



Line #	Budget Assumptions	Fiscal Year 2012-2013
	Operating Revenues	
1 - 2	<i>Aviation Fuel Sales and Jet Fuel Sales</i> – The budget assumes the same number of gallons of fuel will be sold in the upcoming fiscal year as were sold in the twelve-month period from 7/1/11 - 6/30/12. The sales prices per gallon used for budgeting purposes are derived by taking the District's purchase price at 6/30/12 and adding on a gross margin of seventy-five cents per gallon for 100LL self-serve, \$1.30 for 100LL full-serve, and \$2.30 per gallon for JetA. Revenues from fuel sold to SASOs (based on quantities in the preceding 12 months) are estimated based on a discount of ten cents per gallon of 100LL sales and fifty cents per gallon on JetA sales.	
3	<i>Aviation Fuel Truck Roll Revenues</i> - The revenues estimated are based on the number of 100LL truck rolls in the first six months of the 2012 calendar year – this represents the period of time since the new pricing model went into effect. The number of events was multiplied by two to get a full year's anticipated activity.	
5	<i>Auto Parking</i> - Budgeted amounts are based on actual results for the period from 7/1/11 - 6/30/12 – accounting for the change in the pricing structure.	
6-7	<i>Tiedowns and Transient Use Fees (TUF)</i> - Revenues from Tiedowns and TUFs are estimated based on activity during the previous twelve month period using the rates and pricing structure in effect at June 30, 2012.	
9-11	<i>Other Airside Revenues</i> - Budgeted amounts are based on actual revenues for the period from 7/1/11 - 6/30/12 for existing services. Revenues for the ground power unit (which is included in the budget under capital items) are included in this line item at 57 events times \$75/event.	
13	<i>Hangar Rental Income</i> - The Hangar Rental Income line includes monthly hangar rent at the base rate of \$112,112 and share fees. Annual pre-payment discounts of \$13,560 are netted out of that total (they are assumed to continue at the current level). In addition, a 4% vacancy rate is factored in. Nightly hangar revenues are also included in this line at \$15,000.	
16	<i>Other Business Leasing</i> - Rents for Red Truck, Sierra Aero, Hertz, Careflight, Soar Truckee and the Experimental Aircraft Association are calculated to increase by a 1.5% CPI adjustment in the month stated in the corresponding lease. No rental revenues have been included for Hangar #1 or the modular office building. In the twelve months ended 6/30/12 the District received \$66,262 from Hertz in concession revenues. The current budget includes \$65,000 for Hertz Concessions. EAA revenues are included at \$1,112 per month (pre-CPI), and an offsetting expense is included in Other Public Relations - Community Outreach, as we anticipate payment-in-kind in accordance with their current contract.	
18	<i>Warehouse Revenues</i> - Rents for Clear Capital, Mt. Home Center, Porter's, Wholesale Resort and Porter Simon are included with a 1.5% CPI adjustment in the month stated by their lease.	
	Cost of Goods Sold	
28-29	<i>Aviation and Jet Fuel Cost</i> - The number of gallons of fuel that are being budgeted as sales were costed at the purchase price effective 6/30/12.	
32	<i>Inventory Shrinkage</i> is estimated at 2.0% of total cost of the number of gallons of 100LL the District anticipates selling and 1.0% of the cost of the JetA fuel the District is forecasting to sell. The actual rate for October 2011 through June of 2012 was 1.9% for 100LL and 1.0% for Jet A.	
	Payroll and Employee Benefits	
39-40	<i>Salaries and Wages</i> are budgeted based on full staffing levels, with a vacancy factor included. The exempt and administrative positions are budgeted at 2080 hours per year. The Operations/ Maintenance Technicians are budgeted at 2080 hours plus 88 hours of holiday pay. Seasonal employees are budgeted for a total of 1,420 hours. The overtime included in the budget was estimated to be the same as the number of hours of overtime incurred over the past twelve months for regular, full-time, hourly employees. The cost of living increase approved by the Board of Directors at the August 23, 2012 meeting is included in the budget. Merit increases, which are at the discretion of the General Manager, have been included at an average of 2%.	



Line #	Budget Assumptions	Fiscal Year 2012-2013
	Payroll and Employee Benefits (continued)	
41	<i>Other Pay</i> – Includes the following: Cost savings awards (\$2,500), Safety awards (\$2,550), add-on assignment pay (\$2,400), Aviation Knowledge Certification Program pay (\$7,500), and \$5,000 in performance awards (at General Manager's discretion).	
