

# Truckee Tahoe Airport District Five-Year Budget Forecast

August 28, 2019

# Hansford Economic Consulting

- Based in Truckee
- Over 20 years experience in municipal finance; practice in California, Nevada and Oregon for communities of various sizes
- HEC Services:
  - Infrastructure Networks Analysis
  - Agency Governance, Mergers & Organization
  - Economic Development & Business Impact Analysis
  - Public Facilities and Services Financing Plans
  - Fee Nexus Studies
  - Fiscal Impact Studies
  - Utility Rate and Connection Fee Studies

# Purpose of Budget Forecast

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

# General Assumptions

## Expenses

- Majority of costs inflated at 2.0% per year
- Cost of goods (fuel) at 2.6% for aviation fuel, and 5.0% for jet fuel
- Payroll and employee benefits at 8.0% for salaries/wages, 10.0% for PERS, and 5.0% 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 2.6% per year
- Property Tax for each county increased independently
- FAA Grant Revenue estimated by TTAD staff

# Key Operations Assumptions: Expenses

- Community/Agency Partnerships
  - \$2.36 million in 2020
  - Honors contracts with Boys and Girls Club, Excellence in Education, Hwy 267 Bus Route, Reno Air Service, TNT TMA NLT Express, Bike Share Program, NTPUD Trail
  - NEW – Local & Regional Transit Funding \$500,000, increased 2% each year
  - Workforce housing projects include Lizzando, Nahas, and unidentified projects, total of \$3.5 million over the next 5 years
  - \$9.84 million included in total for the next 5 years for general agency partnerships and workforce housing
- Professional Services
  - Includes lobbyist for the air traffic control tower, greenhouse gas reduction initiatives, and several one-time studies, and \$50,000/year (inflated) for opportunities (not specified)
- Facilities Maintenance Costs
  - Auerbach Engineering is completing a comprehensive assessment of facilities maintenance costs
  - Forecast is based on TTAD staff input

