

AIRPORTS

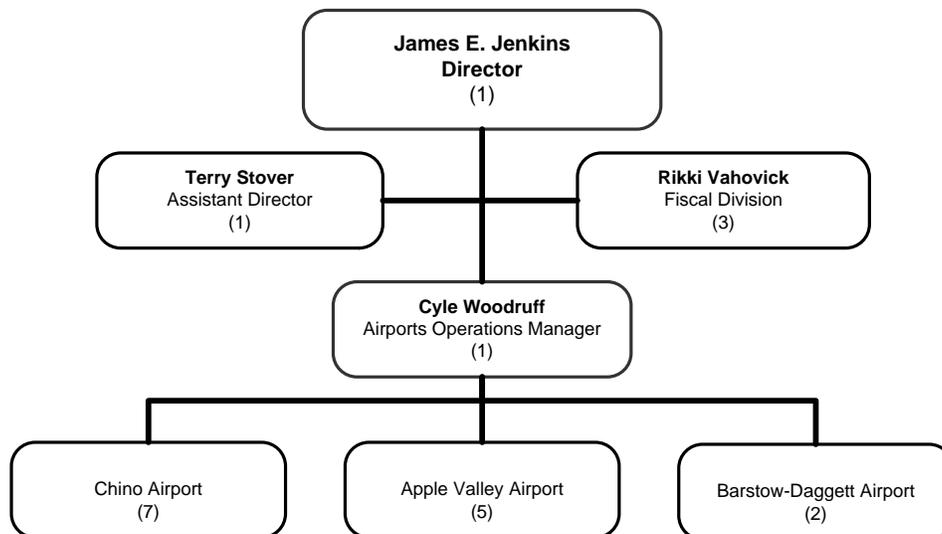
James E. Jenkins

DEPARTMENT MISSION STATEMENT

San Bernardino County Department of Airports plans, organizes and directs the County's airport and aviation system to provide high-quality aviation facilities and services in a safe and efficient manner, optimizing the benefit to the communities and citizens of the County.



ORGANIZATIONAL CHART



2016-17 SUMMARY OF BUDGET UNITS

	2016-17					
	Requirements	Sources	Net County Cost	Use of / (Contribution to) Fund Balance	Use of / (Contribution to) Net Position	Staffing
General Fund						
Airports	3,445,895	3,445,895	0			20
Total General Fund	3,445,895	3,445,895	0			20
Special Revenue Funds						
Airports Special Revenue Funds - Consolidated	7,260,685	5,191,710		2,068,975		0
Total Special Revenue Funds	7,260,685	5,191,710		2,068,975		0
Enterprise Funds						
CSA 60 - Apple Valley Airport - Operations	1,739,366	2,613,068			(873,702)	0
CSA 60 - Apple Valley Airport - Cap Improv	1,889,336	23,900			1,865,436	0
Total Enterprise Funds	3,628,702	2,636,968			991,734	0
Total - All Funds	14,335,282	11,274,573	0	2,068,975	991,734	20



2015-16 MAJOR ACCOMPLISHMENTS

- Awarded and accepted two federal grants valued at \$108,000.
- Hosted two separate airshows: one at Apple Valley Airport in October 2015 and one at Chino Airport in April 2016.
- Paid the Chino Airport Commercial Hangars Bond in full.

