



Line #	Budget Assumptions	Fiscal Year 2013-2014
Operating Revenues		
1 - 2	<i>Aviation Fuel Sales and Jet Fuel Sales</i> – The budget assumes the sale of 3% fewer gallons of 100LL than the District estimates it will sell in FY2013; this reflects the trending of 100LL sales, which have decline 3% in each of the last three fiscal years. The budget assumes the sale of 7% more gallons of JetA than are estimated to be sold in FY2013. The District may begin to sell contract fuel in the upcoming year, and the effect that will have on sales cannot be quantified. The sales prices per gallon used for budgeting purposes are derived by taking the District's purchase price at 8/20/13 and adding on a gross margin of seventy-five cents per gallon for 100LL self-serve, \$1.30 for 100LL full-serve, and \$2.00 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.	
5	<i>Auto Parking</i> - Budgeted amounts are based on actual results for the period from 7/1/12 - 6/30/13.	
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 (adjusting for the runway closure in 2012) using the rates and pricing structure in effect at July 31, 2013.	
9-11	<i>Other Airside Revenues</i> - Budgeted amounts are based on actual revenues for the period from 7/1/12 - 6/30/13 for existing services. Revenues for the ground power unit (which has only been in service since February) were annualized based on existing sales data.	
13	<i>Hangar Rental Income</i> - The Hangar Rental Income line includes monthly hangar rent at the base rate 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). Based on current occupancy, a 12% vacancy rate is factored in. Nightly hangar revenues (\$20,000) are also included on this line.	
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 1.0% CPI adjustment in the month stated in the corresponding lease. No rental revenues have been included for Hangar #2. In the twelve months ended 6/30/13 the District received \$70,995 from Hertz in concession revenues. The current budget includes \$70,000 for Hertz Concessions. EAA revenues are included at \$1,129 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 1.0% 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 8/20/13.	
32	<i>Inventory Shrinkage</i> is estimated at 1.5% 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 2012 through July of 2013 was 1.0% 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 (snow removal) are budgeted for a total of 380 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, adjusted for staffing changes. The cost of living increase approved by the Board of Directors at the August 22, 2013 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%. The Director of Finance and Administration position has been budgeted to have a three month overlap as the existing employee transitions out.	



Line #	Budget Assumptions	Fiscal Year 2013-2014
	Payroll and Employee Benefits (continued)	
41	<i>Other Pay</i> – Includes the following: Cost savings awards (\$2,500), Safety awards (\$2,850), safety officer assignment pay (\$1,500), Aviation Knowledge Certification Program pay (\$5,000), and \$6,150 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 nine months of the 2012-2013 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 15.685%; the estimated rate used for the next PERS fiscal year (7/1/14 - 6/30/15) is 16.6%; however, PERS has stated that rate may due to new actuarial policies. The District’s budget uses a rate of 17% for the period from July 1, 2014 – September 30, 2014. 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 it currently only effects two employees. Medicare and FICA expenses are based on current rates. <i>Employee Benefit Insurance</i> is budgeted based on the current medical insurance program with the District self-insuring for a portion of the coverage. The District’s self-insurance payouts have been conservative estimated based on the first year’s experience. The District’s medical premiums are budgeted to increase 12% beginning with the renewal on August 1, 2014. 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 103% to 119%. <i>Training and Education</i> costs are budgeted at \$48,000 to reflect the Aviation Knowledge Certification Program, 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, uniform allowances, plus insulated coveralls, rain gear 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.	
62-66	<i>ACAT</i> - ACAT’s budget was generated by the team.	
69	<i>Air Show</i> - Based on the current estimate from the Air Fair Committee for next year’s event.	
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.	
71	<i>Aviation Safety Initiatives</i> – Provides funding for two fire fighters to attend ARFF training and other aviation safety programs identified through the year. This also provides funding for an aviation safety quarterly meeting series.	
73	<i>Communications</i> – This line item includes phone service/equipment and internet access. Includes \$5,000 for an additional repeater for the maintenance radio frequency.	
74	<i>Conventions and Conferences</i> - Attendance is anticipated at the Special District Institute conferences, ICAS, AAAE events, the UC Davis Eco-Aerovision Conference, FAA and CSDA events.	
75	<i>County Support</i> - Estimated at 2.09% of property taxes, based on prior year actuals.	
76	<i>Credit Card Processing Fee</i> - Estimated at 3% of Total Airside Operations Revenues (prior 6 month total was 2.7% of corresponding revenues). Fees for hangar rental payments were estimated based on 62% of hangar payments being made by credit card at 3.2% - rate is higher as cards are not swiped.	
77	<i>Director’s Fees and Board Meeting Expenses</i> - Budgeted for 15 meetings at \$800 each and one offsite meetings at \$3,000. Also included are \$1,800 to cover technology related expenses. The expenses anticipated related to the broadcasting of the Board meetings (\$20,000) has been included in the Community Outreach category.	



