

# Truckee Tahoe Airport District

## 2019 Final Budget

Adopted November 28, 2018



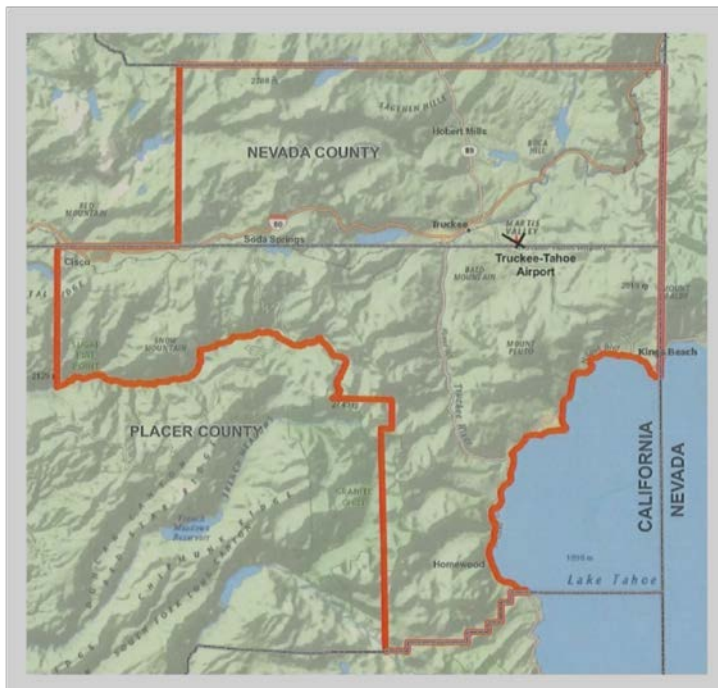


## BUDGET MESSAGE

The Truckee Tahoe Airport District (District) is constantly striving to be an excellent example of local agency government. The following is the mission of the District:

*The Truckee Tahoe Airport is a community airport that provides high-quality aviation facilities and services to meet local needs. We strive for low impact on our neighbors while enhancing the benefits to the community-at-large.*

The Truckee Tahoe Airport serves private and charter aircraft, but offers no scheduled commercial flights. Like interstate 80 and the Union Pacific Railroad, the Truckee Tahoe Airport is a part of the Federal Transportation System. The Truckee Tahoe Airport provides for the demands of the local and visitor aviation community; it does not market for or encourage increased flight operations but responds to the needs of the region it serves. With a growing local Truckee Tahoe population and economy, flight operations continue to increase year over year. Operations for 2019 are anticipated to be in the range of 35,000-40,000 operations (a landing or take-off). The map below shows the service area of the Truckee Tahoe Airport District.



TTAD District Boundary

The District continues to be honored with a Transparency Certificate of Excellence from the Special Districts Leadership Foundation. In addition, the District was awarded the Truckee Donner Chamber of Commerce Large Business of the Year for 2018.

### THE BUDGET PROCESS

The fiscal year 2019 budget, crafted by Board of Directors (Board) priorities and input, satisfies the needs of its customers, constituents, employees and the greater community in a fiscally responsible way. The annual budget process begins in August with a presentation to the Board, asking for input on various budget opportunities.

The budget is revised and revisited by the Board in September and October,

and the final budget adopted in November. The three-month process allows for sufficient public input and Board discussion. This year, 12 budget opportunities were presented:


**CY2019 Budget Opportunities as Discussed at August 22, 2018 Budget Workshop**

|                                                          |                                         |                                                                              |
|----------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------|
| Community Sponsorships and Partnerships                  | Replace 950 B Loader                    | Greenhouse Gas Emissions Inventory and Sustainability Management Initiatives |
| Funding for Regional Housing Solutions and Opportunities | Administration Building Addition        | ADS-B Installation                                                           |
| Pavement Management                                      | Hangar 2 Reconstruction                 | Various Studies for Asset Management                                         |
| H Row Hangar Roof Replacement                            | Consideration of 12 New Super T Hangars | Personnel and Staffing Changes                                               |

The Board allocated funds for all of these opportunities at some level in 2019. In Spring of 2018, the District policy relating to the designation of unrestricted net position was reviewed and revised; the policy will be a tool for communicating the Board's plans for the accumulated net position of the District.

**Fiscal Year 2019 Highlights**

- Operating budget of \$13.5 million
- Capital expenditures of \$7.7 million (of which \$2.9 million grant-funded)
- Operating revenues of \$6.6 million
- Non-operating revenues of \$8.9 million
- Use of Reserves \$5.7 million
- Beginning Year Reserves \$9.3 million; End of Year Reserves \$3.6 million

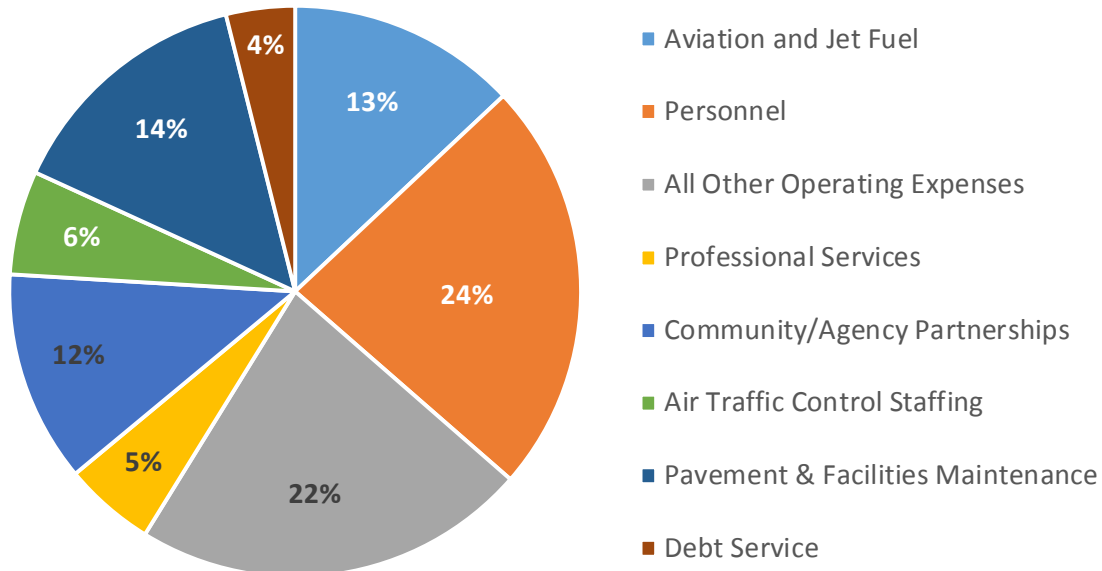
**FISCAL YEAR 2019 BUDGETED OPERATING EXPENDITURES**

The District continues to operate with minimal debt; the only debt is associated with completion of the Executive Hangars, which are 100% leased.

Operating expenditures are shown by category in **Figure 1**. Total budgeted expenditures are \$13.5 million.