DEPARTMENT PERFORMANCE MEASURES

COUNTY GOAL: PURSUE COUNTY GOALS AND OBJECTIVES BY WORKING WITH OTHER AGENCIES		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Work with Federal, State and regional governments and organizations, to ensure San Bernardino County receives its fair share of resources.	Percentage of airport infrastructure area inspected annually.	N/A	15%	20%	15%
STRATEGY	Improve and maintain Airport infrastructure, such as runways and drainage systems by maximizing utilization of Federal Aviation Administration and Cal Trans Aeronautics funding.					
STRATEGY	Continue to develop and maintain focus on structured and preventative maintenance programs to address infrastructure deficiencies.					
COUNTY GOAL: OPERATE IN A FISCALLY-RESPONSIBLE AND BUSINESS-LIKE MANNER		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Invest County resources in ways which create more ongoing revenue to reinvest in maintaining and improving services.	New property use revenue generated.	\$0	\$60,000	\$20,000	\$45,000
STRATEGY	Leverage ground use at various County airports to produce new revenue streams to subsidize ongoing airport operational costs.					
COUNTY GOAL: CREATE, MAINTAIN AND GROW JOBS AND ECONOMIC VALUE IN THE COUNTY		Measure	2014-15 Actual	2015-16 Target	2015-16 Est.	2016-17 Target
OBJECTIVE	Continue business retention and expansion programs while implementing office and industrial attraction strategies for companies providing high-paying jobs.	NEW	89%	N/A	90%	92%
STRATEGY	Maximize structured outreach activities to private sector business entities thus informing prospective businesses of real estate opportunities at various County airports.	Occupancy Rate of Developed Space for Commercial Use				
STRATEGY	Closely monitor existing airport businesses to ensure continued success; assist by providing clearinghouse guidance to available resources.					



Airports

DESCRIPTION OF MAJOR SERVICES

The Department of Airports (Department) provides for the management, development, maintenance and operation of six airports. The Department assures that County airports are maintained and operated in compliance with state and federal regulations. The Department works cooperatively with other airports located within the County regarding state and federal aviation programs, issues and requirements. The Department participates and provides input to aviation industry support organizations, as necessary, to develop local, state and national aviation policy.

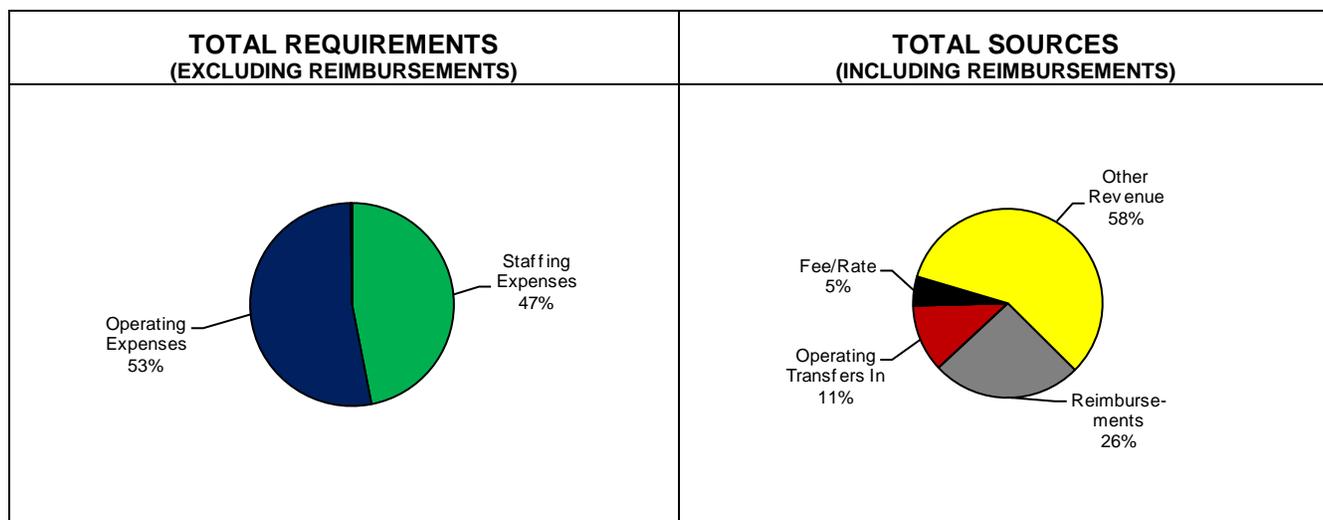
Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$4,630,421
Total Sources (Incl. Reimb.)	\$4,630,421
Net County Cost	\$0
Total Staff	20
Funded by Net County Cost	0%

The County's six airports include:

1. Apple Valley Airport, a County Service Area (CSA 60) with a significant sport aviation base;
2. Baker Airport, located adjacent to the Town of Baker and supports Interstate 15 between Barstow and Las Vegas;
3. Barstow-Daggett Airport, which features significant military activity and the Fort Irwin Helicopter Maintenance Base, both of which support the Fort Irwin National Training Center;
4. Chino Airport, a Federal Aviation Administration (FAA) designated general aviation reliever to John Wayne Airport and one of the largest general aviation airports in the country with approximately 650 based aircraft;
5. Needles Airport, a critical transportation link along the Colorado River;
6. Twentynine Palms Airport, a center for soaring activity serving the surrounding community, including the United States Marine Corps Air-Ground Combat Center.

