



**THIS PAPER HAS NOT BEEN REVIEWED AND
APPROVED BY THE CPAD BOARD OF
DIRECTORS**

**THIS PAPER WAS PREPARED BY THE CAMERON PARK AIRPORT
DISTRICT (CPAD) INFRASTRUCTURE AND FINANCE COMMITTEE
FOR THE CPAD BOARD OF DIRECTORS FOR THEIR REVIEW AND
APPROVAL**

May 29, 2020



This Paper was prepared by the Cameron Park Airport District (CPAD) Infrastructure & Finance Committee for Submittal to the CPAD Board of Directors for Approval at the June 1, 2020 Board Meeting - May 29,2020

THE CPAD BOARD WILL BE PROPOSING AN INCREASE IN PROPERTY ASSESSMENT FEES FOR AIRPORT OPERATIONS AND RESIDENTIAL STREET MAINTENANCE AS A MEASURE ON THE NOVEMBER 3, 2020 GENERAL ELECTION BALLOT

THIS EFFECTS OUR VERY UNIQUE AIRPORT COMMUNITY, YOUR PROPERTY VALUE AND YOUR LEGACY

Cameron Park Airport District - Our Mission

The Cameron Park Airport District will provide a safe, well maintained, first class airport serving the local community, Airpark residents, pilots and their aircraft, within the national airspace system as a long-term sustainable airport, financially, operationally and environmentally.

Our Unique Airport Community: Nestled in the Sierra Foothills, close to stores and restaurants, with 100-ft wide streets with our famous low street signs, which in addition to airplanes and cars, kids playing, families walking, and airplanes and cars shows. Kids of all ages watch airplanes land and take off, inspiring them to pursue their dreams. Resident airplane owners and pilots live with their airplanes in their hangar next to their home! A unique and great place to live!

Your Property Value: A well-maintained and managed airport and streets attract buyers looking for their unique experience. Cameron Airpark Estates is close to Sacramento, much less expensive than the Bay Area, with good schools. Pilots and airplane owners in the Bay Area are and will be looking to moveout, perhaps to retire, raise their kids and/or work from home. Turning from Oxford Road into a neighborhood with smooth streets with no cracks and potholes is a nice feeling and adds to the curb appeal of homes.

Your Legacy: You moved into a vibrant, attractive community and enjoyed a very unique experience. When someday you do move out, leave it as a vibrant attractive community for those still here and future generations.

This Paper was prepared by the Cameron Park Airport District (CPAD) Infrastructure & Finance Committee for Submittal to the CPAD Board of Directors for Approval at the June 1, 2020 Board Meeting. This paper is intended to provide information to Airpark Residents and District Property Owners, as to why and how the fee increase proposal was developed with the objective to increase readers understanding of this critical proposal.

**YOUR INPUTS AND COMMENTS TO THE I&FC ARE REQUESTED AND STRONGLY ENCOURAGED.
PLEASE REVIEW THIS MATERIAL AND GET BACK TO US WITH ANY COMMENTS OR QUESTIONS.
CONTACT A I&FC MEMBER OR EMAIL: comment@cameronparkairport.com**



EXECUTIVE SUMMARY of the INFRASTRUCTURE and FINANCE COMMITTEE PROPOSAL to the CPAD BOARD

The CPAD Infrastructure and Finance Committee recommends to the CPAD Board of Directors the fees below to be funded through for a measure on the November 3, 2020 General Election Ballot:

- Increase assessment fee for airport operations by \$50 per month per parcel
- Supplement for residential street maintenance \$25 per month per parcel
- Total would be \$100 per month including current \$25 per month fee
- A potential for up to \$20 per parcel per month incremental fee increase upon CPAD Board approval, with application of such incremental increase limited to once each fiscal year, to cover inflation and other cost increases.
 - The CPAD Board shall determine the future funding allocations between airport operation and maintenance and residential airpark street maintenance reserve fund of any increase.
 - The total assessment cannot exceed \$160/month as a result of the escalation clause

The CPAD Board will be considering on a Resolution to include a Measure to increase the property assessment fee on the November 2020 Ballot. A 2/3 majority of voters within the District who vote in the election is required to approve the measure.



Information about how budgets were developed, the process for determining fees and additional budget details are discussed in the following paper.



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How We Got to This Situation

Recent History – *That drove the needed to do this now!*

- A New board (4 out of 5) was sworn in December 2018
- We Suffered Almost a perfect storm the first year
- Night operations were suspended by Caltrans Aero in December 2018 due to lack of obstruction mitigation progress (obstructions are items that are too tall and penetrate the protected airspace around an airport, usually trees)
- Airport manager became seriously ill and had to leave
- Severe weather in February 2019 caused fuel system issues with flooding in the buried tank access sleeves
- Fuel system failed three-year inspection test requiring major repairs
- Every operating system, office procedures, airport documents and maintenance area of the airport needed attention

We got lucky

- The airport remained open and essential services were maintained
- Some key people were still available to help and board members were willing to get involved to learn what it takes and continue their commitment to run this airport.
- A new highly qualified manager was found and hired, who has worked above and beyond, and with the dedicated effort by several volunteers (equivalent to a full time assistant 7 days a week for most of the year) we are making progress
- Residential streets support was deemed not as urgent as the airport in the short term but was not forgotten
- So far, we have not had a significant failure in a critical area



What was learned

- During this continuing recovery process, it became apparent that much work is going to be needed if this airport is to return to night operations, operate with any security long term and have a chance for making improvements.
- The key elements necessary to meet any of these goals is enough qualified staff and sufficient operating funds.
- One paid manager cannot accomplish all of the tasks required to operate this airport. Our present compensation is well below the average and we need to add a part time assistant to do the work now being done by full time volunteers, which will likely leave in the near future.



- Increasing costs over the years have drained the operating fund to the point where we have no reserve (reserve funds were recognized as important and maintained for several years when the District was created). We must shuffle/delay important activities to pay for critical things, such as tree trimming to get night operations back, fuel system repairs, etc.

Table 1 - Current funding and sustainability

	Current Source of Funds (Annually)	Sufficient for Sustainability?
Airport Operations & Maintenance	Property Assessments: \$39,500 Operating Income: \$100,300 Total: \$139,800	No. Does not fund proposed salaries, staffing, fuel system replacement or other airport systems, pavement maintenance, hangar maintenance, and reserves for matching project funds.
Residential Street Maintenance	County Property Taxes: \$13,100 Parking (Cops & Rodders): \$1,200 Property Assessments: None Total: \$14,300	No. Current reserve for street maintenance is \$21,300. Slurry Seal should be done in 2023 at \$368,000.

Infrastructure & Finance Committee

- The Infrastructure and Finance(I&F) Committee (the Committee) was formed by Board resolution in February 2020 to investigate in detail the funding and income issues for both the airport and residential street areas then report their recommendations to the Board
- This paper was prepared by the Committee to present their findings to District residents and the Board to understand the background and basis for the anticipated fee measure on the November 2020 Ballot. Your comments are very much encouraged to aid the Committee in forming the request to the CPAD Board.
- The recommendations of this committee will be presented to a CPAD Special Board Meeting on June 1, 2020 for review and possible approval.