42	<i>Vacation, Sick and Holiday Pay</i> - has been estimated at 15% of total straight-time wages and salaries, consistent with prior year. The actual rate for the first ten months of the 2011-2012 fiscal year was 14%.	
46-54	<i>Benefits</i> - PERS contributions are based on the contribution rate provided by PERS. The District's Contribution Rate is currently 15.178%; the estimated rate used for the next PERS fiscal year (7/1/13 - 6/30/14) is 15.4%; however, PERS has stated that rate may increase 1% - 2% due to the change in their discount rate assumption. The District's budget uses a rate of 16.4% for the period from July 1, 2013 – September 30, 2013. The Employee portion of the contributions remains constant at 8%. The effect of the new (2 nd) tier of pension benefits is not calculated in the budget as timing of hiring an employee in the new tier is not known. Medicare and FICA expenses are based on current rates. <i>Employee Benefit Insurance</i> is budgeted based on the new program. As there is no history upon which to base the District's anticipated payouts, a conservative assumption was made after consulting with the Third Party Administrator. The District's medical premiums are budgeted to increase 10% beginning with the renewal on August 1, 2013. The dental and vision premiums are budgeted to increase by 7% at the time of the policy renewal. The amount shown as the cost of <i>Employee Benefit Insurance</i> is net of the 7% employees contribute toward the insurance. The District's Workers' Comp Insurance experience factor has increased from 88% to 103%. <i>Training and Education</i> costs are budgeted at \$43,000 to reflect the Aviation Knowledge Certification Program being instituted by the District, the general manager's aviation stipend, employee flight currency, and other employee training opportunities. <i>Other Employee Benefits</i> include the General Manager's car allowance of \$500/month, cell phone allowances, \$100/yr per person for uniforms, plus insulated coveralls, jackets and other safety gear as needed.	
	Operating, General and Administrative Expenses The majority of the Operating, General and Administrative Expenses were estimated based on the results of the previous twelve months. Other significant circumstances which were taken into consideration in the budgeting process are noted below.	
62-67	<i>ACAT</i> - ACAT's budget was generated by the team.	
68-70	<i>Annoyance Reduction Programs</i> - The expense of the Signatory Incentive - Fly QT Program is included here. Other Noise Abatement Expenses are budgeted to cover signage, printing, meetings or other outlays not connected to ACAT.	
73	<i>Air Show</i> - Based on the current estimate from the Air Fair Committee for next year's event.	
75	<i>Communications</i> - The new building and the increased technological requirements have necessitated a significantly more expensive internet connection.	
76	<i>Conventions and Conferences</i> - Attendance is anticipated at the Special District Institute conferences, the UC Davis Eco-Aerovision Conference, FAA and CSDA events. In addition, changes in Directors may result in increased attendance at conventions.	
77	<i>County Support</i> - Estimated at 2.09% of property taxes, based on prior year actuals.	
78	<i>Credit Card Processing Fee</i> - Estimated at 3% of Total Airside Operations Revenues (prior 12 month total was 2.7% of corresponding revenues). Fees for hangar rental payments were estimated based on 63% of hangar payments being made by credit card at 3.2% - rate is higher as cards are not swiped.	
79	<i>Director's Fees and Board Meeting Expenses</i> - Budgeted for 18 meetings at \$800 each and one offsite meetings at \$3,000. Also included are \$4,000 to cover technology related expenses. The expenses anticipated related to the broadcasting of the Board meetings (\$40,000) has been included in the Community Outreach category.	



Line #	Budget Assumptions	Fiscal Year 2012-2013
	Operating, General and Administrative Expenses (continued)	
80	<i>Directors' Medical Insurance</i> - has been budgeted based on the Directors' current policies with a 10% premium increase factored in.	
86	<i>Geographic Information System</i> - The GIS will be used to assist pilot and community education and in the development and implementation of an Open Space Acquisition Plan. GIS is also integral in the Flight Tracking System capabilities and maintaining the District's infrastructure.	
87	<i>Signatory Incentives</i> - Homebasing Incentive - Based on the Signatory Incentive Election Forms currently on file for hangar tenants. An additional \$500 has been included to cover possible participation by annual tie-down customers.	