**Figure 1**  
**Operating Expenditures - 2019**



***Outreach and Transparency:*** The 2019 budget reinforces the District's commitment to focus on community outreach and transparency in many ways. The Board budgeted funds to sponsor the 2019 Air Show and Family Festival. Since 2012, the annual Air Show has been very successful, not just in terms of community approval, but also as a fundraiser for the non-profit organizations involved. The budget contains funding to take the event to a higher level in 2019. This event brings approximately 15,000 people to the airport to enjoy the show. Board meetings continue to be broadcast over the local cable channel and the internet. They are archived on the District's website for viewing at any time. The District continues to refresh and update the District website to provide constituents and customers with news and information about the District. The website has 50,000-60,000 visitors a year with the 360-degree webcam being especially popular.

***Commitment to Community:*** The 2019 budget includes nearly \$1.7 million for community partnerships. Ongoing support is provided to youth education and local transportation. The District helps many youth programs and activities through our community non-profit sponsorship initiative. These include Young Eagles, Civil Air Patrol, STEAM programs, Mission to Mars, the Challenger Academy program and Boys and Girls Club. Additionally, collaborative transportation projects include providing funding to enhance TART public transportation, the Bike Share Program, the North Lake Tahoe Express transportation to the Reno-Tahoe Airport, Town of Truckee with special town shuttle services, and participation in the Regional Air Service Corporation, supporting business and leisure air service to and from the Reno Tahoe international Airport.



In-kind donations include provision of quality meeting space for the community and lease of warehouse space for local non-profit organizations at reduced rent. The Makerspace has 4,700 square feet of space for its community-oriented projects and in 2019 the District will be leasing 4,000 square feet of space to the Tahoe Food Hub. The Board has determined that the cost to provide a service and a return on the District's investment, when appropriate, should be considered when rate schedules are set.

The larger community agency partnerships budgeted for the 2019 year are: North Lake Tahoe PUD Trailhead project \$160,000, Lizzando workforce housing project \$300,000, \$500,000 for supporting the Nahas property near Tahoe City facilitation workforce housing solutions, and undetermined partnerships of \$500,000.

**Safety and Noise Abatement:** The District strives to be both an outstanding general aviation airport and a good neighbor. The Board has a commitment to continually work on new solutions to reduce annoyance and enhance safety. District staff work seven days a week to provide quality service to our airport constituents and reduce air travel impacts to the community. The Truckee Tahoe Airport works with many local agencies that serve the area including CAL FIRE, Care Flight, CHP, Civil Air Patrol, Fish and Wildlife, Placer and Nevada County Sheriff, REACH, USFS, and US Military. The District recently completed the Tahoe City emergency Helipad, providing emergency helicopter access to West Shore of Lake Tahoe. In 2019, the District will be exploring options to construct a second EMS Helipad in the Kings Beach area. The District has been exploring the installation of an Automatic Dependent Surveillance Broadcasting (ADS-B) ground station on the airport to more effectively route aircraft on desired paths away from noise and annoyance effected neighborhoods. This project is included in the budget as a Capital Project at \$1,750,000.

In 2017, the District erected a Control Tower and contracted with MidWest Air Traffic Control for staffing of the control tower. The Board continues to fund this project for the full year in 2019 at \$828,000 to enhance safety and mitigate community annoyance. Ongoing noise abatement programs such as the Fly Quiet incentive program, annoyance monitoring, pilot outreach, and the airspace and procedures study, continue to be fully funded in 2019.

The District is committed to good environmental stewardship, including reducing its carbon footprint in the region it serves. The budget commits \$100,000 for Green House Gas reduction projects that may include lighting upgrades, electric ramp vehicles, building insulation, smart engine block pre-



*New Columbia Car Electric Ramp Truck purchased in 2018 to replace gas powered Kawasaki Mules.*

heaters and solar generation among other opportunities.

The District creates and updates facility plans to focus its resources on the most efficient and effective way to maintain the District's infrastructure. The District is in the process of updating the Facility Maintenance Plan to reflect current pricing of maintenance and new projects. All projects are evaluated by District staff and are approved by the Board as part of the budget process, taking into consideration the condition of the assets, as well as future needs and other factors, before proceeding with any scheduled or recommended projects. The District channels monetary and human resources (staff, Directors, ACAT and community members) into ensuring that management objectives detailed in these plans are met. Together with the Airport Master Plan, these documents guide the District to meet its strategic objectives. In total, \$425,000 is included in the 2019 budget for planning/studies.

### FISCAL YEAR 2019 BUDGETED CAPITAL EXPENDITURES

**Capital Projects:** Capital projects are evaluated and budgeted for based on the potential effect the expenditure would have on users of the airport and the impact on overall long-term financial stability of the District. In 2018, the District developed a 5-year budget forecast to assist the Board with prioritizing capital projects.

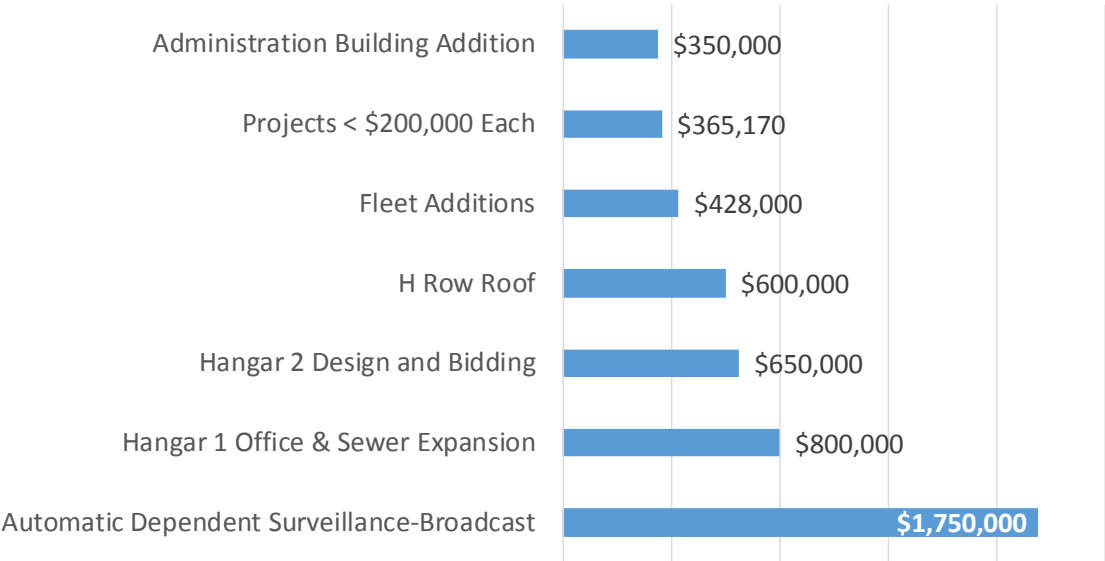


*ADS-B Ground Station is proposed in CY2019 Budget pending analysis.*

The 2019 budget includes \$7.7 million spending on capital projects. Of this, \$2.9 million is for FAA grant-eligible projects; leaving \$4.8 million to be funded by the District. Grant-funded expenditures of \$2.9 million are for 4 major projects (1) Taxiway Romeo reconstruction, (2) emergency services helipad parking ramp upgrades, (3) construction of a new aircraft wash rack and (4) miscellaneous pavement saw and seal projects. District-funded projects are shown in **Figure 2**.