The County's airports produce revenue to operate and maintain the airport system. Revenues are generated from facility rents, concession and user fees, and, in the case of Apple Valley Airport, property taxes dedicated to the support of CSA 60. State and federal grants are significant sources for funds to construct, improve and maintain airport infrastructure.

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
DEPARTMENT: Airports
FUND: General

BUDGET UNIT: AAA APT
FUNCTION: Public Ways and Facilities
ACTIVITY: Transportation Terminals

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A)
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	Change From Prior Year Modified Budget
Requirements							
Staffing Expenses	1,632,659	1,855,067	1,768,633	2,049,978	1,961,331	2,172,999	123,021
Operating Expenses	1,867,509	1,855,126	1,883,999	2,068,447	2,011,946	2,447,422	378,975
Capital Expenditures	0	7,895	0	10,000	9,503	10,000	0
Total Exp Authority	3,500,168	3,718,088	3,652,632	4,128,425	3,982,780	4,630,421	501,996
Reimbursements	(886,813)	(936,848)	(1,000,837)	(1,109,940)	(892,941)	(1,184,526)	(74,586)
Total Appropriation	2,613,355	2,781,240	2,651,795	3,018,485	3,089,839	3,445,895	427,410
Operating Transfers Out	424,000	194,696	865,875	0	394,133	0	0
Total Requirements	3,037,355	2,975,936	3,517,670	3,018,485	3,483,972	3,445,895	427,410
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	45,616	40,000	43,064	0	40,000	0	0
Fee/Rate	156,865	189,008	289,519	173,306	272,586	230,932	57,626
Other Revenue	2,821,029	2,744,516	3,185,088	2,743,112	3,069,319	2,680,464	(62,648)
Total Revenue	3,023,510	2,973,524	3,517,671	2,916,418	3,381,905	2,911,396	(5,022)
Operating Transfers In	25,000	23,502	0	102,067	102,067	534,499	432,432
Total Financing Sources	3,048,510	2,997,026	3,517,671	3,018,485	3,483,972	3,445,895	427,410
Net County Cost	(11,155)	(21,090)	(1)	0	0	0	0
Budgeted Staffing*	19	20	20	20	20	20	0

*Data represents modified budgeted staffing

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Staffing Expenses of \$2.2 million fund 20 positions that provide support for six County-operated airports. Operating Expenses of \$2.4 million include Countywide Services (including COWCAP), property insurance, utilities, other professional services and general maintenance. Reimbursements of \$1.2 million are primarily for staffing costs and services/supplies expenses that are incurred by the Airport's General Fund budget unit for personnel that are assigned to support the Apple Valley Airport and Chino Airport Commercial Hangar complex. Sources of \$3.4 million primarily represent rents and concession receipts at the airports.

BUDGET CHANGES AND OPERATIONAL IMPACT

Total Requirements are increasing by \$427,410. The increase in Requirements is primarily due to a \$147,000 or 24% increase in COWCAP as a result of increased utilities and County Counsel expenses, and a \$204,000 increase in Real Estate Services charges for appraisals at Chino Airport. These increased costs are partially offset by an increase to reimbursements from the Chino Commercial Hangars and the Apple Valley Airport budget units. The increase in Financing Sources is primarily due to an increase in Operating Transfers In from the Airports Capital Improvement special revenue fund to fund services.



2016-17 POSITION SUMMARY*

Division	2015-16				2016-17		Limited	Regular
	Modified Staffing	Adds	Deletes	Re-Orgs	Recommended			
Administration	6	0	0	0	6	0	6	
Apple Valley Airport	5	0	0	0	5	0	5	
Barstow-Daggett Airport	2	0	0	0	2	0	2	
Chino Airport	7	0	0	0	7	0	7	
Total	20	0	0	0	20	0	20	

*Detailed classification listing available in Appendix D.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$2.2 million fund 20 budgeted regular positions. There are no staffing changes.