Current Situation Summary

- *CPAD does NOT have sufficient funds* to deal with regulatory requirements, including FAA Part 77 airspace surface regulations, rising insurance of aging systems, inflation, maintenance and replacement of aging infrastructure, and any improvements.
- The scope of work to effectively manage the airport and streets are beyond what one paid employee can accomplish. Since late 2018, we have been fortunate to have a dedicated group of volunteers that have donated thousands of hours to keeping our airport operating. *It is NOT reasonable to depend on volunteers for sustaining the airport* as they may, in the near future, leave and it is difficult/impossible to recruit new volunteers that are available every day to support the manager, which is what is required to continue to improve the situation.
- The funds available for residential street maintenance *are also NOT sufficient* to avoid predictable future street failures. Future needed maintenance would need to be again funded by loans.
- If we are unable to pay our bills, the *airport WILL quickly lose the ability to operate*
- Aircraft and businesses will leave, property values will fall and the neighborhood environment will change. This *unique neighborhood WILL forever be gone*.
- The *county likely has NO interest in keeping this airport* and if the county takes over it will likely be closed and converted to non-aviation use.
- The *current level of funding at \$25 per month (\$300 a year) has NOT increased since 1995* (\$300 in 1995 is worth \$173 today).





Frequently Asked Questions and Answers

Why is the CPAD Board considering a ballot measure to increase our property assessment fees now?

For decades, raising funds to sustain the Airport in operations and maintenance and residential street maintenance has been deferred, the 'can was kicked down the road'. Previously funds to build adequate reserves to maintain the streets were not collected and the streets deteriorated with extensive cracking and loose aggregate resulting in an expensive bond for repairs. The airport is the heart of this unique airport community and increasing costs have eliminated all funding reserves for operations and maintenance resulting in a gradual deterioration and increasing risk of a breakdown we cannot afford to repair.



One employee, the airport manager, has to maintain compliance with numerous regulatory and legal requirements, manage daily airport operations, fuel system, maintenance, and obstruction mitigation. Insufficient staffing led to loss of night operations and continued reliance on volunteer work to keep up the work needed is not sustainable.

Why do Airpark residences need to subsidize our Public Airport?

The airport does receive income from fuel sales, hangar and tie-down rent, transient parking, and an annual grant from Caltrans Aero, however it is not enough to cover expenses for long term sustainability. The airport does not receive any subsidies from El Dorado County to maintain operations, nor can we expect any. The county would not be interested in subsidizing the airport for airpark residences. Many small airports around the country are under pressure (financial and regulatory) and continue to be closed as many cities and counties choose not to fund their airports.

Why do Airpark residences need to fund their own street maintenance in addition to property taxes?

The District owns the residential streets and is responsible for their maintenance. The original agreement includes financial support (currently \$13,100 annually) from El Dorado County for street maintenance, and it is significantly less that required to maintain our unique streets. This income is very unlikely to be increased by the county.

The streets were resurfaced in 2009 with a USDA loan of \$2,000,000 for a \$1,280,000 resurfacing job costing \$720,000 in interest and fees. Since 2009 a crack seal was completed in 2018 depleting the street reserves. We expect a slurry seal is needed in 3 to 5 years and insufficient reserves will have been collected by then unless we make changes or take another expensive loan.





The Airport has had one paid employee for 20 years. Why the need now for more?

When airport night operations were suspended in December 2018, and the airport manager became ill, the new CPAD Board (4 out of 5 were new) quickly realized that a lot of work was needed to return the airport to night operations, operate with any security long term and have a chance for making improvements. It also became apparent that the street maintenance was not receiving attention. One paid manager cannot accomplish all of the tasks required to operate this airport and streets.

We currently have one full time paid employee at a salary of \$50,000 with no benefits. This salary is well below the national average wage for an airport manager and almost half of the California average. *A dedicated competent manager is critical to the continued operation of our airport.*

Inadequate staffing was a significant factor that got us to the point of losing night operations and almost every other major system at the airport while neglecting the streets. Currently the manager is assisted by volunteers to the equivalent of a full-time employee, and as a result we are close to getting night operations back and many systems at the airport have been improved. The volunteers can leave at any time leaving us back to the slow decline as the manager attempts to cover all the areas.

What is the liability exposure to the District residences if the airport and streets are not funded? What happens if the District goes bankrupt?

There is likely no liability exposure to District residence if the airport and streets are not funded. However, residential property values likely would be significantly impacted.

If the street maintenance is not funded through property assessments, the only funding is through Bonds, as was done in 2009 for resurfacing. If the residences decide not to maintain the streets, while there is not likely a liability exposure, the streets would deteriorate to broken pieces, potholes, loose rock and large cracks. Airplanes would not be able to taxi under power to avoid propeller damage and it would be a rough ride for automobiles and difficult for bicycles. Residential property values would like be negatively impacted.

If CPAD is not able to pay its bills, for both the airport and streets, it would go bankrupt. The airport would likely be forced to cease operations and the District would revert back to El Dorado County. It is unknown what the county would do. It is very likely they would not want to continue to operate the airport as it would require funding from the county. It is likely the airport would be permanently closed and the property developed in a non-aviation manner.

Why does the Airport District exist? Why not El Dorado County?

The Cameron Park Airport District (CPAD) is responsible for managing, operating and maintaining Cameron Park Airport and Airpark Estates residential street maintenance.

CPAD was formed in 1987 under the laws of El Dorado County and the State of California as a Special District, taking over responsibilities from El Dorado County in response to Cameron Airpark Estate resident concerns about the future of their community due to concerns about how the county was managing the airport and street maintenance. *Residents wanted, and eventually secured control of their community.*



The CPAD Board is composed of five directors, all volunteers from the Airpark. Each director is elected or appointed (if no candidates run or in the event of a resignation) Each director commits to a four-year term. Terms are staggered. Next election of Directors is November 3, 2020 for two positions.

CPAD Board Meetings are held in public, providing an opportunity for airport users and residences to observe board business and comment.

In 1988 as part of the District formation, residents approved an assessment of up to \$300 per year per parcel in the District at the discretion of the CPAD Board. The CPAD Board approved a \$200 initial fee and in 1995 increased it to the current \$300. Based on the average inflation rate since then, \$300 then has a value of \$173 today. That amount, along with grants from Caltrans Aero, operating income, and the \$13,100 from El Dorado County for street maintenance, is not sufficient for long term sustainability to fulfill the District Mission.

How does CPAD relate to other Government entities?

As a Special District, CPAD interfaces with a number of Government agencies, including El Dorado County, Caltrans Aero and the FAA. CPAD must follow the many laws imposed on special districts including public transparency and financial reporting. CPAD normally does not have interaction with the Cameron Park Community Service District (CSD). CSD does hold and manage the CC&Rs for Airpark Estates and is responsible for code enforcement. Basically, CPAD manages the streets to the curbs and the airport property within the District on the other side of the fence from the residential area.