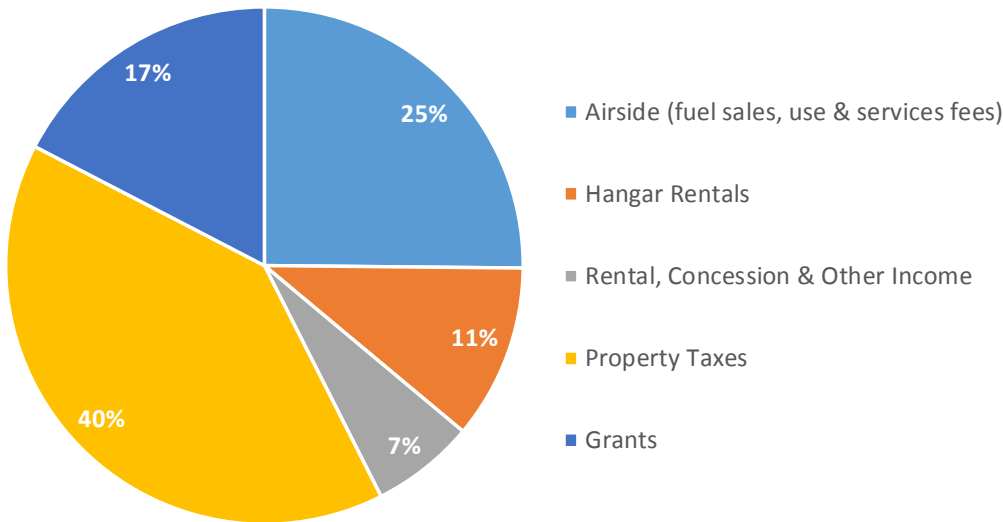
**Figure 2**  
**District-Funded Capital Projects for 2019**



**FISCAL YEAR 2019 BUDGETED REVENUES**

The District’s budgeted revenue sources are shown in **Figure 3**. Total budgeted revenues are \$16.1 million.

**Figure 3**  
**2019 Budget Revenue Sources**

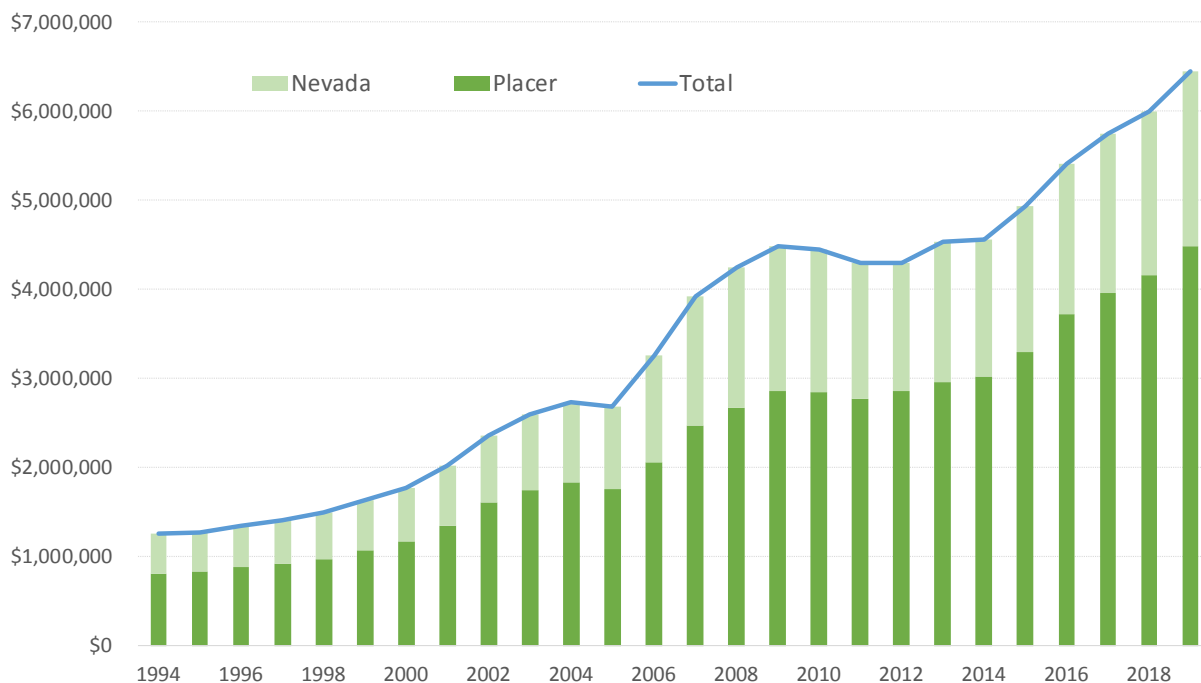




**Property Taxes:** The largest component of District revenues is property taxes. The Board takes the task of managing the monies received from District taxpayers seriously. The budgeting process includes analysis of expenditures based on parameters established by the Board. Because property taxes are a major revenue source for the District, and are generated outside of airport operations, the parameters are stated as percentages of property tax revenues; thus, any decrease in the level of funding from property taxes flows through the budgeting process.

Property tax revenues are budgeted to increase about 5% over 2018, providing \$6.4 million in 2019. Budgeted revenues are based on information received from Placer and Nevada Counties regarding the valuation of property within the District's boundaries. Over the past 25 years, Placer County property tax revenue has increased at an annual average rate of 7% while Nevada County's has increased at an annual average rate of 6%. Historical District property tax revenues are illustrated in **Figure 4** and demonstrate the effect of the Great Recession between 2009 and 2014.

**Figure 4**  
**Historical District Property Tax Revenue**





**Airside Revenues:** Airside operations and leasing revenues are projected to provide about \$6.5 million (25% of budgeted revenue) to offset cost of goods, staffing and administration of the District. Operations, fuel sales and user fees revenues continue in an upward trend reflective of the California economy.

**Other Revenues:** Grant revenues from the FAA for airfield infrastructure projects will continue to keep airport facilities in excellent condition. Grant revenues fluctuate from year to year depending on facility needs. Other sources of revenue include hangar rentals, rental, concession, and other income.

## FY2019 Budget Narrative

This Narrative details items included in the Calendar Year 2019 Budget. Included in this document are proposed Revenues, Expenses for the year as well as proposed Capital Projects to provide analysis of Cash Flow needs to insure financial viability of the District.

In this final draft of the Budget, Unrestricted Cash is projected to begin the year at \$9.3 million and end the year at \$3.6 million.

For purposes of comparison, the budget is compared to a Calendar Year estimate and budget for 2018 as well as actual results for the fifteen-month year ending December 31, 2017. The numbered paragraphs below correspond to the numbered line items on the Budget Spreadsheets to assist in understanding funding allocations and specific projects.

### Operating Budget Narrative

#### Airside Revenues

- **1 100LL:** In 2018, sales of 100LL are up about 18% over the prior year. The cost per gallon fluctuates, but is similar to the prior year. Gross profit over the past twelve months has been tracking at about \$1.00 per gallon. We are recommending budgeting 100LL sales at 98,000 gallons, a 5% increase, and a similar gross profit of about \$1.00 per gallon. Total Sales \$520,000
- **2 JetA:** In 2018, sales of JetA are up about 25% and have been increasing year over year for the past few years. Last year sales are averaging 38,500 gallons per month equating to a 12 month estimate of 462,000. The current year is trending to sell about 550,000 gallons. The cost per gallon fluctuates, but is similar to the prior year. Gross profit over last year has been tracking at \$2.20 per gallon, slightly under 50%. We are recommending sales at 600,000, a 10% increase, and a similar gross profit of about \$2.20 per gallon. Total sales \$2,612,000



- **3-10 Other Airside Revenues:** Transient Use Fees continue to rise, corresponding to increased operations. The other airside revenues, are tracking slightly higher than budgeted reflecting the busy summer season and tracking with fuel sales.

