**

- This funding will be used to continue the flight procedure development process to secure new and improved charted and visual procedures. New procedure tools will be available to the District with the implementation of ADS-B and the Air Traffic Control Tower. The end goal is to enact procedures that will decrease noise and annoyance and increase safety and efficiency.

9. Proposed Studies for 2020 (continued)

- **Pavement Maintenance Plan Update - \$90,000**

- Staff is recommending to update the 2014 Pavement Maintenance Plan. This plan should be updated every 5 years. The previous plan has been a valuable tool to manage pavement and to facilitate FAA funding of many of our pavement projects.

- **Godbe Survey - \$40,000**

- The last Godbe Survey was conducted in 2017. Previous surveys were conducted in 2005, 2009, 2013. Staff recommends the District continue this program and approve funding for a 2020 Survey.

- **FAA Land Release and Property Transfer - \$65,000**

- This funding is necessary to complete the applications, environmental, and legal requirements to facilitate the release of property related to the TTSA land transfer as well as the Aviation to Non-Aviation land use designation change for properties on Joerger Road.

10. Additional List of Budget Items for consideration in 2020

- \$250,000 for 2020 Air Show.
- \$125,000 for Runway and Taxi way stripping.
- \$175,000 for Network, Security, GIS, and web service equipment.
- \$275,000 for Forest Management improvements.
- \$645,000 for Facility Maintenance Plan projects.
- \$325,000 for Warehouse Improvements.
- \$170,000 for replacement of Back Up Generator for admin building and installation of generator at Air Traffic Control Tower.
- \$1,200,000 for ADS-B implementation.
- \$960,000 for Tower Staffing and Contract Tower Studies and Application.

10. Additional List of Budget Items for 2019 (Continued)

- \$90,000 for construction of sidewalk on H-267 and Airport Road.
- \$26,000 for new Flight Simulator to replace aging Redbird.
- \$30,000 for RASC Membership. Increase of \$20,000 from prior year.
- \$36,000 for annual bike share commitments.
- \$30,000 for Signs on Airport Road and SR 267 and at the Tahoe City Heliport
- \$155,000 – Ongoing funding commitments (BGCNLT, Highway 267, Excellence in Education, NLT Express).
- \$160,000 for final payment to NTPUD for Trail Improvements
- \$50,000 for playground expansion
- \$100,000 for Greenhouse Gas reduction strategies and programs.

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