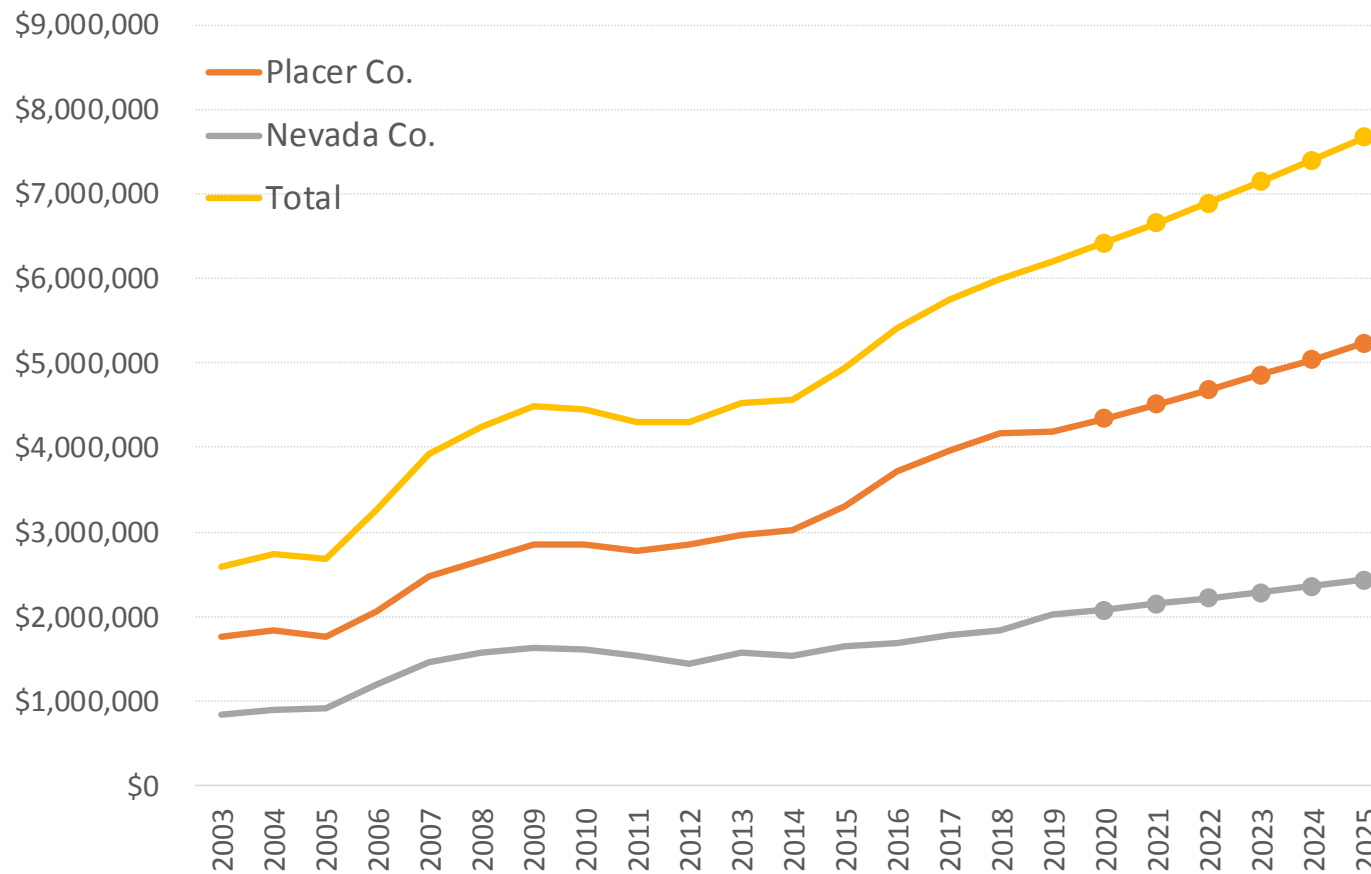
# Major Capital Projects Assumptions

- East Terminal Parking Lot Expansion: \$1.60 million
- ADS-B: \$1.20 million
- Hangar 2 Project – 4 Options
  - Option 1 \$ 1.60 million
  - Option 2 \$ 5.01 million
  - Option 3 \$ 7.86 million
  - Option 4 \$10.40 million