#### Other Revenues

- **13-14 Hangars:** Hangar rental rates are increased based on the Consumer Price Index (CPI) and are adjusted in September. We implemented a 3.2% increase in September 2019. Occupancy has been steady over previous years with waitlists for both T-hangars and Executive hangars. Revenue projections for hangars are as follows:
  - o T-Hangar Rental- \$1,000,000
  - o Executive Hangar Rental \$700,000
- **17-18 Other Business Leases:** A CPI increase of about 3% will be included for Red Truck, Clear Capital, Hertz, Enterprise, Careflight, Soar Truckee, Tahoe Truckee Sky Dive, SurfAir and Sierra Aero. Lease revenue is budgeted at \$430,000 for these tenants. Concessions (car rental), primarily from Hertz and Enterprise is budgeted at \$135,000.
- **21 Warehouse Leases:** Similar CPI increase will be factored in the budget. We have had a vacancy in the current year, and anticipate leases to non-profit organizations that will be under market rate. Lease revenue is budgeted at \$228,000. In addition, we are continuing to make safety improvements to the warehouse space.

#### Cost of Goods

- **26-27 Fuel costs:** See the discussion above under Airside Revenues on fuel cost and gross profit on fuel sales.
- **33 Payroll:** The District has 25 full-time employees and 4 seasonal 5-6 month temporary summer staff, 1 winter 3 month temporary position and 3 seasonal winter snow removal on call equipment operators. The 25 full-time employees is up 2 positions from 2018 and now includes a noise abatement position that previously was temporary and an accounting clerk position that previously was part-time. TTAD plans to utilize the seasonal staff, both winter (on call snow removal and holiday season) and summer (for peak period summer operations). Payroll also includes a 3% merit increase factored into the budget for the Fiscal year. There is also a CPI increase effective July 1.
- **34-37 Benefits:** The employer contribution for CalPERS for 2018 will remain similar for all three tiers of pension coverage and will be budgeted accordingly. Additionally, there is an annual estimated contribution of \$135,000 on top of these percentages:



| Tier    | Contribution Rate | # Employees |
|---------|-------------------|-------------|
| 2.7%@55 | 12.21%            | 8           |
| 2%@60   | 7.63%             | 1           |
| 2%@62   | 6.84%             | 16          |

Health insurance includes medical, dental, vision, life insurance and long term disability. The employee contributes 7% towards the cost of the health benefits. The insurance policies are brokered through PWA. The increases for 2019 are under 5% on the average.

**38 Workers compensation** is brokered through SDRMA and rates are based on a percentage employee's payroll. The current year expense is about \$55,000.

**39 Training, Education and Other** includes training opportunities for staff to attend various seminars and conferences through aviation oriented organizations including AAAE, CSDA, NBAA, Avfuel, ICAS and UC Davis Noise Symposium. Uniforms and safety gear is included here such as high visibility jackets for operations and uniform allowances. Also included is the GM's aviation stipend, employee flight currency, cell phone and auto allowances.

#### **Operating, General and Administrative Expenses**

**46 ACAT-ACAT's** budget is developed by the Airport Community Advisory Team and is budgeted at \$50,000, consistent with expenditures of prior years.

**47 Annoyance Reduction Programs-** This is the expense of the Fly Quiet Incentive and is budgeted at \$131,000.

**49 Access Control-** This item is for management of the fencing and gate systems securing access to the ramp and airfield. Included in the budget is funding of \$75,000 to enhance gates and access control and \$33,000 for routine security.

**50 Airshow-** This is based on the Air Show Committee's estimate of \$199,000, same as prior year. Budget also includes the additional fee for airshow non-profit partners at \$66,000, making the total budget amount \$265,000.

**51 Aviation Safety Initiatives-** This includes \$40,000 for airspace phase 2, \$70,000 Obstruction Survey, \$10,000 Safety Management System, General Safety \$10,000 and \$10,000 various other safety needs.



**53 Communications-** Replacement of radios for \$10,000 and \$51,000 for internet, land lines, long distance and AWOS.

**54 Conventions and Conferences-** Attendance at AAAE, NBAA, CSDA and other conferences and training for Board and Staff budgeted at \$45,000.

**55 County Support-** Estimated at about 2% of property tax revenue at \$128,000.

**56 Credit Card Processing Fees-** Fees average a little less than 3% of total credit card sales from airside operations and hangar lease payments and are budgeted at \$104,000.

**57 Directors Fees and Expenses-** The budget includes \$10,000 for Director's stipend, \$3,000 Tech, \$7,000 for Board Meeting support, \$12,000 broadcasting, \$65,000 for medical insurance for a total of \$97,000.

**58 Dues & Subscriptions-** Budget is for Regional Air Service Corp (RASC) \$10,000 and \$15,000 for AAAE and other.

**60 Employee Relations and Activities-** This includes cost of monthly staff meetings, a holiday party, various refreshments for other staff meetings, other staff and board activities, branded clothing, performance awards, and a summer event. \$25,000.

**62 Equipment Rental-** This covers the copier for \$15,000. Prior year also included the rental of a "Multi Hog", a small snow removal cat that we are not renting again.

**63 Geographic Information System-** The GIS is used to assist pilot and community education, detail airfield history and the development of an open space acquisition plan. GIS is also integral in the flight tracking system capabilities and maintaining the District's infrastructure and property boundary verification. This is budgeted at \$30,000.

**64 Grounds Maintenance/Landscaping-** This was previously included in Terminal maintenance. The budget includes quarterly upkeep of the grounds \$19,000, and landscape improvements in front of the WOB and car rental area for \$30,000.

**65 Home-basing Incentives-** Based on signatory incentives election of the hangar tenants at \$87,500.

**66 Insurance-** Property \$67,000, Cyber \$3,000 Liability \$15,000, Auto \$10,000 and Elected Officials \$19,000, for a total of \$114,000.



**68 Office Equipment-** Community room broadcasting equipment upgrades \$35,000, laptop and computer replacements \$35,000, Server for terminal building \$100,000 and other \$10,000.

**70 Operating Supplies and Small Tools, Janitorial-** Expenses are for supplies for maintenance and airside \$50,000, janitorial for the terminal and maintenance building \$50,000, and the remaining \$90,000 is for utilities and routine maintenance for the WOB that is reimbursed through CAM rent.

**71 Operations Monitoring-** The budget includes flight tracking contract with NavAid \$100,000, VNOMS \$115,000, Plane Noise software \$25,000 and site-leases \$20,000.

**72 Permits-** The budget of \$25,000 includes various annual permits for airside and administration, including Water Resource Board, US Forest Service, Town of Truckee and the counties and new additional funding for permits with Nevada County for land use/zoning for Soaring Way.