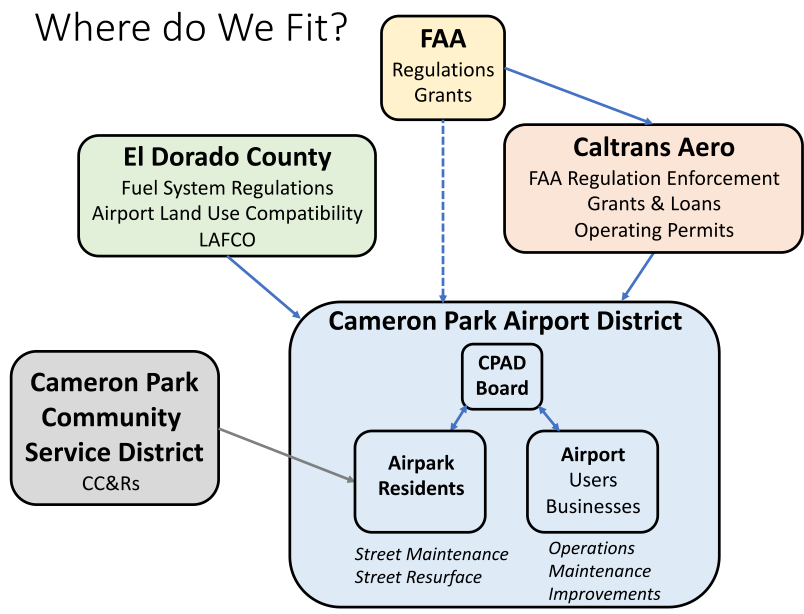


Figure 1 - CPAD Relationship with Other Government Entities



Why were night operations suspended?

CPAD has not had enough cash in its accounts to adequately maintain its approach and departure corridors as required by CalTrans and the FAA (by code). Most airports have a standing maintenance program that has an annual 360-degree evaluation of all obstructions encroaching on the protected airspace. Some obstructions are immediate problems, others deserve ongoing monitoring. CPAD has skirted this over the years, and even cut the occasional tree, but has not done enough to keep the area compliant with the regulations; in the end and after years for warnings, CalTrans shut us down until CPAD regains compliance. Revenue lost due to suspension of night operations (yes, we lost fuel sales and tenants) is a direct result of District complacency. We underfunded ourselves and then stepped on our own mines. A harsh accusation, but there is little to defend against it.

Can the Airport increase income from operations, thus reduce assessment fees needed?

While there is income from tie-down and hangar rent, and there is demand, especially for hangars, there is no available land owned by the District to build more hangers and tie-downs. CPAD has no funds to purchase property and those properties adjacent to the airport are privately held and may be sold for any purpose. The opportunity to purchase land may disappear soon if the private properties within the airport boundaries are developed.

Marketing our airport and attracting transient pilots and passengers could increase income from fuel sales and parking. A well-maintained runway, taxiways, tie-down pavement, and fuel availability, would be attractive to visiting pilots. We have only four transient parking spaces and they tend to already be filled or nearly filled on weekends. More spaces are needed and the optimal budget does not include any expansion of parking.

The I&F Committee suggest the formation of an Airport Marketing Committee to investigate and implement marketing of the airport to attract outside users and increase fuel and transient parking sales. It is especially important to attract people in a position to purchase and maintain the adjacent properties for aviation-oriented activities. This committee should be made up of other residents currently not serving on other committees.

Why not just raise the fuel price, and hanger and tie-down rents instead of raising our fees?

Fuel price is adjusted regularly to be at market rates while maintain a solid margin for CPAD. The district makes a fair profit off of fuel sales and it goes to support routine operations on the airport side of the gates. While tiedowns rents are slightly higher than most local airports, CPAD is overdue for a market check on our hangar rates. Turnover in the hangars due to higher lease rates is not an issue (it's business). Because charging a robust yet market-supportable lease rate would not significantly change the projection model, the urgency of conducting the rent analysis falls below regaining night operations and placing a financial health measure on the ballot.

Airport annual Income, discussed later in this paper in more detail, includes transient parking (\$500), Hangar and tie-down rent (\$66,000), Property Assessment Fee (\$39,500), Fuel Income (\$22,000) and



Caltrans Aero Grant for obstruction mitigation (\$10,000). The 'Target Fee' discussed later in this paper, is the lowest fee to close the associated 'Bare Bones Budget' also discussed later. The Bare Bones Budget, not including fuel purchase expenses, is \$222,863. Current income is \$138,900, resulting in a \$83,563 gap. Hangar and tie-down rent would have to increase from \$66,000 to \$149,563, a 127% increase to close the gap! Tie-down rent would go from \$75 per month to \$170 per month. Given that not all the tie-down spaces today are rented this would likely clear-out remaining tie-downs as it would be very non-competitive with nearby airports. That rent is nearly the same as Palo Alto Airport tie-down rent of \$171.50 (on much nice pavement), in expensive Silicon Valley. Increasing rent by 127% will cause many, if not all renters to leave and the current rent income of \$22,000 would drop to nearly zero. Assessment fees would need to be increased by about \$14 per month per parcel to make up the loss of income.

Has CPAD looked into Grants?

The Board and Airport Manager have been looking into grant opportunities at Caltrans Aero and the FAA and has been in contact with both agencies. Grants are available to help fund airport projects, which can include pavement maintenance. Grants are not available to subsidize day-to-day operations. Grants are not known to be available to fund residential street maintenance. Airport project grants are available through Caltrans Aero and the FAA. Grants generally require a 10% match by the sponsoring agency, which is CPAD in our case. CPAD currently receives a \$10,000 annual grant from Caltrans Aero for obstruction mitigation, which does not require a 10% match. Obtaining grants for projects, in addition to having the 10% match, require a significant amount of time to write and prepare grant requests and the airport documentation to be up-to-date to meet the many submission requirements. Most airports, if not all, use consultants experienced in preparing aviation grants. In the case of the FAA, they expect to work with consultants in the submittal and review process as it is complex and usually beyond the capability of volunteers. Significant Grants from Caltrans Aero and FAA also require that the airport have an approved Airport Layout Plan (ALP).

A project grant comes with requirements for regulation compliance and significant work and time to manage and develop various reports. Currently the Airport does not have the funding to hire a person, at least part time to manage this. In addition, the Airport budget currently does not have sufficient funds to match desired grants or initiate activities with a qualified consultant.

Airport grants are not available for revenue producing projects, like the fuel system replacement, but may be available from the EPA for clean-up which could be significant.

Grants are also being look for from CalFire, and other emergency agencies as the Airport manager has is in long term discussions to promote the airport and our unique streets as a resource to help our surrounding neighbors and communities in emergencies. Those type of grants, if available for our airport, would fund facilities and improvement to accommodate emergency services.



Insufficient reserve accumulation for street maintenance comes at high cost

Not accumulating sufficient reserves for street maintenance and eventually relying on a bond comes at a high price. In 2008 CPAD set up an Assessment District to secure and approve a loan from the US Department of Agriculture for a \$2,000,000 Bond. The Bond is paid through our property tax bill and is secured with a lien on our properties. Some property owners chose to pay their obligation off, saving interest, most others will pay about \$900 per year for 20 years, maturing in 2029. The resurfacing cost \$1,280,000. *The Bond is expensive. \$720,000 of the \$2,000,000 is used for interest and mandated fees!*

The only maintenance done on the streets since the resurfacing in 2009 was crack sealing in 2018 at a cost of \$96,000. That was paid with about 10 years of accumulated income from the county. Currently the street maintenance budget has about \$21,300. Given the condition of the streets a Slurry Seal should be done in about 2023 at an estimated cost of \$368,000.



Why are the airport and residential street budgets separate? Can money from the airport be used for street maintenance?