- Super Ts Hangar Row: \$4.25 million
- Admin Building Expansion: \$1.75 million

# Key Operations Assumptions: Revenues

## Property Tax Revenues

*Placer County: 3.80% annual growth rate, Nevada County: 3.20% annual growth rate*



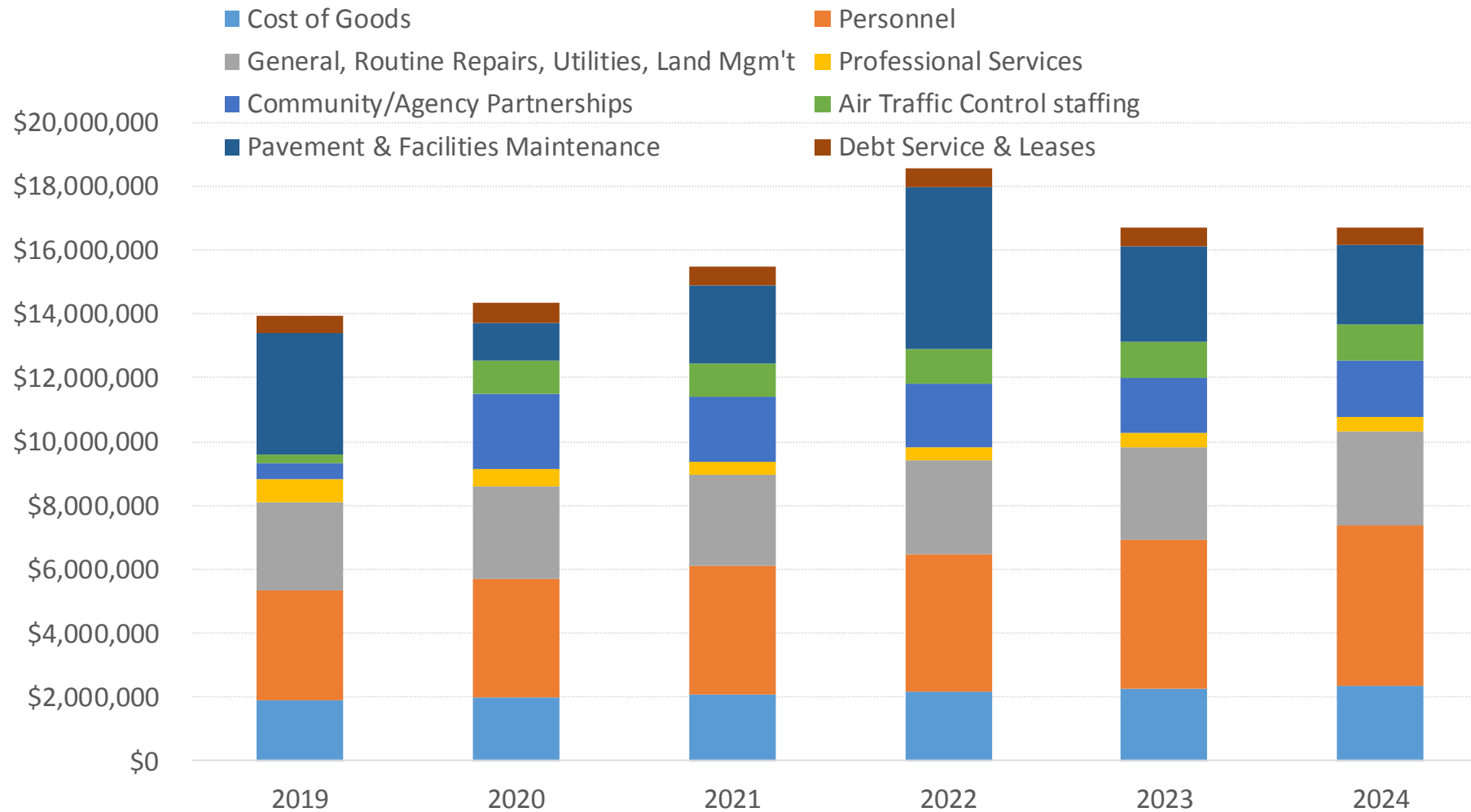
## FAA Grants (est.)