**75-86 Professional Fees-**

- **Accounting & Auditing-**The budget includes the audit and various accounting fees of \$25,000
- **Legal-**\$80,000 total: this includes general counsel, aviation and human resources.
- **Computer support and software leasing-** \$83,000 total: this includes Caselle financial software \$25,000, general computer support \$30,000, Data Content Management \$15,000 and other \$13,000.
- **Other professional-** \$727,000 total: this includes \$425,000 for studies for Parking, Facility Maintenance Plan, Land Management Plan, Communications Master Plan, Wildlife Hazard, Water System Master Plan, Super T Study, \$50,000 for lobbyist to assist with FAA on ADS-B and Tower Program, \$100,000 Greenhouse Gas initiatives, \$50,000 Air Traffic planning and \$102,000 for other smaller projects.

**87 Air Traffic Tower Staffing-** \$828,000 Tower staffing.

**88 Engineering-** \$76,000-General and aviation engineering.

**89 Fiscal sustainability and analytics-** \$30,000.

**90-97 Public Relations-**

- **Consulting-** \$45,900- for graphic design and marketing and an additional \$50,000 for communications master planning.
- **Internet, Print, Broadcast, & Direct Mail-** Website/internet \$30,000, Print Newsletter \$25,000, Radio \$15,000.
- **Events-** \$30,500 Truckee Thursdays, block parties, Santa Fly-in, Splash-in and others.
- **Sponsorships-** \$50,000-Community sponsorships (up to \$3,000).
- **Pilot Outreach-** \$84,000 total: this is made up of, Advertising and meeting expense for Pilot Outreach Coordinator \$41,000, Speaker series \$15,000, NBAA outreach \$5,000, rent offset for EAA \$14,000, flight experience training for employees \$9,000.
- **Promotional items-** \$5,000

**99-111 Community/Agency Partnership-s** \$1,686,000 total. This is made up of Boys and girls club \$80,000, Hwy 267 bus route \$66,000, Excellence in Education \$8,700, Reno Air Service Corp for TNT TMA \$10,000, TNT TMA for NLT Express \$3,500, Bike Share Program \$18,000, North Tahoe PUD trailhead project \$160,000, local Truckee shuttles for Truckee Thursdays and New Years \$40,000, \$300,000 Lizzando housing project, other Housing \$500,000 (the Board has made a tentative commitment of \$500,000 for the Nahas housing project near Tahoe City), and \$500,000 for general agency partnerships.

**Repairs and Maintenance**

**119-120 Vehicle and Equipment Expense-** This includes fuel for vehicles and equipment, parts and labor for repairs, insurance \$103,000.

**121 Airfield Equipment, Lights & Signs-** Total budget \$25,000- Taxiway lights \$15,000, \$10,000 other.

**124 Pavement Maintenance-** General pavement maintenance \$700,000 and for ACIP FAA match requirements and other pavement improvements.

**125-128, 130-131 Facility Maintenance-** Total expenditures \$855,000. The Facility Maintenance Plan (FMP) identifies \$350,000 in repairs and maintenance to the District facilities. Beyond, the FMP, staff is recommending \$125,000 Airfield striping, \$40,000 Hangar door switches, \$80,000 Hangar 1 door, \$200,000 warehouse building upgrades, \$60,000 Snowmelt system for north side of administration building.



**129 Firefighting & Haz Mat. Response-** This includes \$9,000 for fire extinguisher upkeep and additional safety equipment.

**132 Water Utility Infrastructure-** The District operates its own unique and distinct water system. We are responsible for our own service lines, fire flows and water quality. \$150,000 is included for study and begin any needed upgrades to the system.

**133 Land Management-** Per the 14-year Forest Management Activity Tracking, \$143,000 for fuels reduction and forest treatment. Staff is also recommending decommissioning the road in Waddle Ranch for \$150,000.

### **Other Income and (Expense)**

**140 Property Tax Revenue-** Revenues are budgeted at \$6,442,000, based on assessed valuations of both secured and unsecured property within the District. A 1% allowance is factored in to arrive at the budgeted amount. Projected property tax revenues by county: Placer \$4,486,000, Nevada \$1,956,000.

**142 Operating Grants-** FAA grants of \$2,796,000 of pavement maintenance at 90% FAA and 5% State of California reimbursement.

**143 Gain (Loss) on Disposal of Assets-** On the Capital Project List is a new 100LL truck and 938 Loader. The District anticipates selling the replaced vehicles earning approximately \$90,000.

**143 Debt Service-** Per the payment schedule for the Executive Hangar Loan, \$549,000 is the annual payment, a combination of interest and principal, due in August.

**145-146 Interest-** \$160,000 total interest. About 90% of our reserve funds are invested at LAIF earning about 1.9%, and 10% is invested in CD's earning slightly over 2%.

**Following the Budget Spreadsheets is a list on proposed 2019 Capital Project Expenditures for a total of \$7,739,000.**