Because of the way the grant-funding flows from an agency, the residential airport and the airport have distinct budgets. There is grant funding for the airport side, but there is scarce to no funding for the residential side. The spending plan is carefully structured to demonstrate the separation of the two expense pools so that any audit will confirm grant assurances. In the end, the product of adding the separate expense models is what the District needs to come up with to be solvent, indifferent to sourcing by out-of-pocket, grants, operating revenue, or some combination thereof. Combining the various income sources to meet that dual-pronged expense model is the heart of the current analysis (see the website for the growing collection of documents).

Why were non-maintenance street projects, like the gate, not included?

Given the near term need for funds to build reserves for street maintenance and the already high amount, and the projects like the gate and cameras are one-time expenses, the Committee decided not to include any projects other than maintenance. One-time projects like the gate can be handled through the Special Assessment District, where it is a limited time collection of fees. Special Assessment require a simple majority with one vote per parcel.

Why can't the proposed fees be voted by parcel in a Special Assessment?

CPAD is a government entity as a Special District and must comply to State Laws and regulations in imposing taxes on properties within its jurisdiction. A Special Assessments is a method to fund one-time projects with a defined limited time to collect fees. Approval of an assessment for a project requires a simple majority of one vote per parcel in the special assessment district. The Bond to fund Residential Street resurfacing in 2009 was through a Special Assessment. Assessments for fees to fund ongoing operations require a 2/3 majority of voters in the District.



Why Increase Our Taxes?

Each of us moved here because it was a unique airpark community. Whether we fly or not, we love the wide streets, large hangars and a community sewn together with threads of common interests. Serrano has its golf-course, tennis courts and views of Folsom Lake, but none of us chose to live there. Greenstone Country residents love their horses and large parcels, but none of chose to live there either. Serrano and Greenstone Country HOA fees are over \$300 per month per parcel. Those residents pay more each month than we pay all year! No wonder we are not investing in our Airpark like we should.

Airpark residents are required to pay their “fair-share” of airport expenses in order to continue their “thru the fence” access. \$300 per year per parcel is not a fair-share. Hangar rent contribute more to the airport operations budget than resident taxes each year. Pilots pay twice: once at the pump and again in their tax bill. Non-pilots only pay once at tax time.

We need a grant writer to get gates and fences. We need grants to help replace our underground fuel tanks. Users and residents cannot pay for asphalt runways, fuel island improvements or perimeter fences by themselves. Those projects need grants, and we do not have a grant writer on our staff. Users and residents can pay to have grant applications written, seeding the very large amount of money available for airport improvements.

If I Don't Fly, Why Should I Pay More in Taxes?

We understand this feeling. Once our kids graduate from school, those school taxes become less beneficial to us. But, if everyone voted that way, the schools would be too poor when our kids needed them. What would it cost each of us to educate our kids if everyone else could turn off their school taxes once their kids graduated? What about our roads, highways, fire and police? Spreading these costs keep them at their lowest overall.

For far too many years now, the airport and airpark have been underfunded. We have no reserves for the very assets we are consuming every day. Kicking the can down the road lowers our property values, causes us to pay more when the expense becomes mandatory, and does not fairly price the cost to live here.

One day, each of us will be selling what we have built here. Do we really want to be the least attractive airpark option because of our lack of financial support for what it is we now need to sell?

Why Am I Financially Supporting the Airport?

Not infrequently the question arises as to why those parcel-owners in the Airpark who are no longer flying or never were aviators are, at least in part, funding the assets and operations on the runway-side of the barrier fence. Aside from occasionally comingling with aircraft taxiing upon the airpark's streets, non-aviators are not partaking of the airport facilities; so, why should they be required to participate in the annual fee collected through taxation and pay into the airport fund? To understand the Airpark community and its inseparable link to the Airport, it helps to have a brief review of the District's structure and how it came to be. In the end, it should be clear to each resident with an opinion.



A Little Background

It might be fascinating or even a revelation for some to know that the Cameron Airpark Estates and the adjacent airport came into being in the early 1960s as a main attraction of the Cameron Park planned development. In 1967, real estate developer Dorado Estates deeded the airport to El Dorado County and, for the next 20 years, the County owned the airport facility and managed it through a contractor. In 1987, the residents voted to form the Cameron Park Airport District (CPAD or the District) specifically to assume ownership of the airport properties and to take over management of its assets and operations. With that vote and associated transactions, the airport properties, certain commercial properties, and all airpark residential parcels were knitted together. Created under the same group of state and county codes that enables the Cameron Park Community Services District (CSD), CPAD is also a small local government entity with distinct rules and regulations and an elected board of managers. While much can be written about the unique character of Special Districts, relevant here is that the District has a defined physical boundary encircling the airport and all parcels within the residential airpark and it is not a club, a home owners association, or a privately held corporation of any type.



A District Operates as a Unified Body: It's "All for One and One for All" ...or we fizzle

Underscoring the community nature of our Airpark and its inseparable attachment to the airport, it is helpful to further consider the CSD, of which we are also residents, with its own publicly funded assets. CSD owns and operates such features as a community center, pool, the Cameron Park Lake, and numerous parks. Through assessments, taxes and other fees charged to Cameron Park CSD residents, the CSD funds much of the budget necessary to operate these many amenities. While there is continuous effort to identify and secure alternative funding (grants, county and state contributions, etc.), it is through ballot measures and special assessments, approved by voting taxpayers within the Cameron Park Community Services District, that maintain the community assets. In an analogous manner to the CSD, CPAD is comprised of property owners (special assessments) and registered voters (tax ballot measures) that shoulder the costs of maintaining our modest district and its assets.

It is true that a minority fraction of Cameron Park's population was not in favor of building such facilities as the library, community center, or many of the other familiar community assets; yet, creation of those amenities that help to make Cameron Park "A Special Place to Live" was individually supported by a majority of the voters and, as such, we all contribute to their building and operating budgets. In turn, the shared community assets enhance the desirability of living in Cameron Park and lifts property value as compared to communities without such amenities.

Similarly, in its 1987 forming vote, CPAD embraced its defining integral asset that sets the neighborhood apart from all other communities and immediately creating premium value in all airpark parcels; that is, a unique public-use airport with controlled access for homeowners within the airpark. By that vote, the airpark residents committed to the District's ongoing operation and future viability, inclusive of the airport, to sustain their investment and lifestyle. Complementing the nature of all the great people living in the District, the airpark's functional and aesthetic attributes flow directly from the presence of the associated airport. The tremendous upside of the forming 1987 vote was that those attributes would



continue uninterrupted. The tremendous downside is that if the airport is not robustly sustained, the residential airpark erodes to mediocrity, losing appeal that sets it apart from other neighborhoods, but retaining the disproportionate expense of maintaining wide streets meant specifically for aircraft.

It Is Time to Vote

For those who have found the airpark to be an appealing place to live, who enjoy those facets of the community that are truly due to having an adjacent and accessible airport, it is easy to see that without the healthy airport those cohesive strings that make CPAD so unique will quickly fade. What does that mean to us? Like building a community center, pool or park, there is no “opting out” from the obligations of a passing measure. The Board hopes that when the voters consider the attractions that drew us all to the Airpark, that we keep in mind the defining importance of the airport to the District and, whether aviators or not, we all bought our homes with “eyes-wide-open” and elected to live inside the boundaries of the *Airport* District as a community.



What Happens If the Fee Increase is Defeated?