Airports Special Revenue Funds – Consolidated

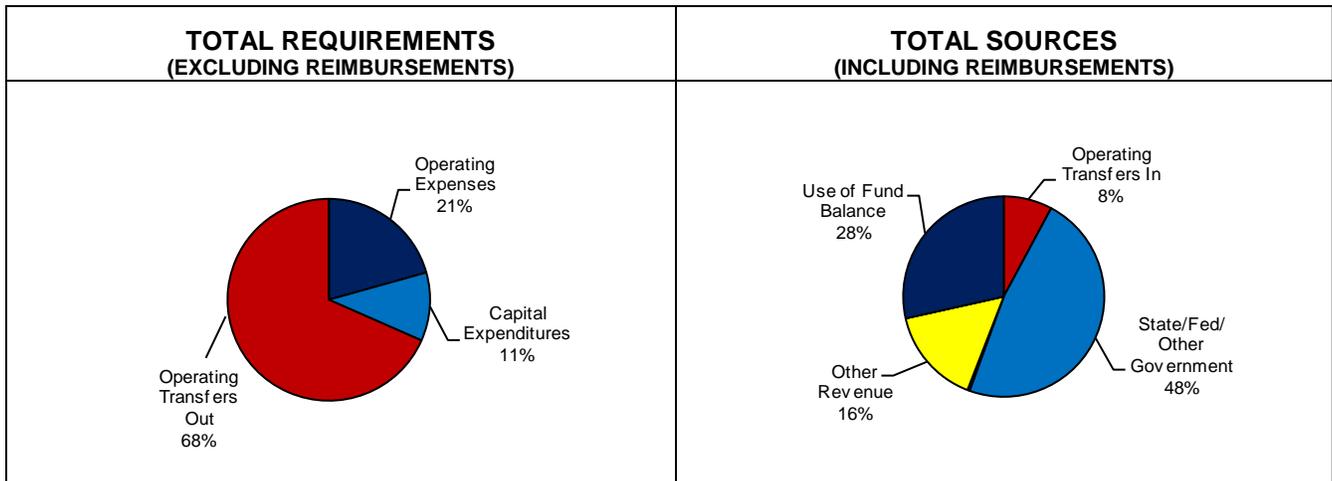
DESCRIPTION OF MAJOR SERVICES

Chino Airport Commercial Hangars complex is managed, maintained, and operated by the Department of Airports. The Commercial Hangars at Chino Airport were constructed in 1987 with proceeds from a 30-year bond issue that matured in 2015-16 and was paid off. Requirements for this budget unit are funded from rental revenues and available fund balance. There is no staffing associated with this budget unit. However, this budget unit reimburses the Airport’s General Fund budget unit for the cost of staffing incurred to support the Commercial Hangar complex.

Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$7,260,685
Total Sources (Incl. Reimb.)	\$5,191,710
Use of/ (Contribution to) Fund Balance	\$2,068,975
Total Staff	0

Airports Capital Improvement Program is a Capital Improvement Program (CIP) that is managed by the Department of Airports and includes projects for Baker Airport, Barstow-Daggett Airport, Chino Airport, Needles Airport, and Twentynine Palms Airport. Projects funded in this budget unit include utility, storm water, and fire suppression plans, Airport Master Plans, Airport Layout Plans, construction and rehabilitation for numerous runways, taxiways, water systems, airport facilities, annual pavement maintenance, infrastructure and rehabilitation of reverted buildings. The capital projects for Apple Valley Airport (CSA 60) are budgeted in a separate budget unit. All Capital Improvement Projects for all six airports that are administered by the Department, or by Real Estate Services – Project Management Division (PMD) on behalf of the Department, are reported in the CIP section of this budget book. There is no staffing associated with this budget unit.