88	<i>Insurance</i> - Insurance premiums were budgeted based on the current policies with an estimated increase of 10% for liability coverage and 15% for property coverage (due to the accident which damaged the hangar row). Current premiums: Property - \$55,687, Liability \$13,800, and Elected Officials - \$14,151.	
90	<i>Office Equipment</i> - Budget includes amount to purchase computers and other office equipment as required for operations and in accordance with policy. There is \$3,000 in funding earmarked for a plotter.	
92	<i>Operating Supplies / Small Tools</i> - Costs related to ongoing operations - which vary by department to include such items as tiedown rope and chocks for Airside Operations, software for the Administrative Department and non-sparking tools for Maintenance.	
94	<i>Operations Monitoring</i> - Includes the WASP monitoring fee of \$17,200, an additional \$2,800 for maintenance of the system, and \$12,000 for asphalt pads for the cameras. Now that the flight tracking system is operational, this is the first year that the District will have recurring maintenance fees in addition to the site leases (\$15,000). The recurring maintenance fees total \$109,200 and include Volans, NavAid and ITT. Additionally, \$24,000 is budgeted for the FAA Facility Transmitting Authorization process. The \$50,000 in the Administrative Department column is related to potential costs for Air Traffic Control (ATC) certification and testing of the flight tracking system. If successful, this would permit the integration of our flight tracking data with ATC systems (Oakland Center and NorCal Approach).	
95-100	<i>Outreach Program</i> - The total is \$219,200 for the various elements of the Outreach Program. Line 96, "Internet, Print, Broadcast and Direct Mail" includes \$15,000 to create an application for the District to be used by iPads, \$70,000 to update the website, \$12,000 for radio outreach, and \$30,000 for the newsletters. The "Events and Programs" line includes various outreach meetings, the community bike program, and the Santa Fly-In. Sponsorships are contributions to various local events/agencies as determined by policy - the amount budgeted is \$32,500, which includes \$7,500 for Excellence in Education grants. The "Promotional Items" line includes funds for signage, handouts, gliders, etc. Line 100, "Pilot Outreach," includes the potential expense for the in-kind payment from EAA of \$13,500 and \$2,000 for other outreach programs designed to target users of the airport.	
101	<i>Permits, Licenses and Fees</i> - Included here are mandated fees for inspections and environmental monitoring, LAFCO expenses, fees paid to the third party administrator for the insurance program and to Paychex for the time tracking system, payroll processing and human resource administration.	
105	<i>Accounting and Audit</i> - Expenses are budgeted based on the Engagement Letter with the auditor.	
106	<i>Legal</i> - Legal expenses were estimated based on the activity in the previous twelve months, (\$69,920 - adjusted to net out costs related to easements purchases). The legal expense in the Community Outreach Dept. is for specific aviation law support.	
107	<i>Computer Support/Network Administration</i> - The amount budgeted includes software support and maintenance contracts. Estimates of the annual maintenance costs by workstation were made by district staff to include monitoring of the District's IT network, backup services and data maintenance.	



Line #	Budget Assumptions	Fiscal Year 2012-2013
	Operating, General and Administrative Expenses (continued)	
108	<i>Other Professional Fees</i> - The amount budgeted can be detailed as follows: \$250,000 for the Airport Master Plan, \$65,000 for consulting costs related to the creation of a capital facilities plan, \$50,000 for minimum standards and rules and regulations consultation, \$35,000 for a community survey, \$7,000 related to appraisals of potential land purchases and \$2,000 for consultation related to employment issues..	
109	<i>Engineering</i> - Budgeted engineering fees are based on the level of service anticipated. These are fees not attributable to capitalized projects.	
111-116	<i>Utilities</i> – The utility costs for the admin building are based on estimates as the District does not have a full year's occupancy experience. The electrical and gas utility costs related to the admin building are allocated to Operations, Administration and Community Outreach Departments.	
	Repair and Maintenance Expenses	
125-126	<i>Vehicle and Equipment Expense</i> - The previous twelve month expenses were calculated and then adjusted for expected expenses related to: replacement of the broom on the bi-directional tractor, tires for the golf carts and other vehicles, and the purchase of a new table saw. The vehicle expense line includes auto insurance (anticipated to increase slightly due to the purchase of a new vehicle) and the unleaded fuel used by District vehicles. The Equipment line includes the expense for diesel fuel for equipment - including snow removal equipment, in addition to the repair and maintenance of the District's equipment.	