Maybe good for some in the short time, but bad for property values in the longer term. If the fee increase does not pass in November 2020, it will be a major blow, perhaps fatal, for the Airpark and airport. Volunteer moral would certainly drop as all the hard work and many hours to improve the airport was only a temporary success. Volunteer support to keep the airport going could greatly reduce or cease, as they become demoralized. Night operations, even if re-started soon, would be eventually be suspended again, perhaps permanently, as trees grow with insufficient staff and funds to mitigate. Finding a new *competent* airport manager, to work for a salary that is well below the California average, would nearly be impossible. Property values would likely fall as prospective buyers learn that the community does not support the airport or street maintenance, and that airport is not sustainable in the long-term. In addition, bonds for the full amount of maintenance will be required to maintain the streets, if the airpark vote for it, in addition to the current bond cost. Prospective buyers could view the residence approving a loan at risk. Residences having live here for decades and enjoyed a very unique experience at non-sustainable fees, would leaving knowing that future generations would not have the same opportunity they did.



How do I know how District funds are being efficiently managed and spent?

As discussed earlier the CPAD is a government entity and the Board of Directors are bound to operate in compliance with the 'Brown Act'. Approval to allocate and spend funds requires a majority of the Board to approve at Board meetings, in Public view. Regular Board meetings are held once a month, usually on the fourth Monday. Board meetings are memorialized with minutes, approved in public view at the following Board Meeting. Public access to meeting notices, agendas, supporting material and minutes is now even more convenient via our airport website. Residences are encouraged to attend Board meetings. Public comments, on matters within the jurisdiction of the Board, is an agenda item and encouraged as it helps the Board understand what others may be thinking.

It is recognized that some past expenditures were not properly monitored and resulted in not achieving goals or unnecessary expenditures. The present Board is writing changes to the CPAD policy that will require several new verifications and reviews before funds are spent and monitoring the ongoing contracts.

The basic concepts are listed below:

1. All projects or budget changes must be on a request form that includes a discussion of costs, benefits and defines the scope. This must be approved by the Board prior to approval of funds
2. A new standing agenda item will be added requiring a review of all procurements greater than \$1000, and a review of all contracts of any value both completed and ongoing/awarded for the previous month at each Board meeting.

What have the Volunteers done?

The District is very fortunate to have an unusual high-level of volunteer support from Airpark residents since late 2018 after night operations were suspended and between Airport Managers. Even after we had a new manager there continued to be a high level of volunteer support. The volunteers are enthusiastic and want to contribute to the success of the airport and our unique community experience.

We are currently dependent on having a high level of volunteer support to keep financially solvent. **History shows that it is not realistic or reasonable to expect the same level of volunteer support to continue every month and every year.** Volunteers can burn-out, not feel appreciated, want to do other things, or enjoy retirement full time.

Recruiting volunteers is difficult if not nearly impossible. Many candidates work, have families, have other volunteer jobs, or just want to enjoy retirement and let others do the work to keep operations and maintenance going. Losing one or more of the current volunteers now will cause significant harm to ongoing operations.

Below is a list of tasks and activities Airpark volunteers have done and/or continue to do since late 2018. *The list below is not necessary the entire list of tasks and people as the author is sure there are some which did not come to mind as this was written. For those that did and continue to volunteer and are not listed, please let the I&F Committee know so you can be included in updates.*



After night operations were suspended, the then airport manager getting sick and leaving, and before hiring our current manager, Kevin Cooksy, in April 2019, the CPAD Board and other volunteers step up to keep the airport operating:

- Getting smart on FAA Part 77 regulations, planning, organizing, determining which trees and how much to trim, contacting property owners in person, via phone and mail, working with property owners, arranging and scheduling tree trimming and cutting, and preparing material for Caltrans Aero status reviews – Led by *Burl Skaggs*, active participation by: *David Becker, Jeff Thornhill, Mark Harris, Terry Bohlen*
- The Friends of Cameron Airport (FOCA) arrange a ‘work day ‘as shortly after night ops was suspended to clear brush and weeds identified by Caltrans as one of the obstacles. – *Many residents pitched in! A great show of support!*
- Tree Cutting and Trimming – *David and Donna Becker, Jeff and Jean Thornhill, David McClelland and Terry Bohlen*
- Learning about and organizing airport and street finances, going through bills and getting them paid, responding to late notices, review budget accounts, and arranging required fuel system compliance inspections, service and repairs – *Knud Kirkegaard*
- Learning about, taking training and conducting on going Fuel System service and inspections: *Knud Kirkegaard, Marion Janik, Terry Bohlen and Burl Skaggs*
- Begin process of understanding airport operating documents, including normal and emergency procedures – *Burl Skaggs and Knud Kirkegaard*



Since April 2019, on an ongoing basis, our volunteers have and are doing:

- Tree cutting trimming, brush clearing and fire watch – *David and Donna Becker, Jeff and Jean Thornhill, David McClelland, Terry Bohlen, Kevin Cooksy, Marion Janik, Mike and Holly O’Connor, and Jared (JC) Brandt*
- Mowing the airport grass, weed mitigation, and cutting weeds in surrounding ditches – *Mike Bigler, Jeff and Jean Thornhill, Mark Harris, and Garrett Gant*
- Repaired runway lights (As of this writing, they have been repaired, tested and all work! In preparation for returning to night ops) – *Burl Skaggs*
- PLASI Repair – *Burl Skaggs*
- Fuel price signs, grounding reels and mechanized gate repairs – *Marion Janik*
- Cleaned out, organized and maintain the light shed (near the Wind-Tee) – *Burl Skaggs, Terry Bohlen*





- Repaired the light shed to prevent flooding in heavy rains. – *Burl Skaggs*
- Repaired the bench at the South Gate – *Jerry Bush*
- Fuel account reconciliation between Epic, Fuel Master and US Bank Processing center before sending to our book keeper – *Knud Kirkegaard*
- Going through CPAD Board historical and airport documents, processes and procedures, and organizing – *Burl Skaggs and Kevin Cooksy*
- Reviewing and updating District operating procedures – *Burl Skaggs (help is needed!)*
- CPAD Board of Directors
 - President – *Burl Skaggs*
 - Treasure – *Knud Kirkegaard*
 - Secretary – *Glenn Gordon*
 - *Terry Bohlen*
 - *Joe Fuller*
- CPAD Infrastructure and Finance Committee
 - Committee Chair – *Knud Kirkegaard*
 - Secretary – *Terry Bohlen*
 - Members - *Keith Uota, Mark Harris, Burl Skaggs and Kevin Cooksy*



As you read the above, you may notice seeing many of the same names. We do have a relatively small group of dedicated volunteers; about 9% of the Airpark residents do work that benefits all of us.

What can I do to help sustain the airport and street maintenance to keep our assessment fees low?