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
DEPARTMENT: Airports
FUND: Consolidated Special Revenue

BUDGET UNIT: Various
FUNCTION: General
ACTIVITY: Plant Acquisition

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A)
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	Change From Prior Year Modified Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	1,094,597	1,214,034	939,378	2,286,984	1,615,515	1,499,172	(787,812)
Capital Expenditures	539,298	914,532	1,402,992	1,048,336	764,508	795,359	(252,977)
Total Exp Authority	1,633,895	2,128,566	2,342,370	3,335,320	2,380,023	2,294,531	(1,040,789)
Reimbursements	(200,000)	0	0	0	0	0	0
Total Appropriation	1,433,895	2,128,566	2,342,370	3,335,320	2,380,023	2,294,531	(1,040,789)
Operating Transfers Out	1,057,764	583,255	1,378,387	4,792,938	1,203,501	4,966,154	173,216
Total Requirements	2,491,659	2,711,821	3,720,757	8,128,258	3,583,524	7,260,685	(867,573)
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	1,975,371	0	102,509	3,479,287	700,044	3,463,203	(16,084)
Fee/Rate	184	7,428	32,134	12,944	24,537	26,384	13,440
Other Revenue	926,599	1,677,979	1,832,776	2,225,315	2,062,865	1,134,043	(1,091,272)
Total Revenue	2,902,154	1,685,407	1,967,419	5,717,546	2,787,446	4,623,630	(1,093,916)
Operating Transfers In	1,111,129	758,816	1,215,875	704,913	696,140	568,080	(136,833)
Total Financing Sources	4,013,283	2,444,223	3,183,294	6,422,459	3,483,586	5,191,710	(1,230,749)
Fund Balance							
Use of / (Contribution to) Fund Balance	(1,521,624)	267,598	537,463	1,705,799	99,938	2,068,975	363,176
Available Reserves				904,625	2,510,486	441,511	(463,114)
Total Fund Balance				2,610,424	2,610,424	2,510,486	(99,938)
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

DETAIL OF 2016-17 RECOMMENDED BUDGET

	2016-17				
	Requirements	Sources	Use of / (Contribution to) Fund Balance	Available Reserves	Staffing
Special Revenue Funds					
Chino Airport Commercial Hangars (RCI)	600,650	594,253	6,397	0	0
Airports Capital Improvement Program (RAA & RCD)	6,660,035	4,597,457	2,062,578	441,511	0
Total Special Revenue Funds	7,260,685	5,191,710	2,068,975	441,511	0

Chino Airport Commercial Hangars has \$600,650 in Requirements for Operating Expenses, which includes transfers of \$176,214 for County Counsel charges and services and supplies reimbursed to the Airport's operating budget unit, \$330,568 in services and supplies for operations and \$93,868 for salaries and benefits also reimbursed to the Airport's operating budget unit.

Sources of \$594,253 are primarily from rents and concession receipts from commercial tenants of \$515,543 and an Operating Transfer In from the Airports CIP budget unit of \$51,826 to fund current services.



Airports Capital Improvement Program has \$6.7 million in Requirements which include \$5.0 million in Operating Transfers Out to the Real Estate Services Project Management Division (PMD) for management and construction of various CIP projects, and to fund current services in the Airports General Fund budget unit. Requirements also include \$873,522 in services and supplies primarily for the design of various CIP projects, and \$795,359 in Capital Expenditures. The Capital Expenditures include \$600,000 for a ground water assessment associated with the groundwater plume at Chino Airport, \$110,000 for installation of modular restrooms at the Twentynine Palms Airport and Baker Airport, and \$85,359 for the Chino Airport northwest apron rehabilitation project.

Sources of \$4.6 million are primarily from anticipated federal grants for various CIP's including the Chino Airport Northwest Apron Rehab and the Chino Airport Runway Fire Suppression projects.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$867,573 primarily due to a decrease in transfers related to Chino Airport Commercial Hangars final bond payment which was paid in 2015-16, and a decrease in Capital Expenditures due to fewer CIP projects as compared to the prior year. Sources are decreasing by \$1.2 million primarily due to a decrease in Other Revenue of \$1.1 million caused by a reduction in insurance proceeds of \$816,883 related to the Chino plume, and declining rents and concessions revenue at the Chino Airport Commercial Hangars of \$282,389.