Line #	Budget Assumptions	Fiscal Year 2013-2014
	Operating, General and Administrative Expenses (continued)	
78	<i>Directors' Medical Insurance</i> - has been budgeted based on the Directors' current policies with a 15% premium increase factored in.	
83	<i>Geographic Information System</i> - The GIS is used to assist pilot and community education, detail airfield history, 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 – the utilities plan will be represented in the GIS.	
84	<i>Homebasing Incentive</i> - 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.	
85	<i>Insurance</i> - Insurance premiums were budgeted based on the current policies with an estimated increase of 15% for liability coverage and 10% for property coverage. Current premiums: Property - \$45,642, Liability \$13,800, and Elected Officials - \$15,701.	
87	<i>Office Equipment</i> - Budget includes amount to purchase IT equipment (\$24,500) and other office equipment (\$5,000) as required for operations and in accordance with policy. In addition, \$10,000 has been budgeted to setup a backup server location in the maintenance building.	
89	<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 offset wrenches for Maintenance.	
91	<i>Operations Monitoring</i> – Includes the WASP monitoring fee of \$18,000 and an additional \$3,000 for battery replacement. The recurring maintenance fees for the Flight Tracking System and the site leases (\$15,500) are included here as well as \$20,000 for maintenance, and \$2,500 for support services. The recurring maintenance fees total \$118,000 and include Volans, NavAid and ITT. Additionally, \$40,000 is budgeted for the FAA Facility Transmitting Authorization process. The \$25,000 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).	
92-99	<i>Outreach Program</i> - The total is \$210,050 for the various elements of the Outreach Program. Line 93 "Consultant" represents fees for outside services. Line 94, "Internet, Print, Broadcast and Direct Mail" includes \$12,000 for radio outreach, \$6,000 for print ads 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 \$25,000, which includes \$7,500 for Excellence in Education grants. The "Promotional Items" line includes funds for signage, handouts, gliders, etc. Line 98, "Pilot Outreach," includes the potential expense for the in-kind payment from EAA of \$13,650.	
100	<i>Permits, Licenses and Fees</i> – Included here are mandated fees for inspections and environmental monitoring, LAFCO expenses, fees paid to Paychex for the time tracking system, payroll processing and human resource administration.	
104	<i>Accounting and Audit</i> - Expenses are budgeted based on the Engagement Letter with the auditor.	
105	<i>Legal</i> - Legal expenses were estimated based on the activity in the previous twelve months (\$51,450), with an increase related to possible costs on the land lease issue. A request for proposals for District Counsel is being issued, and hourly rates could increase. FY 2014 legal fees will be budgeted to increase over the prior year actual experience. The legal expense in the Community Outreach Dept. is for specific aviation law support.	
106	<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. There are \$18,000 budgeted for an IT Content Management System and \$8,000 budgeted for penetration testing and internal threat assessment.	