*-\$0.60 million in 2020  
-\$1.60 million in 2021  
-\$4.00 million in 2022  
-\$1.50 million in 2023  
-\$1.50 million in 2024*

## Hangar Rent

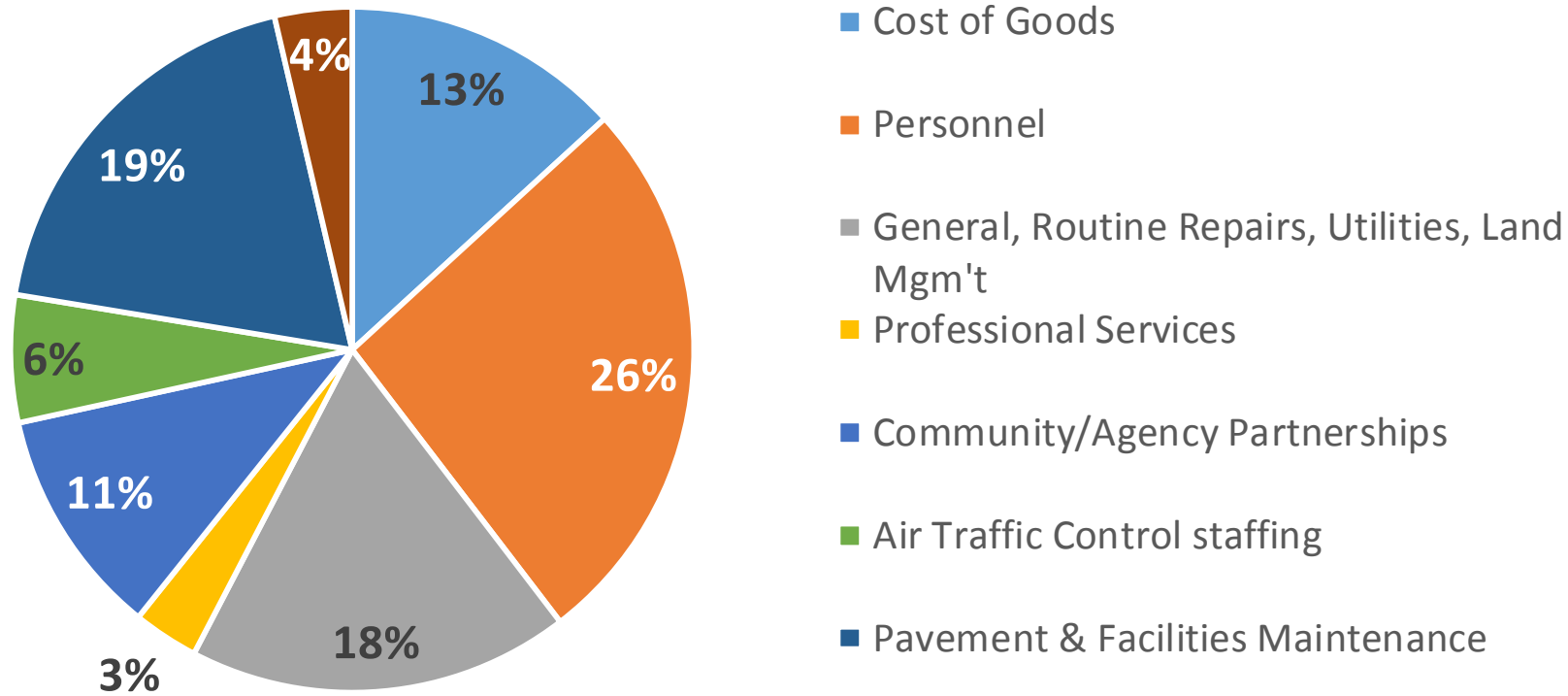
*Rent from new executive hangars, hangar 1 Sierra Aero, and super T hangars included*