**Truckee Tahoe Airport District**  
**Proposed Budget for the Twelve Months Ended December 31, 2019**

|                                                         |      | Proposed<br>Budget 2019 | Estimate<br>Calendar<br>Year 2018 | \$ Variance      | %<br>Variance | FY 12/31/18<br>Budget | Fifteen Months<br>FY 12/31/17<br>Actual |
|---------------------------------------------------------|------|-------------------------|-----------------------------------|------------------|---------------|-----------------------|-----------------------------------------|
| <b>Revenues</b>                                         |      |                         |                                   |                  |               |                       |                                         |
| <b>Airside Operating Revenues</b>                       |      |                         |                                   |                  |               |                       |                                         |
| Aviation Fuel Sales                                     | (1)  | 519,808                 | 495,055                           | 24,753           | 5.0%          | 399,100               | 539,108                                 |
| Jet Fuel Sales                                          | (2)  | 2,611,642               | 2,374,220                         | 237,422          | 10.0%         | 1,600,700             | 2,366,090                               |
| Auto Parking                                            | (3)  | 74,410                  | 72,595                            | 1,815            | 2.5%          | 60,000                | 91,201                                  |
| Oil Sales                                               | (4)  | 2,121                   | 2,069                             | 52               | 2.5%          | 1,600                 | 2,131                                   |
| Tiedowns                                                | (5)  | 106,793                 | 104,188                           | 2,605            | 2.5%          | 98,000                | 113,196                                 |
| Transient Use Fees                                      | (6)  | 613,640                 | 584,419                           | 29,221           | 5.0%          | 315,000               | 541,390                                 |
| Merchandise                                             | (7)  | 4,637                   | 4,524                             | 113              | 2.5%          | 1,500                 | 4,542                                   |
| Services                                                | (8)  | 107,401                 | 104,781                           | 2,620            | 2.5%          | 84,000                | 111,664                                 |
| Vending                                                 | (9)  | 1,031                   | 1,006                             | 25               | 2.5%          | 500                   | 1,339                                   |
| Miscellaneous Revenue                                   | (10) | 4,128                   | 4,128                             | -                | 0.0%          | 5,000                 | 6,143                                   |
| <b>Total Airside Operating Revenue</b>                  | (11) | <b>4,045,611</b>        | <b>3,746,985</b>                  | <b>298,626</b>   | <b>8.0%</b>   | <b>2,565,400</b>      | <b>3,776,804</b>                        |
| <b>Hangar Rental Income</b>                             | (12) |                         |                                   |                  |               |                       |                                         |
| T-Hangar / Box Hangar Rental Income                     | (13) | 1,705,665               | 1,371,380                         | 334,285          | 24.4%         | 1,390,000             | 1,713,540                               |
| T-Hangar / Box Hangar Electricity Surcharge             | (14) | 50,552                  | 48,145                            | 2,407            | 5.0%          | 48,000                | 60,081                                  |
| <b>Total Hangar</b>                                     | (15) | <b>1,756,217</b>        | <b>1,419,525</b>                  | <b>336,692</b>   | <b>23.7%</b>  | <b>1,438,000</b>      | <b>1,773,621</b>                        |
| <b>Other Business Income</b>                            | (16) |                         |                                   |                  |               |                       |                                         |
| Other Business Leasing Income                           | (17) | 430,032                 | 400,031                           | 30,001           | 7.5%          | 452,450               | 360,885                                 |
| Concession Income                                       | (18) | 134,904                 | 131,614                           | 3,290            | 2.5%          | 130,500               | 123,799                                 |
| <b>Total Other Business Income</b>                      | (19) | <b>564,936</b>          | <b>531,645</b>                    | <b>33,291</b>    | <b>6.3%</b>   | <b>582,950</b>        | <b>484,684</b>                          |
| <b>Warehouse Income</b>                                 | (20) |                         |                                   |                  |               |                       |                                         |
| Warehouse Space Rental Income                           | (21) | 227,638                 | 224,274                           | 3,364            | 1.5%          | 226,500               | 342,245                                 |
| <b>Total Warehouse Income</b>                           | (22) | <b>227,638</b>          | <b>224,274</b>                    | <b>3,364</b>     | <b>1.5%</b>   | <b>226,500</b>        | <b>342,245</b>                          |
| <b>TOTAL REVENUES</b>                                   | (23) | <b>6,594,402</b>        | <b>5,922,429</b>                  | <b>671,973</b>   | <b>11.3%</b>  | <b>4,812,850</b>      | <b>6,377,354</b>                        |
|                                                         | (24) |                         |                                   |                  |               |                       |                                         |
| <b>Cost of Goods Sold</b>                               | (25) |                         |                                   |                  |               |                       |                                         |
| Aviation Fuel Cost - 100 LL                             | (26) | 415,846                 | 389,107                           | (26,739)         | -6.9%         | 319,280               | 424,001                                 |
| Jet Fuel & Prist Cost                                   | (27) | 1,410,287               | 1,193,941                         | (216,346)        | -18.1%        | 864,378               | 1,163,964                               |
| Oil and Lubricant Cost                                  | (28) | 1,000                   | 1,522                             | 522              | 34.3%         | 1,000                 | 1,265                                   |
| Merchandise Purchases                                   | (29) | 1,500                   | 4,147                             | 2,647            | 63.8%         | 1,500                 | 6,189                                   |
| Inventory Shrinkage                                     | (30) |                         |                                   |                  |               | -                     | -                                       |
| <b>Total Cost of Goods Sold</b>                         | (31) | <b>1,828,633</b>        | <b>1,588,717</b>                  | <b>(239,916)</b> | <b>-15.1%</b> | <b>1,186,158</b>      | <b>1,595,420</b>                        |
| <b>Payroll and Employee Benefits</b>                    | (32) |                         |                                   |                  |               |                       |                                         |
| Salaries and Wages                                      | (33) | 2,306,625               | 2,045,960                         | (260,665)        | -12.7%        | 2,045,960             | 2,374,924                               |
| PERS Contributions                                      | (34) | 330,100                 | 400,000                           | 69,900           | 17.5%         | 279,900               | 675,268                                 |
| Medicare & FICA Expense                                 | (35) | 44,191                  | 38,090                            | (6,101)          | -16.0%        | 38,090                | 39,179                                  |
| Unemployment Taxes                                      | (36) | 3,150                   | 3,000                             | (150)            | -5.0%         | 3,000                 | 434                                     |
| Employee Benefits (Insurance)                           | (37) | 487,932                 | 447,960                           | (39,972)         | -8.9%         | 447,960               | 528,346                                 |
| Workers' Compensation Insurance                         | (38) | 55,000                  | 57,390                            | 2,390            | 4.2%          | 55,000                | 69,054                                  |
| Training, Education and Other                           | (39) | 71,000                  | 108,364                           | 37,364           | 34.5%         | 68,000                | 105,825                                 |
| <b>Total Payroll and Employee Benefits</b>              | (40) | <b>3,297,998</b>        | <b>3,100,764</b>                  | <b>(197,234)</b> | <b>-6.4%</b>  | <b>2,937,910</b>      | <b>3,793,031</b>                        |
| <b>Total Payroll, Benefits and Cost of Goods</b>        | (41) | <b>5,126,631</b>        | <b>4,689,481</b>                  | <b>(437,150)</b> | <b>-9.3%</b>  | <b>4,124,068</b>      | <b>5,388,450</b>                        |
| <b>GROSS PROFIT (LOSS)</b>                              | (42) | <b>1,467,771</b>        | <b>1,232,948</b>                  | <b>(234,823)</b> | <b>-19.0%</b> | <b>688,782</b>        | <b>988,904</b>                          |
|                                                         |      |                         |                                   |                  |               |                       |                                         |
| <b>Expenses</b>                                         | (44) |                         |                                   |                  |               |                       |                                         |
| <b>Operating, General &amp; Administrative Expenses</b> | (45) |                         |                                   |                  |               |                       |                                         |
| ACAT                                                    | (46) | 50,000                  | 25,873                            | (24,127)         | -93.3%        | 84,000                | 71,538                                  |
| Fly QT Program                                          | (47) | 130,902                 | 127,709                           | (3,193)          | -2.5%         | 126,000               | 164,517                                 |
| Accidents and Damage                                    | (48) | 510                     | 500                               | (10)             | 0.0%          | 500                   |                                         |
| Access Control                                          | (49) | 108,000                 | 32,469                            | (75,531)         | -232.6%       | 30,000                | 41,560                                  |
| Airshow                                                 | (50) | 265,000                 | 241,305                           | (23,695)         | -9.8%         | 226,000               | 235,889                                 |
|                                                         |      |                         |                                   |                  |               |                       |                                         |
| Aviation Safety Initiatives                             | (51) | 140,000                 | 73,114                            | (66,886)         | -91.5%        | 110,000               | 57,839                                  |
| Cash (Over)/Short - Bad Debt Expense                    | (52) | 102                     | 100                               | (2)              | -2.0%         | 100                   | 65                                      |