Line #	Budget Assumptions	Fiscal Year 2013-2014
	Operating, General and Administrative Expenses (continued)	
107	<i>Other Professional Fees</i> - The amount budgeted can be detailed as follows: \$150,000 for the Airport Master Plan, \$30,000 for consulting costs related to the creation of a capital facilities plan for utilities, \$85,000 for aviation consulting related to non-ACAT issues such as airspace and safety, \$7,000 related to land appraisals, \$5,000 for an Art Coordinator and \$2,000 for consultation related to employment issues.	
108	<i>Engineering</i> - Engineering fees are based on the level of service anticipated, including the Facility Maintenance Plan work. These are fees not attributable to capitalized projects.	
109	<i>Fiscal Analyst – Sustainability Evaluation</i> – Funds budgeted to provide resources for Staff and Board to analyze fiscal and operational sustainability of programs, projects and initiatives - including the multi-use hangar project.	
111-116	<i>Utilities</i> – The utility costs for the admin building are based on experiences. The electrical and gas utility costs related to the admin building are allocated to Operations, Administration and Community Outreach Departments.	
	Repair and Maintenance Expenses	
124-125	<i>Vehicle and Equipment Expense</i> - The previous twelve month expenses were calculated and then adjusted for expected expenses related to: refurbishment of the old JetA truck, replacement of a seal on the new JetA truck, purchase of a portable tug for aircraft, funds for replacement/repair of snow removal equipment cutting edges, and the purchase of a new snow blower. The vehicle expense line includes auto insurance (anticipated to increase slightly due to the budgeted purchase of a new vehicles) 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.	
126	<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 Facilities Maintenance Plan calls for \$30,000 in work on the fuel farm and \$35,000 for the fuel island. Those amounts are also included in this line. While we are budgeting in accordance with the Plan, Staff will investigate the requirements and ensure the needs are met at the most reasonable expense to the District.	
127	<i>Safety Related Equipment</i> – The budget includes \$3,000 to provide some type of heating to hangar A09 and \$2,000 for other projects which may develop.	
128	<i>Repair and Maintenance - Pavement Maintenance and Cracksealing</i> - Includes \$695,750 for pavement maintenance. Also included is \$20,000 for crack filling/repair including supplies for work performed by District personnel and \$15,000 for an update to the Pavement Management Plan (PMP). The updated PMP will detail the work to be completed in the summer of 2014. If the projects are determined to be capitalizable, they will be included as fixed assets and not expensed.	
129	<i>Anticipated Grant Funding for Airfield Pavement Maintenance</i> - The District is not anticipating any FAA or Caltrans funding of pavement maintenance projects.	
131	<i>Repair and Maintenance Expenses</i> – The Repair and Maintenance Expenses for the facilities were based on the Facilities Maintenance Plan plus specific projects noted by Staff. Of the total amount budgeted (\$528,180), projects identified by the Plan represent \$399,430 of the total. The cost of janitorial service for the admin building is also included at \$24,000.	
133	<i>Land Management</i> - Includes funding for the projects listed in the Forest Management Plan (\$166,800), plus \$80,000 in road repairs. Also included is \$10,000 for a Truckee River Watershed Council partnership contribution for parcel mitigation on the Martis Creek Estates and Ponderosa Golf Course parcels.	
	Other Income and Expense	
153	<i>Interest</i> - Interest on our LAIF account was estimated based on the July 2013 balance being adjusted for anticipated cash flow related to property tax payments. The interest rate used was 0.25% - current rate at LAIF. Also included is the interest earned by the certificates of deposit held by the District.	
154	<i>Receipt of Long-term Receivable from the Joerger Family</i> – Note that no funds are anticipated being received at this time. The anticipated payment date is now July 1, 2016.	



Line #	Budget Assumptions	Fiscal Year 2013-2014
	Capital Expenditures	
165-166	<i>FAA Grant Eligible Projects</i> – The Plow Truck (model year 1990) replacement is on the ACIP in 2014, and Staff hopes that by having the specs completed and the project ready to go the District can receive FAA funding in the current fiscal year.	
174	<i>Grant Funding</i> is estimated at 90% of project costs.	
178-191	<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 the project will not be competed in fiscal year 2012-2013. The design and permitting for the multipurpose hangar have been included; it is assumed that the construction would occur in the next fiscal year.	
	Land Purchases / Development	
193-194	<i>Allocation for land purchase/development</i> – No amount has been budgeted for FY2014; there are \$2,750,000 designated in Unrestricted Net Assets for land acquisitions.	
	Property Taxes	
209-212	<i>Property Taxes</i> - The estimates for the current property tax year (7/1/13 - 6/30/14) were based on the assessed valuations received from the counties and historical percentages. The valuation of the property in both counties increased slightly (an overall increase of 2.85%). Based on historical tax receipt rates (ratio of revenues to valuation), the District will budget property tax revenues to increase by 1% for Placer County and 0.5% for Nevada County from actual receipts in the previous tax year – those estimations include a reserve of 1.0%.	