ANALYSIS OF FUND BALANCE

The 2016-17 budget includes the Use of Fund Balance of \$2.1 million of which \$1.5 million is for one-time projects and \$534,499 is to fund current services within the Airports General Fund budget unit. Additionally, reserves of \$441,511 are available to fund future expenses.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.



CSA 60 – Apple Valley Airport - Operations

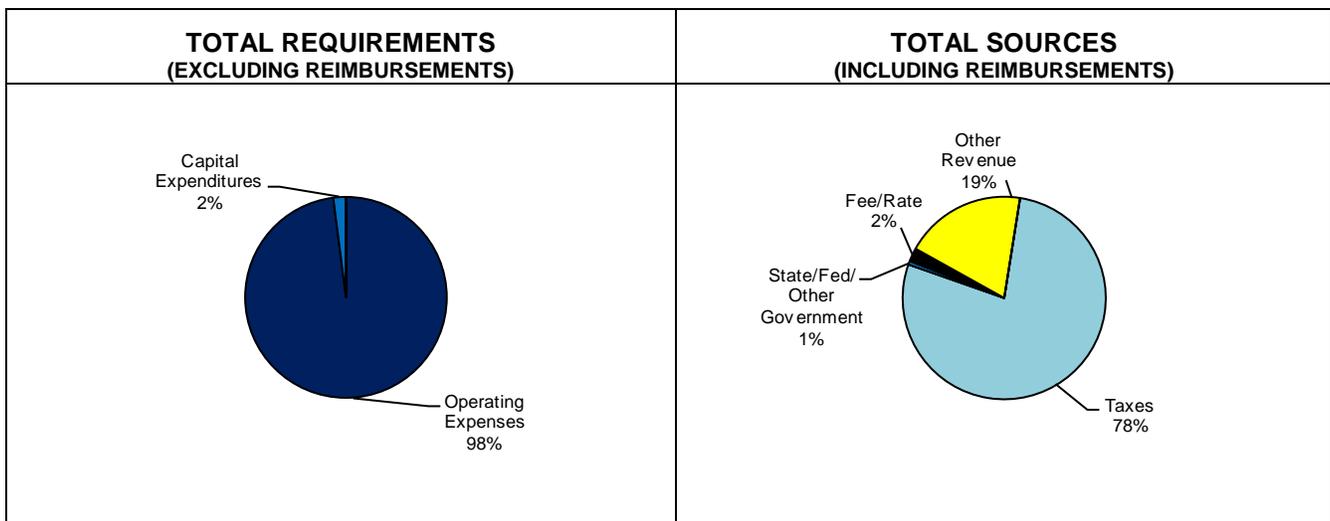
DESCRIPTION OF MAJOR SERVICES

County Service Area 60 (CSA 60) funds the operation, capital projects and maintenance of Apple Valley Airport, which is administered and staffed by the County of San Bernardino Department of Airports. Apple Valley Airport, which was built in 1970, is a public use airport providing general aviation services to the High Desert region. CSA 60 is primarily funded by local property tax and revenue generated from airport leasing activities.

Budget at a Glance

Total Requirements (Excl. Reimb.)	\$1,739,366
Total Sources (Incl. Reimb.)	\$2,613,068
Use of / (Contribution To) Net Position	(\$873,702)
Total Staff	0

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
DEPARTMENT: Airports
FUND: CSA 60 - Apple Valley Airport

BUDGET UNIT: EBJ 400
FUNCTION: Public Ways and Facilities
ACTIVITY: Transportation Terminal

