TRUCKEE TAHOE AIRPORT DISTRICT
INTEROFFICE MEMORANDUM

TO: BOARD OF DIRECTORS AND STAFF

FROM: KEVIN BUMEN

SUBJECT: 4TH QUARTER 2012 OPERATING RESULTS REVIEW

DATE: JANUARY 24, 2012

CC:

The numbers presented in the attached report are for the CY 4th Quarter ending December 2012 and the same for 2011 for comparison purposes. The new rates and fees have been in place for almost one year. While the quarterly data has been valuable, we can now begin to look at a complete year.

As indicated in previous reports the results are not easily comparable to 2011, given the extensive closure of runway 10-28. Net revenue per aircraft has decreased by 14% per aircraft over 2011. The net revenue per aircraft decreased by 20% for aircraft >12,500 pounds. As shown in the Q3 results, more aircraft (4.7%) visited the airport during 2012: less fuel was sold, likely due to the operational limitations imposed by runway 01-19. Margins on fuel prices were adjusted 8/1/12 and again on 12/14/12. Staff has tried to price all aviation fuel in-line with the regional market along with goal of keeping flying affordable for pilots.

Staff proposes to keep the temporary policy in place throughout the next year, to further evaluate outcomes. Given the impacts of the runway closure in 2012, comparisons with the coming year will still be difficult.

Some comments on the data:

Total powered aircraft for the period increased 4.7% year over year.
The average uplift was 33% lower for Jet A during the Q3 period, however Q4 saw that change to only 12% lower. This could be attributed to cooler weather, economic factors and the availability of runway 29. While this is trending in a favorable direction, it is an indicator that the right mix of prices and fees has not likely been achieved.
1 out of 3 customers chooses to purchase fuel in lieu of a TUF. This has remained relatively steady throughout the year. Over $50,000 in TUF were

waived with this program. It is unclear at this time whether the right mix of fee, quantity and fuel price has been achieved. Staff will continue to watch this closely.

CY 2012 Jet A gallons decreased 52,976 gallons (-37%) and net revenues decreased $99,244 (-26%).

Tiedowns and overnight hangar revenues increased, primarily due to the rate increases. Nightly tiedowns decreased by 14%

Overall for CY 2012, net revenues from 100LL have increased (11%), but have fallen for Jet A (-26%)