With the wide range of knowledge required and tasks to operate, the District can always use additional volunteers to help maintain the airport; mowing, brush clearing and weed mitigation, small repairs and painting. The Board can use volunteers with experience and knowledge in grant writing, contracts management, project management, financing, accounting, civil engineering, pavement repair and maintenance, and marketing. A particular near-term activity is reviewing and updating the airport operating procedures. Please contact the Airport Manager and/or the CPAD Board, or any of the existing volunteers to see *how you can contribute to our unique airport community!*





SUMMARY of the INFRASTRUCTURE and FINANCE COMMITTEE PROPOSAL to the CPAD BORAD

The CPAD Infrastructure and Finance Committee recommends to the CPAD Board of Directors the fees below to be funded through for a measure on the November 3, 2020 Ballot:

- Increase assessment fee for airport operations by \$50 per month per parcel
- Supplement for residential street maintenance \$25 per month per parcel
- Total would be \$100 per month including current \$25 per month fee
- CPAD Board ability to increase the fee up to 20% per year to compensate for inflation and any urgent need to maintain viability of the Airport and Streets

The CPAD Board will be considering on a Resolution to include a Measure to increase the property assessment fee on the November 2020 Ballot. A 2/3 majority of voters within the District who vote in the election is required to approve the measure.

THE WHY AND HOW - DETAILED INFORMATION

Cameron Park Airport District - Our Mission

The Cameron Park Airport District will provide a safe, well maintained, first class airport serving the local community, Airpark residents, pilots and their aircraft, within the national airspace system as a long-term sustainable airport, financially, operationally and environmentally.

Proposed for CPAD consideration at November 25, 2019 Board Meeting, and adapted by the CPAD Board at the January 27, 2020 Board Meeting

<https://www.cameronparkairport.com/our-mission>





The Process

The I&F Committee is following the process shown in Figures 2, 3, 4, and 5 below and is currently in the 'Fee Acceptability Assessment' process and is seeking additional comments from Airpark residents and District property owners.

The committee took in and considered many inputs, including the District Mission and Vision, a Community Workshop held on May 6, 2019 that identified and prioritized Capital Improvement Projects, income and expense actuals over many years, various CPAD documents, and regulations. The input took time to collect, understand and document. As data turned into information, various document product evolved from discussion during meeting and actions between meetings, that were later reviewed at meetings.



The committee's approach was to develop budgets and project time phasing that achieved the aims in the District Mission Statement.

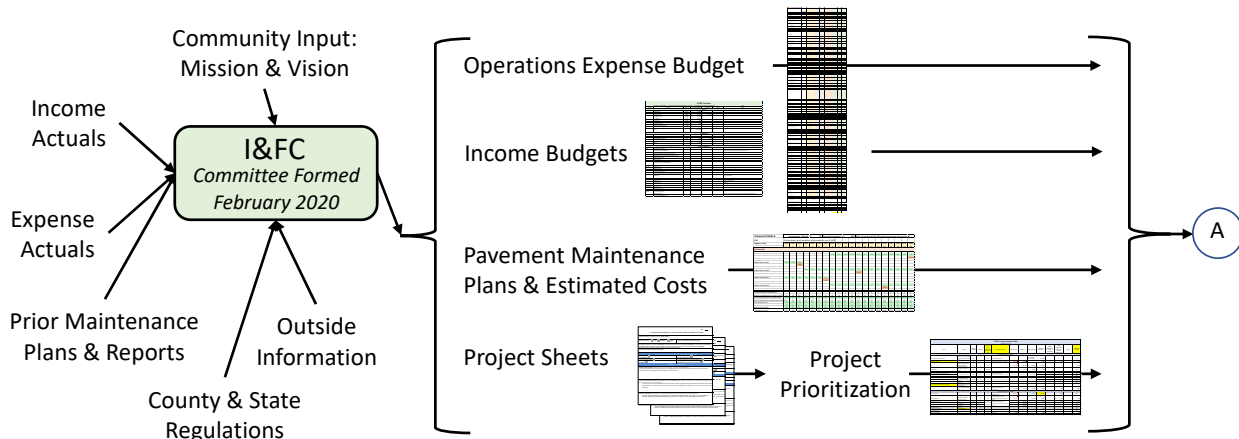


Figure 2– I&F Committee Process to Develop Budgets to Achieve the Aims in the District Mission Statement



Major Findings

The I&F committee reviewed what was required to achieve the aims in the Mission Statement and prepared bottom up budget estimates for the airport and streets. Three areas require the most money and tend to drive the numbers:

1. Staffing - updating salary and adding a part time person, hire consulting firm to assist with airport projects and grant applications.
2. Sustained tree trimming and obstruction mitigation.
3. Increasing risk of leaks or inability to find insurance for the underground fuel tanks that are over 30 years old and probably need to be removed to eliminate the risk
4. Supplemental funds to maintain residential streets
5. Funding to accumulate reserves for airport maintenance and projects

The committee assumed that Airport pavement maintenance and projects would be funded through Caltrans Aero grants such that only a 10% match is required. Residential streets and projects are not subject to grants and have to be 100% funded by residents, through assessment fees and/or loans paid by residents. Consulting firms are needed for plans, engineering, and grant applications.

The committee assessed the risk probability of occurrence and consequence of each major finding summarized in Table 2 below:





Table 2 - Status Quo Risk Assessment

Name	Risk	Probability	Consequence
Fuel System	Underground tank leaks into surrounding soil	Increases dramatically with age. Current tanks has expected end of life about 2025	Shuts down fuel sales with loss of income. Significant expense to repair or replace. Would require bond or loan with associated time to vote and secure. Significant time or permanent loss of fuel service. If the airport loses permit to operate the fuel system, CPAD is still liable to remove the underground storage tank and do any cleanup determined to be necessary. Negative impact on property values.
Matching Funds for FAA & State Capital Improvement Projects	Not able to accumulate enough funds for highly desired projects	Realized	No or long delay in maintenance of runway and taxiways, which could deteriorate and pose safety risks. No new projects. Negative impact on property values. Potential liability to CPAD and residents.
Employee Salary(s)	Not able to attract and retain talent and/or add part-time paid help	Very high	Incompetent management and work, causing reliance of volunteers. Negative impact on property values.
Dependence on significant and consistent volunteer support	Reduced volunteer contributions will cause tasks not be done or done after significant delay (weed spraying, mowing, etc) and/or pressure budget	The current high level of volunteer contribution may diminish over time	Significant reduction in mowing and weed spraying and other maintenance tasks. Paying for mowing when no budget is allocated or available. Airport does not look kept up and less desirable for visiting aircraft. Negative impact on property values.
Residential Streets	No funding for street maintenance or dependent on more expense bonds and/or loans	Very high	Reduced property values as streets deteriorates to potholes and loose gravel. Hazards to airplanes, cars and bicyclists. Potential liability to CPAD and residents. Bonds and/or loans at increased cost.

The process to reduce risk and achieve the Mission Statement Aims, included reviewing the Airport Operations Budgets, Street Maintenance budget, plans and projects.

Airport Operations Budget

The last three years of budgets and actual expenses were reviewed. During the review each account was evaluated for amounts and what it should include. Some cases it was not always clear and some accounts were reallocated, consolidated with other accounts and new accounts added.

Projects

The committee considered the Airport and Residential Street projects listed in the tables below. There were many Airport projects and they evolved as the committee better understood them. Selection of



Airport and Residential Street projects for inclusion in the budget were based on need/priority, safe enhancement, contribution to sustainment and cost.

Residential Street improvement projects were deferred at this time due to the feedback we received requiring us to limit the fee request to an amount more likely to be approved. Residential projects such as gates, cameras, etc. will have to be finalized and funded separately. Required street maintenance items are included in the proposed fee.