**Truckee Tahoe Airport District**  
**Proposed Budget for the Twelve Months Ended December 31, 2019**

|                                             |       | Proposed       | Estimate       |                  | %              | FY 12/31/18    | Fifteen Months   |
|---------------------------------------------|-------|----------------|----------------|------------------|----------------|----------------|------------------|
|                                             |       | Budget 2019    | Calendar       | \$ Variance      | Variance       | Budget         | FY 12/31/17      |
|                                             |       |                | Year 2018      |                  |                |                | Actual           |
| Communications                              | (53)  | 61,015         | 59,819         | (1,196)          | -2.0%          | 50,000         | 55,343           |
| Conventions, Conferences                    | (54)  | 45,000         | 15,424         | (29,576)         | -191.8%        | 45,000         | 47,402           |
| County Support                              | (55)  | 128,000        | 120,000        | (8,000)          | -6.7%          | 120,000        | 116,896          |
| Credit Card Fees & Finance Charges          | (56)  | 103,700        | 101,666        | (2,034)          | -2.0%          | 88,000         | 108,439          |
| Directors' Fees & Expenses                  | (57)  | 97,000         | 81,884         | (15,116)         | -18.5%         | 110,000        | 121,249          |
| Dues & Subscriptions                        | (58)  | 25,000         | 25,072         | 72               | 0.3%           | 18,000         | 27,663           |
| Election Expense                            | (59)  | 100            | 20,035         | 19,935           | 99.5%          | -              | 21,689           |
| Employee Relations Activities               | (60)  | 25,000         | 20,891         | (4,109)          | -19.7%         | 18,000         | 32,389           |
| Employment Expense                          | (61)  | 6,045          | 5,926          | (119)            | -2.0%          | 5,000          | 4,055            |
| Equipment Rental                            | (62)  | 15,000         | 43,547         | 28,547           | 65.6%          | 28,000         | 22,833           |
| Geographic Information System               | (63)  | 30,000         | 29,000         | (1,000)          | -3.4%          | 30,000         | 25,244           |
| Grounds Maintenance/Landscaping             | (64)  | 49,000         | 8,188          | (40,812)         | -498.4%        | 17,500         | 10,553           |
| Homebasing Incentive                        | (65)  | 87,581         | 85,445         | (2,136)          | -2.5%          | 87,500         | 104,793          |
| Insurance                                   | (66)  | 114,000        | 96,342         | (17,658)         | -18.3%         | 105,000        | 101,293          |
| Library & Reference Materials               | (67)  | 102            | 100            | (2)              | -2.0%          | 1,100          | 82               |
| Office Equipment                            | (68)  | 180,000        | 54,772         | (125,228)        | -228.6%        | 80,000         | 95,577           |
| Office Supplies                             | (69)  | 25,000         | 19,050         | (5,950)          | -31.2%         | 27,500         | 23,184           |
| Operating Supplies, Small Tools, Janitorial | (70)  | 190,000        | 189,428        | (572)            | -0.3%          | 120,000        | 183,972          |
| Operations Monitoring Expenses              | (71)  | 260,000        | 278,056        | 18,056           | 6.5%           | 224,000        | 336,886          |
| Permits, Licenses & Fees                    | (72)  | 25,000         | 6,957          | (18,043)         | -259.4%        | 15,000         | 12,061           |
| Postage, Freight & Delivery                 | (73)  | 2,463          | 2,415          | (48)             | -2.0%          | 8,000          | 6,805            |
| Printing, Copying, Publication of Legal     | (74)  | 2,941          | 2,883          | (58)             | -2.0%          | 6,000          | 3,224            |
| Professional Services                       | (75)  | -              | -              | -                | -              | -              | -                |
| Accounting & Auditing                       | (76)  | 25,000         | 21,000         | (4,000)          | -19.0%         | 32,000         | 20,431           |
| Legal                                       | (77)  | 79,464         | 77,906         | (1,558)          | -2.0%          | 105,000        | 108,303          |
| Computer Support                            | (78)  | 83,215         | 81,583         | (1,632)          | -2.0%          | 98,000         | 93,914           |
| Other Professional                          | (79)  | -              | -              | -                | -              | -              | -                |
| Lobbyist -Airport                           | (80)  | 50,000         | 50,000         | -                | 0.0%           | -              | -                |
| Air Traffic planning                        | (81)  | 50,000         | -              | (50,000)         | -              | -              | -                |
| GHG Reduction Initiatives                   | (82)  | 100,000        | 100,000        | -                | 0.0%           | -              | -                |
| Studies                                     | (84)  | 425,000        | -              | (425,000)        | -              | -              | -                |
| Other Opportunities                         | (85)  | 102,000        | 111,000        | 9,000            | 8.1%           | -              | -                |
| <b>Subtotal Other Professional</b>          | (86)  | <b>727,000</b> | <b>261,000</b> | <b>(466,000)</b> | <b>-178.5%</b> | <b>794,000</b> | <b>1,132,412</b> |
| Air Traffic Tower Staffing                  | (87)  | 828,000        | 850,000        | 22,000           | 2.6%           | -              | -                |
| Engineering                                 | (88)  | 76,000         | 50,000         | (26,000)         | -52.0%         | 35,000         | 31,483           |
| Fiscal Analyst - Sustainability             | (89)  | 30,600         | 30,000         | (600)            | -2.0%          | 30,000         | 22,700           |
| Public Relations - Outreach                 | (90)  | -              | -              | -                | -              | -              | -                |
| Consulting                                  | (91)  | 95,900         | 45,000         | (50,900)         | -113.1%        | 22,000         | 32,821           |
| Internet, Print, Broadcast & Direct Mail    | (92)  | 70,000         | 89,544         | 19,544           | 21.8%          | 123,000        | 105,824          |
| Events and Programs                         | (93)  | 30,500         | 25,000         | (5,500)          | -22.0%         | 25,000         | 30,897           |
| Sponsorships                                | (94)  | 50,000         | 50,000         | -                | 0.0%           | 50,000         | 55,840           |
| Pilot Outreach                              | (95)  | 83,894         | 82,249         | (1,645)          | -2.0%          | 98,000         | 106,986          |
| Promotional Items                           | (96)  | 5,100          | 5,000          | (100)            | -2.0%          | 20,000         | 12,069           |
| <b>Subtotal Public Relations-Outreach</b>   | (97)  | <b>335,394</b> | <b>296,793</b> | <b>(38,601)</b>  |                |                |                  |
|                                             | (98)  |                |                |                  |                |                |                  |
| Community/Agency Partnerships               | (99)  |                |                | -                |                |                |                  |
| Boys and Girls Club                         | (100) | 80,000         | 45,000         | (35,000)         | -77.8%         |                |                  |
| Hwy 267 Route                               | (101) | 66,300         | 65,000         | (1,300)          | -2.0%          |                |                  |
| Local Truckee Shuttle Support               | (102) | 40,000         |                |                  |                |                |                  |
| Excellence in Education                     | (103) | 8,670          | 8,500          | (170)            | -2.0%          |                |                  |
| Reno Air Service Corp TNT-TMA               | (104) | 10,000         | 10,000         | -                | 0.0%           |                |                  |
| Airport Express                             | (105) | 3,500          | 3,500          | -                | 0.0%           |                |                  |
| Bike Share                                  | (106) | 18,000         | 18,000         | -                | 0.0%           |                |                  |