127	<i>Airfield Equipment, Lights and Signs</i> - Costs of the fuel farm, self-serve station, airfield lights, signs and navigation aids are included here. The purchase of four new density altitude signs (\$19,000) has been included, as well as \$4,600 for lighted wind-socks. The cleaning of both Jet fuel tanks (\$20,000), and \$4,000 for fueling and secondary containment issues related to the emergency services fuel cart are also anticipated. Projects from the prior fiscal year that were anticipated, but not yet completed, have also been included: safety harnesses (\$10,000), fencing of the Alder Hill beacon (\$5,000), and painting of the airfield beacon tower (\$8,000).	
129	<i>Repair and Maintenance - Pavement Maintenance and Cracksealing</i> - Includes \$823,400 for pavement maintenance as outlined in the Pavement Management Program (includes 15% for engineering, design & project management fees). Also included is \$30,000 for crack filling/repair including supplies for work performed by District personnel.	
130	<i>Anticipated Grant Funding for Airfield Pavement Maintenance</i> - The District is not anticipating any FAA or Caltrans funding of pavement maintenance projects.	
132	<i>Repair and Maintenance Expenses</i> – The Repair and Maintenance Expenses for the facilities were based on previous twelve month expenses plus specific projects anticipated for the coming year, including: painting of a hangar row (\$20,000), repair of roofs on hangar Row M (\$82,000), Rows F and G (\$84,000) and the Maintenance Building (\$4,200), painting of Hangar #1, and the installation of fans to allow use of Hangar #1 as a heated hangar. The cost of janitorial service for the admin building is also included at \$22,200.	
134	<i>Land Management</i> - Includes \$50,000 for maintenance work on the properties and \$50,000 for obstruction removal on the airport that was budgeted, but not completed in FY 2012.	
	Other Income and Expense	
154	<i>Interest</i> - Interest on our LAIF account was estimated based on the July 2012 balance being adjusted for anticipated cash flow related to property tax payments. The interest rate used was 0.363% - current rate at LAIF. Also included is the interest earned by the certificates of deposit held by the District.	
155	<i>Receipt of Long-term Receivable from the Joerger Family</i> – Per the contract for the purchase of the property in 2002, there is \$500,000 due to the District on July 1, 2012. Negotiations are underway, and the District anticipates funds or land from the other party.	
156	<i>Operating Grants</i> – The Nevada County Transportation Commission has given the District a grant of \$40,000 to complete the Airport Master Plan process. This is the balance available on the grant.	



Line #	Budget Assumptions	Fiscal Year 2012-2013
	Capital Expenditures	
166-173	<p><i>FAA Grant Eligible Projects</i> – The Apron Lighting / Segmented Circle project is currently out to bid, as the FAA has advised that they may fund it out of their current fiscal year funds. The Plow Truck (model year 1990) replacement is on the ACIP in 2014, but in need of replacement. The AWOS is also in need of replacement (current one was installed in 2007 – with an anticipated useful life of five years). Although the last two projects are eligible for grant funding, it is unknown whether they will be funded. As the Plow Truck is included in the ACIP, it will be listed with the grant eligible projects; the AWOS has not been included in the ACIP, so funding is unlikely – it will be included under other projects.</p>	
175	<p><i>Grant Funding</i> is estimated at 90% of project costs.</p>	
179-192	<p><i>Other Capital Projects</i> - Projects included here are based on staff input, evaluation of asset condition and the equipment replacement schedule. Note that the AWOS is included here as a District funded project.</p>	
	Land Purchases / Development	
194-196	<p><i>Allocation for land purchase/development</i> – The amount of \$750,000 was budgeted in line with the Board of Directors’ intentions to expend a portion of the property tax revenues to obtain and manage open space in the District’s sphere of influence.</p>	
	Property Taxes	
208-213	<p><i>Property Taxes</i> - The estimates for the current property tax year (7/1/12 - 6/30/13) were based on the assessed valuations received from the counties and historical percentages. The valuation of the property in both counties remained relatively constant (an overall increase of less than 0.7%). Based on historical tax receipt rates (ratio of revenues to valuation), the District will budget property tax revenues to decrease by 2% for Placer County and 1% for Nevada County from actual receipts in the previous tax year – those estimations include a reserve of 1.5%.</p>	