Table 3 – Residential Projects Considered

CPAD Residential Projects				
Title	Description / Comments	Estimated Cost in 2020 Dollars	Included in Request?	Assumed Plan/Schedule
Street Maintenance - Slurry Seal		\$ 368,000	Yes	2023, 2032
Street Maintenance - Crack Seal		\$ 99,878	Yes	2027, 2036
Street Maintenance - Resurface		\$ 1,438,184	Yes	2040
Engineering inspection plan	Assumed to be included above	NA	No	
Annual pavement assessment	Assumed to be included above	NA	No	
Drainage	Improve street drainage	No Costed	No	
Fence and Airport Gate Upgrades (Residential side)		\$ 120,000	No	
Video Surveillance at Entrance		\$ 32,890	No	
Entrance Gate	CPAD will likely lose \$12-13k in property tax income for street maintenance	\$ 99,000	No	





Table 4 – Airport Projects Considered

CPAD Airport Projects							
Title	Category	Priority	Description / Comments	Estimated Cost in 2020 Dollars	Included in Request?	Assumed Plan/Schedule	
Fuel System Replacement	Capital Improvement	1	Replace underground with above ground tank system	\$ 260,000	Yes	Start work in 2021, complete in 2025	
Initial obstruction Mitigation	Maintenance / Sustainability	2	Obstruction removal (tree trimming, object removal etc.)		Yes		
Airport Layout Plan (ALP)		3	Meet FAA Requirements Key Foundation for proposals and grants	\$ 18,000	Yes	10% match of estimated cost of \$180,000. Complete in 2021.	
Obstruction lights		4				Yes	
Consultation		5	Slush fund, paid out of grant as needed	\$ 2,000	Yes	10% match of estimated total of \$20,000. Accumulate in 2021 & 2022, assume spend in 2022.	
Annual Pavement Assessment		6	Assumed to be included in below	Not Costed	No		
Runway & Taxiway Maintenance - Slurry Seal					\$ 20,328	Yes	10% match of estimated total of \$203,284. Assume spend in 2033
Runway & Taxiway Maintenance - Resurface					\$ 48,388	Yes	10% match of estimated total of \$483,878. Assume spend in 2023
Tie-Down Maintenance - Slurry Seal					\$ 20,949	Yes	10% match of estimated total of \$209,487. Assume spend in 2035
Tie-Down Maintenance - Resurface					\$ 13,122	Yes	10% match of estimated total of \$131,221 Assume spend in 2025
Runway Engineering, Inspection, Plan		7	Assumed to be included in above	Not Costed	No		
AWOS Category 3	Capital Improvement	8	Adds visibility, cloud/ceiling data, and precipitation type identification, to existing AWOS-1 system.	\$ 6,500	Yes	10% match of estimated total of \$65,000. Accumulate funds 2026 & 2027, assume spend in 2027	
PAPI Runway 31/13		9	Replace PLASI on Rwy 31 with PAPI and install on Rwy 13.	\$ 14,107		10% match of estimated total of \$141,070. Accumulate funds 2026 & 2027, assume spend in 2027	
Airfield Pavement		10	Replaced with below	NA	NA		
Runway Improvements		11	Widen Runway to FAA Std of 60-ft	Not Costed	No		
Fence and Gate Upgrades (Airport Side)		12	\$40k-\$60k/gate lasting 15 years. Possible TSA grants, TSA requirements	\$ 120,000	No		
Purchase Property		13	Have funds available to purchase property next to airport with there is an opportunity.	Not Costed	No		
Density Altitude Display		14		\$ 5,000	Yes	10% match of estimated total of \$5,000. Accumulate funds 2028 & 2029, assume spend in 2029	
Electric AC Chargers		15	Prepare for electric airplanes	\$ 3,000	Yes	10% match of estimated total of \$3,000. Accumulate funds 2028 & 2029, assume spend in 2029	



Selected critical projects are discussed below.

Fuel System Replacement Project

- The current Underground Storage Tank (UST) was installed in 1988. The nominal lifetime of the system is 30 years.
- The UST has a total capacity of 20,000 gallons, with a bulkhead dividing the tank into two 10,000 gallons tanks. Originally the District sold 80 and 100 Octane aviation fuel. As 80 Octane was phased out, it was replaced with 100 Low Lead fuel. Both tanks now contain 100LL with a separate pump for each tank. Having 20,000 gallons capacity does give some nice leverage against fuel price changes and getting full loads.
- Besides the tank, all associated pumping is also underground.
- Due to limited lifetime of existing UST fuel storage, pumps, dispensers and increasing cost to insurance and fees for UST tanks it is essential to start looking into replacement with an Above Ground Tank (AST) fuel system.
- In 2019 it became very difficult to renew UST insurance and when renewed there as a cost increase of 50%. Insurance is anticipated to increase every year and is becoming more difficult to obtain.
- El Dorado County has indicated that underground tanks will no longer be approved. Only an above a ground system will be approved.
- So far there has not been any detected leaks (the system has a number of sensors and alarms)
- Even if the fuel system is not replaced with an above ground system, the District is still responsible for removing the underground tank and possible clean up.
- Fuel sales provides an income of about \$22,000 per year.
- Having Fuel available at the airport is seen as a critical feature and attractive to pilots considering moving to the Airpark (It was for this author!)

The estimated cost to engineer, permits, remove and dispose the underground tank, and install a new or used above ground system is \$260,000. Of that amount, about \$90,000 is for the underground tank removal and clean-up. 2025 is the target date to replace as the current system will be 35 years old and the risk of a failure increases with age. In the event insurance cannot be obtained, the District will have to shut down fuel sales and remove the remaining fuel. If the system leaks before replacement, the district will have to shut down fuel sale, remove the tank and clean contaminated soil.



Currently the District does not have any allocated reserves to replace the fuel system.



Airport Layout Plan Project

The Airport Layout Plan (ALP) serves as a critical planning tool that depicts both existing facilities and planned development for an airport. Sponsors of airport development carried out at federally obligated airports must accomplish the improvement in accordance with an FAA-approved ALP.

By definition, the ALP is a plan for an airport that shows:

- Boundaries and proposed additions to all areas owned or controlled by the sponsor for airport purposes
- The location and nature of existing and proposed airport facilities and structures
- The location on the airport of existing and proposed non-aviation areas and improvements thereon.

Both the FAA and Caltrans Aero requires that an Airport have a current ALP before grants can be approved. Cameron Park Airport currently does not an approved ALP. The last approved one was in 2001 has not been updated.

The ALP is a set of drawings that shows the near, intermediate, and long-term facilities for an airport, with narratives describing plans, schedules and estimated costs. Preparing the ALP requires accurate maps, which may require surveys and studies.

Grants are available to fund 90% of an ALP. Based on discussions with consultants over the last year, a ALP for our airport would cost about \$180,000. The next level of planning detail, an Airport Master Plan, is not required for our airport. The Optimal budget targets to initiate the ALP in 2021 and possibly completing in same year at an estimated cost of \$18,000.

Once the ALP is approved by the FAA, it facilitates obtaining grants for airport projects from Caltrans Aero.





Committee Output

Four main products were developed; 1) Income budgets, 2) Airport Operations Expense Budget, which t, 3) Pavement Maintenance plans, schedules and estimated cost for both Airport and Streets, and 4) Capital Improvement Project sheets and priorities.