**Truckee Tahoe Airport District**  
**Proposed Budget for the Twelve Months Ended December 31, 2019**

|                                                        |       | Proposed    | Estimate    |             | %        | FY 12/31/18 | Fifteen Months |
|--------------------------------------------------------|-------|-------------|-------------|-------------|----------|-------------|----------------|
|                                                        |       | Budget 2019 | Calendar    | \$ Variance | Variance | Budget      | FY 12/31/17    |
|                                                        |       |             | Year 2018   |             |          |             | Actual         |
| North Tahoe PUD Trail Project                          | (107) | 160,000     | -           | (160,000)   | -        |             |                |
| Workforce Housing Project                              | (108) | 300,000     | 60,000      | (240,000)   | -400.0%  |             |                |
| General Workforce Housing Development                  | (109) | 500,000     | 500,000     | -           | 0.0%     |             |                |
| General Agency Partnerships                            | (110) | 500,000     | 500,000     | -           | 0.0%     |             |                |
| <b>Subtotal Community/Agency Partnerships</b>          | (111) | 1,686,470   | 1,210,000   | (476,470)   |          | 1,750,000   | 582,623        |
|                                                        | (112) |             |             |             |          |             |                |
| Travel                                                 | (113) | 77          | 75          | (2)         | -2.7%    | 3,300       | 144            |
| Utilities                                              | (114) | 211,200     | 187,690     | (23,510)    | -12.5%   | 230,000     | 264,909        |
| Other (Income) Expense                                 | (115) | -           | -           |             |          | -           | 2,880          |
| <b>Total Operating, General &amp; Administrative</b>   | (116) | 6,248,881   | 4,834,017   | (1,414,864) | -29.3%   | 5,195,500   | 4,637,276      |
|                                                        | (117) |             |             |             |          |             |                |
| <b>Repairs and Maintenance</b>                         | (118) |             |             |             |          |             |                |
| Vehicles Expense                                       | (119) | 51,250      | 50,000      | (1,250)     | -2.5%    | 50,000      | 66,202         |
| Equipment Expense                                      | (120) | 51,250      | 50,000      | (1,250)     | -2.5%    | 50,000      | 83,449         |
| Airfield Equipment, Lights & Signs                     | (121) | 25,000      | 25,000      | -           | 0.0%     | 25,000      | 16,371         |
| Aviation Safety Equipment                              | (122) | 10,000      | 10,000      | -           | 0.0%     | 10,000      | 199            |
| Unicom Enhancement                                     | (123) | 5,000       | 5,000       | -           | 0.0%     | 5,000       | -              |
| Pavement Maintenance                                   | (124) | 700,000     | 160,000     | (540,000)   | -337.5%  | 850,000     | -              |
|                                                        |       |             |             |             |          |             |                |
| Airfield - Facility Maintenance                        | (125) | 150,000     | 130,000     | (20,000)    | -15.4%   | 60,000      | 838,340        |
|                                                        |       |             |             |             |          |             |                |
| Hangars - Facility Maintenance                         | (126) | 295,000     | 150,000     | (145,000)   | -96.7%   | 337,000     | 180,350        |
| Other Business Buildings - Facility Maintenance        | (127) | 100,000     | 43,549      | (56,451)    | -129.6%  | 8,000       | 36,732         |
| Warehouse - Facility Maintenance                       | (128) | 200,000     | 150,000     | (50,000)    | -33.3%   | 125,000     | 312,848        |
| Firefighting & Haz Mat. Response                       | (129) | 9,000       | 16,254      | 7,254       | 44.6%    | 9,000       | 16,892         |
|                                                        |       |             |             |             |          |             |                |
| Terminal Building - Facility Maintenance               | (130) | 85,000      | 60,350      | (24,650)    | -40.8%   | 25,000      | 40,150         |
| Maintenance Buildings - Facility Maintenance           | (131) | 25,000      | 22,846      | (2,154)     | -9.4%    | 9,000       | 21,613         |
| Water Utility Infrastructure                           | (132) | 150,000     | -           | (150,000)   | -        |             |                |
|                                                        |       |             |             |             |          |             |                |
| Land Management                                        | (133) | 293,000     | 369,000     | 76,000      | 20.6%    | 369,000     | 584,098        |
| <b>Total Repairs &amp; Maintenance</b>                 | (134) | 2,149,500   | 1,241,999   | (907,501)   | -73.1%   | 1,932,000   | 2,197,244      |
| <b>Net Operating Income (Loss) Before Depreciation</b> | (135) | (6,930,610) | (4,843,068) | 2,087,542   | -43.1%   | (6,438,718) | (5,845,616)    |
|                                                        | (136) |             |             |             |          |             |                |
| Depreciation Expense                                   | (137) | (2,500,000) |             |             |          |             | (2,560,685)    |
| <b>NET OPERATING INCOME (LOSS)</b>                     | (138) | (9,430,610) | (4,843,068) | 2,087,542   | -43.1%   | (6,438,718) | (8,406,301)    |
| <b>Other Income and (Expense)</b>                      | (139) |             |             |             |          |             |                |
| Property Tax Revenue                                   | (140) | 6,442,929   | 6,138,939   | 303,990     | 5.0%     | 6,001,285   | 7,357,835      |
| Other Non-Operating Revenues                           | (141) | -           |             | -           | 0.0%     | 5,000       | 1              |
| Operating Grants                                       | (142) | 2,796,225   | 130,000     | 2,666,225   | 2050.9%  | 673,000     | 763,214        |
| Gain (Loss) on Disposal of Assets                      | (143) | 90,000      | 20,000      | 70,000      | 350.0%   | -           | 493,873        |
| Debt Service                                           | (144) | (549,000)   | (548,816)   | (184)       | 0.0%     | -           |                |
| Interest Income                                        | (145) | 160,000     | 145,167     | 14,833      | 10.2%    | 64,000      | 111,213        |
| Interest Income Restricted                             | (146) | -           | 94,036      | (94,036)    | -100.0%  | 52,000      | 44,476         |
| <b>Total Other Income and (Expense)</b>                | (147) | 8,940,154   | 5,979,326   | 2,960,828   | 33.1%    | 6,743,285   | 8,770,612      |
| <b>NET INCOME (LOSS)</b>                               | (148) | (490,456)   | 1,136,258   | (1,626,714) | -143.2%  | 304,567     | 364,311        |

|                |              |
|----------------|--------------|
| Total Revenues | 16,083,556   |
| Total Expenses | (14,074,012) |
| Depreciation   | (2,500,000)  |
| Net Loss       | (490,456)    |

**Truckee Tahoe Airport District**  
**Non-Operational Costs-Capital Expenditures**

**CASH FLOW FROM OPERATIONS (NET OPERATING LOSS)** \$ (475,456)

**CAPITAL EXPENDITURES FOR FY 2019**

FAA GRANT ELIGIBLE PROJECTS/ITEMS (see note below)

Capitalized 2,943,395

Expensed -

**TOTAL OF GRANT ELIGIBLE ITEMS** 2,943,395

**ESTIMATED GRANT PROCEEDS- 90% FAA, 5% State of CA** (2,796,225)

**ESTIMATED TTAD CONTRIBUTION TO ABOVE ITEMS-see note below** 147,170

**2019 CAPITAL PROJECTS**

Capitalized Grant Projects \$ 2,943,395

Hangar 2 Design and Bidding 650,000

H Row roof 600,000

Hangar 1 office project 450,000

Hangar 1 & 2 Sewer Project 350,000

938 Loader 260,000

100LL Truck 168,000

ADS-B (Automatic Dependent Surveillance-Broadcast) 1,750,000

Lighted X's 53,000

Administration Building Addition 350,000

Sign and sidewalk at 267 75,000

Generator and Building Upgrade 90,000

**TOTAL FOR 2018 PROJECTS** \$ 7,739,395

**NET CASH REQUIREMENTS FOR CAPITAL EXPENDITURES** \$ (8,214,851)

**DECREASE IN NET ASSETS FOR THE FISCAL YEAR 12/31/19** \$ (8,214,851)

**CASH AVAILABLE JANUARY 1, 2019**

Cash and Investments are estimated to be \$7,800,000 of funding in LAIF and \$1,500,000 in CDs in the Wells Fargo account.

\$ 9,300,000

Add back Depreciation \$ 2,500,000

**Total Estimated Cash Available at 1/1/19** \$ 11,800,000

**Total Estimated Cash Available at 12/31/19** \$ 3,585,149