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A)
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	Change From Prior Year Modified Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	1,465,115	1,394,940	1,458,961	1,698,123	1,614,226	1,704,366	6,243
Capital Expenditures	0	5,184	0	0	0	35,000	35,000
Total Exp Authority	1,465,115	1,400,124	1,458,961	1,698,123	1,614,226	1,739,366	41,243
Reimbursements	(182)	0	0	0	0	0	0
Total Appropriation	1,464,933	1,400,124	1,458,961	1,698,123	1,614,226	1,739,366	41,243
Operating Transfers Out	563,000	0	0	0	0	0	0
Total Requirements	2,027,933	1,400,124	1,458,961	1,698,123	1,614,226	1,739,366	41,243
Sources							
Taxes	1,921,496	2,033,265	2,117,048	2,035,000	2,035,000	2,035,000	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	27,566	29,892	29,169	0	25,235	15,000	15,000
Fee/Rate	(12,738)	3,764	26,315	38,219	80,991	56,200	17,981
Other Revenue	638,094	722,234	573,176	559,444	634,254	506,868	(52,576)
Total Revenue	2,574,418	2,789,155	2,745,708	2,632,663	2,775,480	2,613,068	(19,595)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	2,574,418	2,789,155	2,745,708	2,632,663	2,775,480	2,613,068	(19,595)
Net Position							
Use of/ (Contribution to) Net Position**	(546,485)	(1,389,031)	(1,286,747)	(934,540)	(1,161,254)	(873,702)	60,838
Est. Net Position Available						22,997,496	
Total Est. Unrestricted Net Position						22,123,794	
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

**Contribution to Net Position appears as a negative number and increases Estimated Net Position Available.

Note: Unlike governmental funds, the 2015-16 Modified Budget and Estimate columns do not include information on Estimated Net Position Available or Total Estimated Unrestricted Net Position because GAAP requires that internal service and enterprise funds include line items such as depreciation, which are not budgeted, in the Net Position calculation.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Operating Expenses of \$1.7 million include \$1.0 million in transfers to reimburse the Airport's General Fund budget unit for staffing costs, services and supplies costs for personnel assigned to support the Apple Valley Airport, and utilities. Sources of \$2.6 million primarily consist of \$2.0 million from tax revenue receipts and leasing related revenues.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$41,243 primarily due to the anticipated purchase of a new riding mower for \$10,000 and a compact tractor for \$25,000. Sources are decreasing by \$19,595 primarily due to a conservative approach to forecasting rents and concessions.

ANALYSIS OF NET POSITION

A Contribution to Net Position of \$873,702 is projected for 2016-17. Funds will be transferred to the CSA 60 – Apple Valley Airport CIP budget unit to fund future CIP projects as necessary.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit. However, this budget unit reimburses the Airports' General Fund budget unit for staffing costs incurred in connection with service to the Apple Valley Airport.



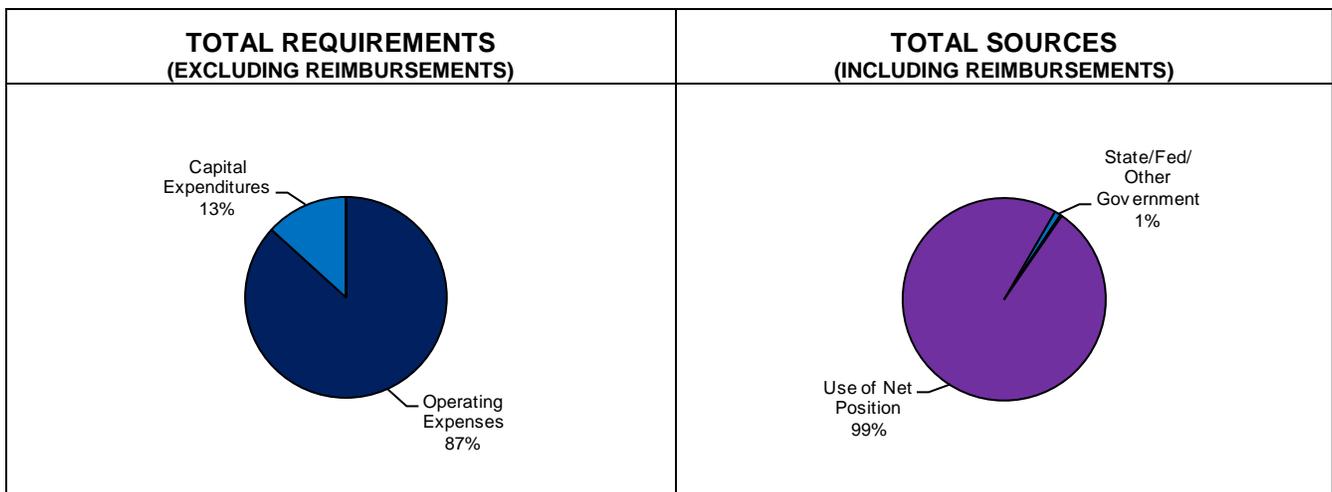
CSA 60 – Apple Valley Airport – Capital Improvement Program