# Annual Projection of Expenditures

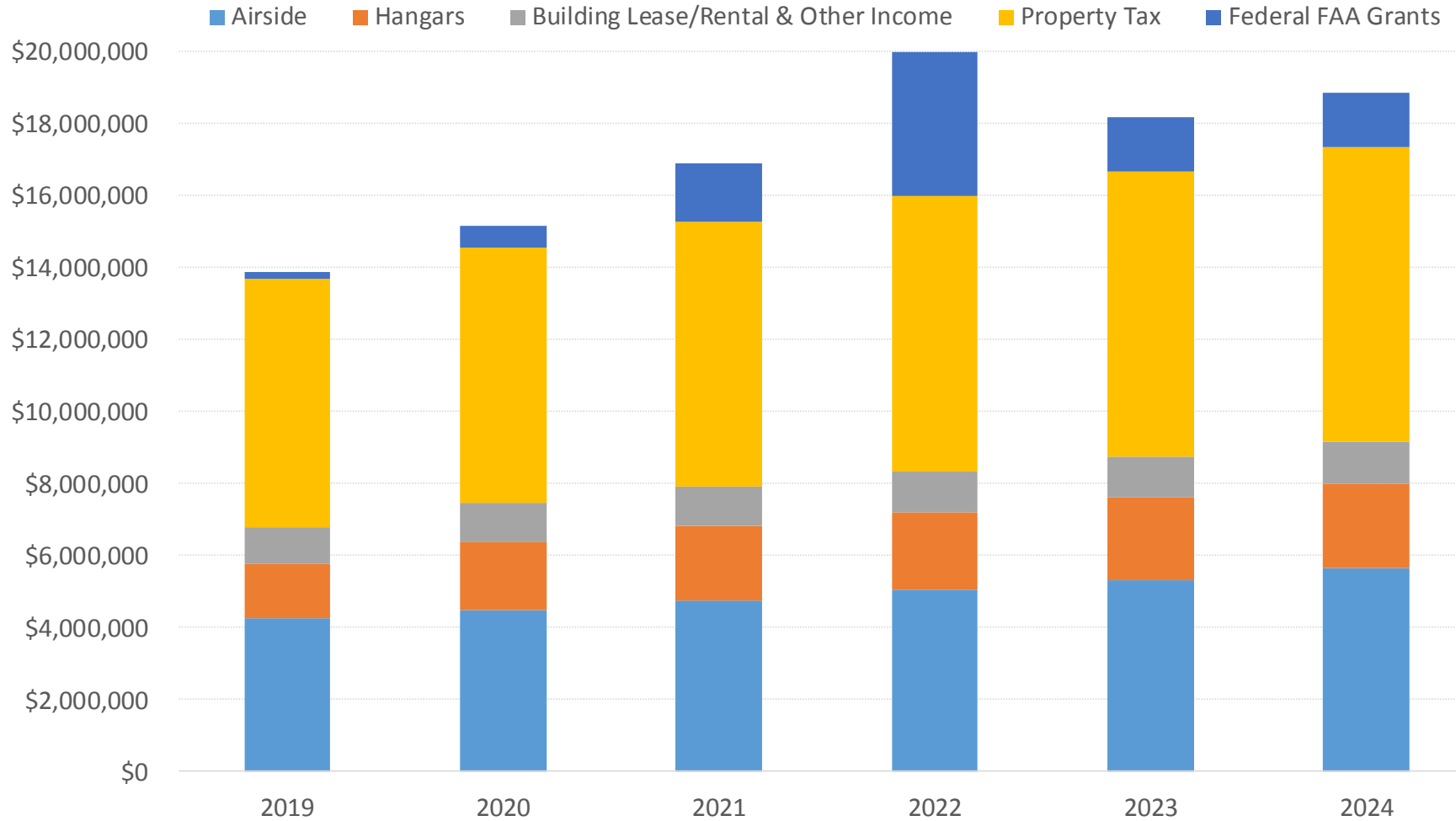




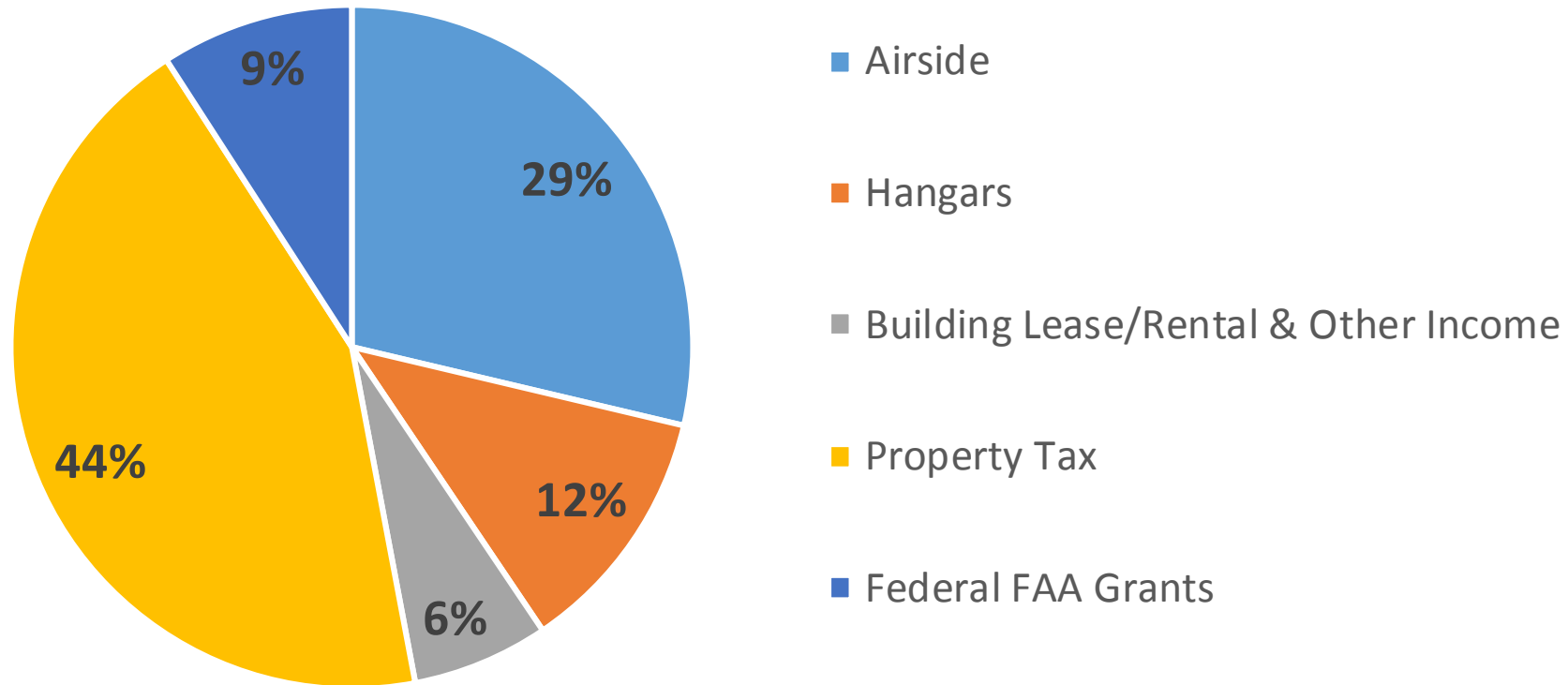
# Types of Expenditures – 2020 through 2024