DESCRIPTION OF MAJOR SERVICES

County Service Area 60 (CSA 60), through the Department of Airports, manages the Capital Improvement Program (CIP) for Apple Valley Airport. Projects include utility, storm water, fire suppression plans, Airport Master Plan and construction/rehabilitation of numerous runways, taxiways, and airport facilities. Projects are funded with proceeds from CSA 60 – Apple Valley Airport budget and when available, Federal Aviation Administration (FAA) and Cal Trans Aeronautics grants.

Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$1,889,336
Total Sources (Incl. Reimb.)	\$23,900
Use of / (Contribution To) Net Position	\$1,865,436
Total Staff	0

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Operations and Community Services
DEPARTMENT: Airports
FUND: CSA 60 - Apple Valley Airport CIP

BUDGET UNIT: RAI 400
FUNCTION: General
ACTIVITY: Plant Acquisition

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A)
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	Change From Prior Year Modified Budget
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	351,499	83,608	20,928	1,261,248	33,498	1,639,336	378,088
Capital Expenditures	216,857	54,535	104,773	925,000	169,500	250,000	(675,000)
Total Exp Authority	568,356	138,143	125,701	2,186,248	202,998	1,889,336	(296,912)
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	568,356	138,143	125,701	2,186,248	202,998	1,889,336	(296,912)
Operating Transfers Out	1,672,518	1,139,066	250	0	0	0	0
Total Requirements	2,240,874	1,277,209	125,951	2,186,248	202,998	1,889,336	(296,912)
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	59,300	0	141,750	18,900	18,900
Fee/Rate	0	0	0	0	0	0	0
Other Revenue	19,928	8,324	7,345	0	8,447	5,000	5,000
Total Revenue	19,928	8,324	66,645	0	150,197	23,900	23,900
Operating Transfers In	500,000	0	0	0	0	0	0
Total Financing Sources	519,928	8,324	66,645	0	150,197	23,900	23,900
Net Position							
Use of/ (Contribution to) Net Position	1,720,946	1,268,885	59,306	2,186,248	52,801	1,865,436	(320,812)
Est. Net Position Available						2,849	
Total Est. Unrestricted Net Position						1,868,285	
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

Note: Unlike governmental funds, the 2015-16 Modified Budget and Estimate columns do not include information on Estimated Net Position Available or Total Estimated Unrestricted Net Position because GAAP requires that internal service and enterprise funds include line items such as depreciation, which are not budgeted, in the Net Position calculation.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Requirements of \$1.9 million consist primarily of Operating Expenses of \$1.6 million for transfers to Real Estate Services – Project Management Division (PMD) for the management of the construction of CIP projects at Apple Valley Airport, including \$490,000 for a solar powered obstruction lighting project, \$449,750 for taxiway and parking lot reconstruction projects, \$275,000 for the terminal Heating, Ventilation, Air Conditioning (HVAC) upgrades, \$250,000 for t-hangar improvements and \$50,000 for the initial phase of the drainage basin land acquisition. Capital Expenditures of \$250,000 include \$200,000 for fog sealing and striping and \$50,000 for Phase I of the Comprehensive Land Use Plan (CLUP).

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$296,912 due to an increase in Operating Expenses of \$378,088 primarily due to the addition of new capital projects including the roofing maintenance program for \$14,000, drainage land basin acquisition for \$50,000 and an additional \$275,000 transfer to PMD for the terminal HVAC upgrades project. The increase in Operating Expenses is offset by a decrease in Capital Expenditures of \$675,000 due to the completion of the airport runway rehab design phase I and decreased expenses for the solar powered obstruction lighting project.

Sources are increasing by \$23,900 in anticipation of FAA grant funding.



ANALYSIS OF NET POSITION

The 2016-17 budget includes the Use of Net Position of \$1.9 million for planned CIP projects. This budget unit funds CIP projects for the Apple Valley Airport. Funds are transferred from the CSA 60 – Apple Valley Airport operating budget unit when a new project requires funding.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.