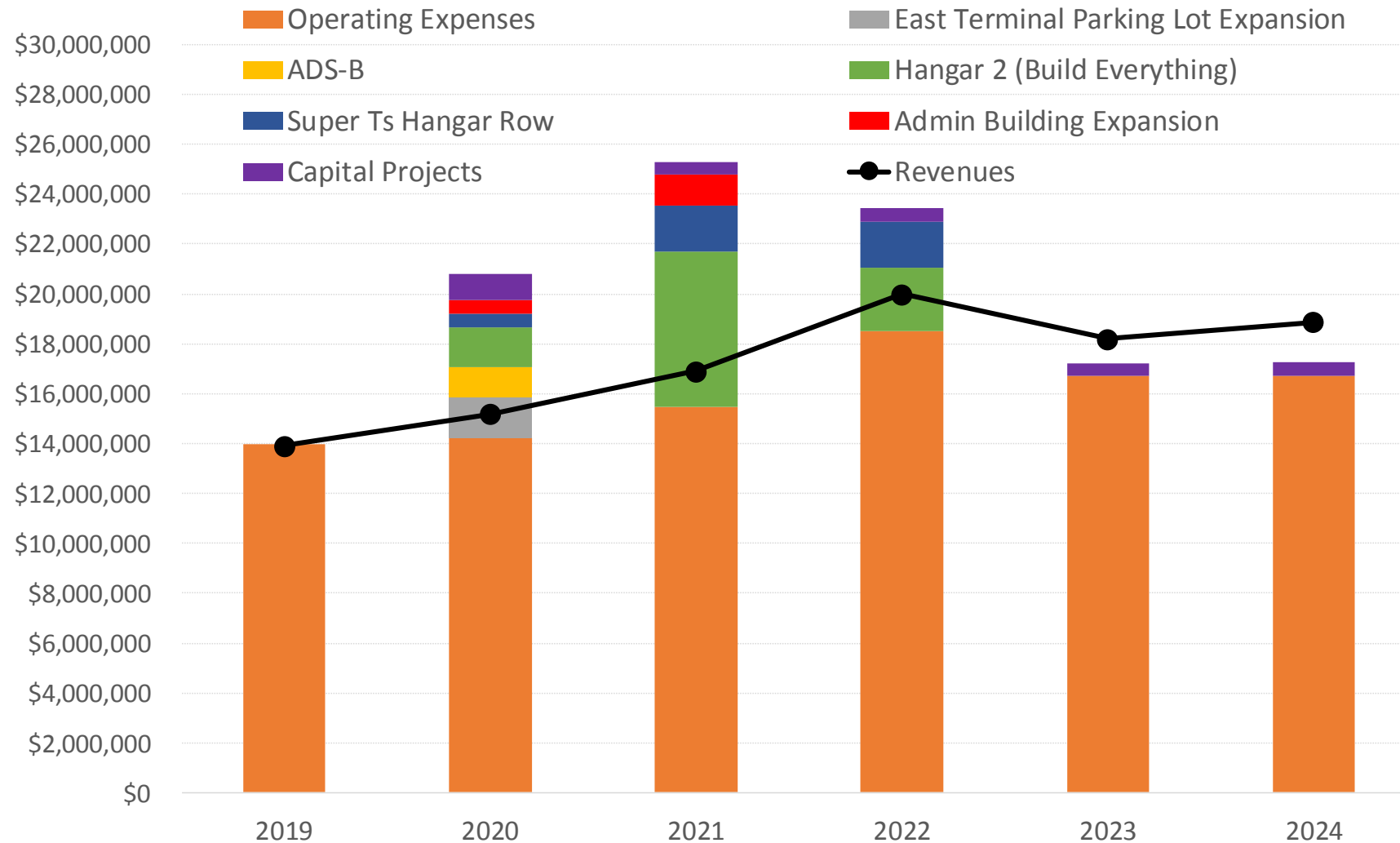
# Annual Projection of Revenues



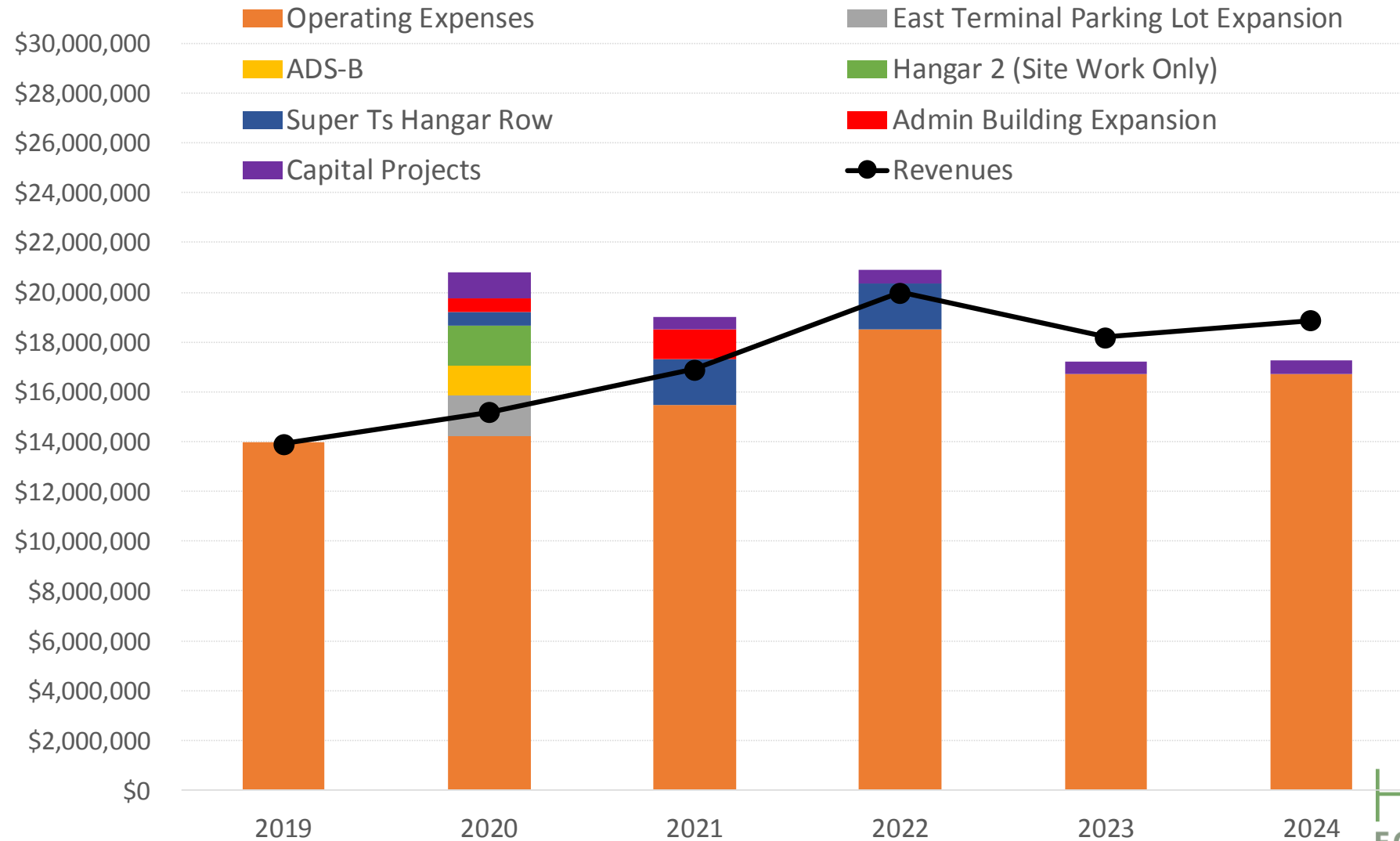
# Types of Revenues – 2020 through 2024



# Revenue and Expense Projection – Hangar 2 Build Everything



# Revenue and Expense Projection - Hangar 2 Site Work Only



# Cash Balance Projection with Hangar 2 Options