The financial time span evaluated was chosen to the 20 years; from 2021 to 2040, in order to include Residential Street resurfacing in 2040.

For simplification of evaluating various scenarios, constant 2020-year dollars for both income and expenses were used in the 20-year plan, beginning in 2021.

Budget, Fee, Schedules and Income Optimization Model

The committee developed a spread sheet-based tool to model expenses, maintenance schedules, project phasing in order to evaluate income, including assessment fees scenarios. The objective was to determine the minimum fee to achieve the committee goals. The model is also used to evaluate impact of the target fees against reduced budgets.

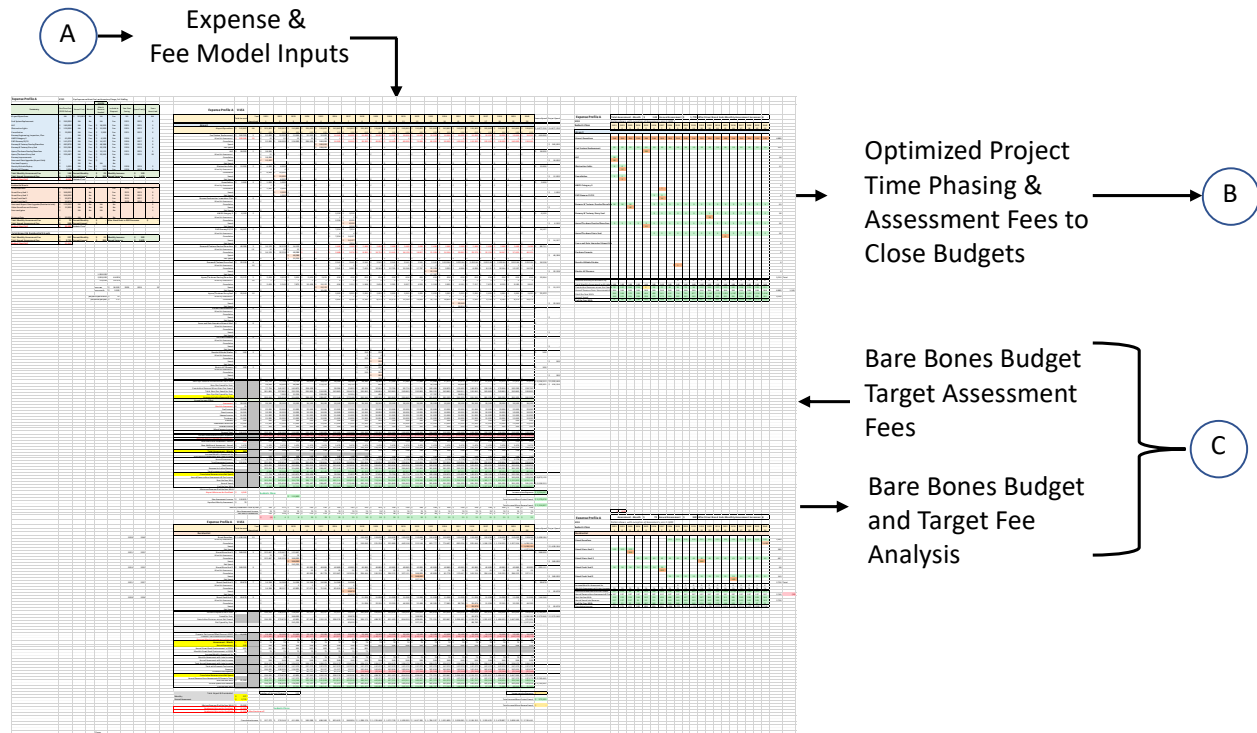


Figure 3 – Expense and Fee Model



Fee Acceptability Assessment

After the Airport and Street fees to fund the Optimal Airport Budget and Street Maintenance, the Committee began a process to determine what levels of fees would be acceptable to the Residences. As of this publishing of this paper, that process is nearly completed.

- The Committee held a ‘Community Forum’ on Monday, May 11, 2020 to present a summary of their work, and seek comments.
- Committee member speaking to neighbors
- Encourage emailing of comments

As comments came in and alternate scenarios develop, they were evaluated in the Expense and Fee Model.

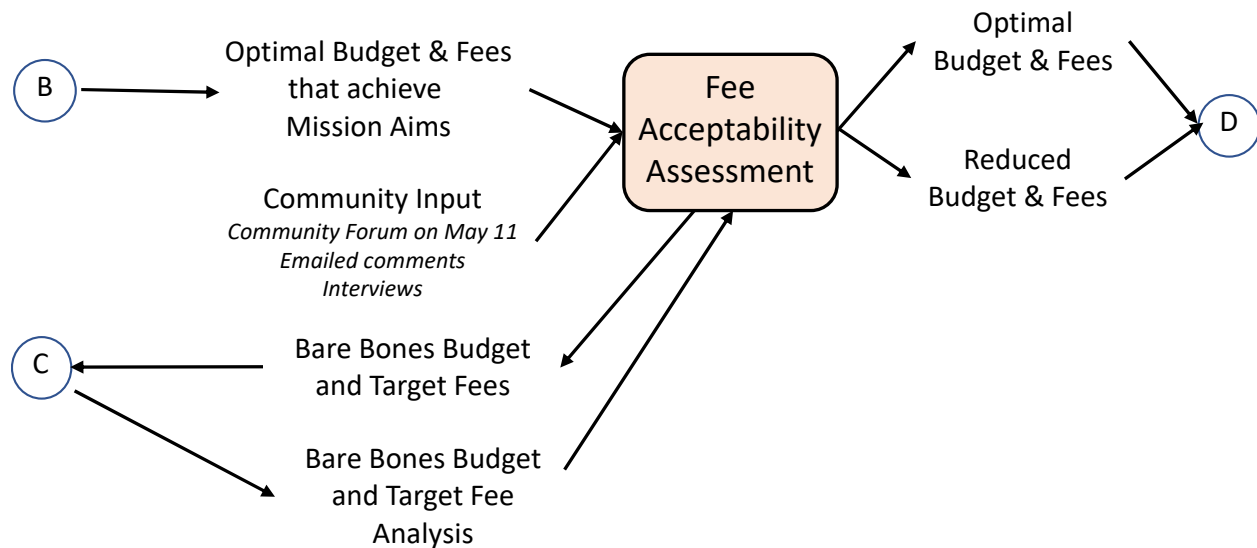


Figure 4 – Fee Acceptability Assessment Process

Develop Recommendations for the CPAD Board

The committee has begun to develop a recommendation for the CPAD Board to consider. The plan is to introduce the recommendation at the June 1st Special Board Meeting. The Board will take three weeks to consider and vote on it at its June 22 meeting.

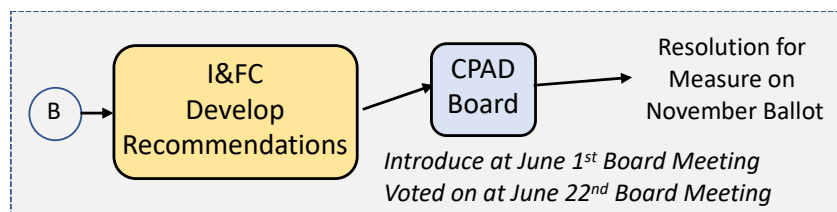


Figure 5 - Recommendation Process for the CPAD Board



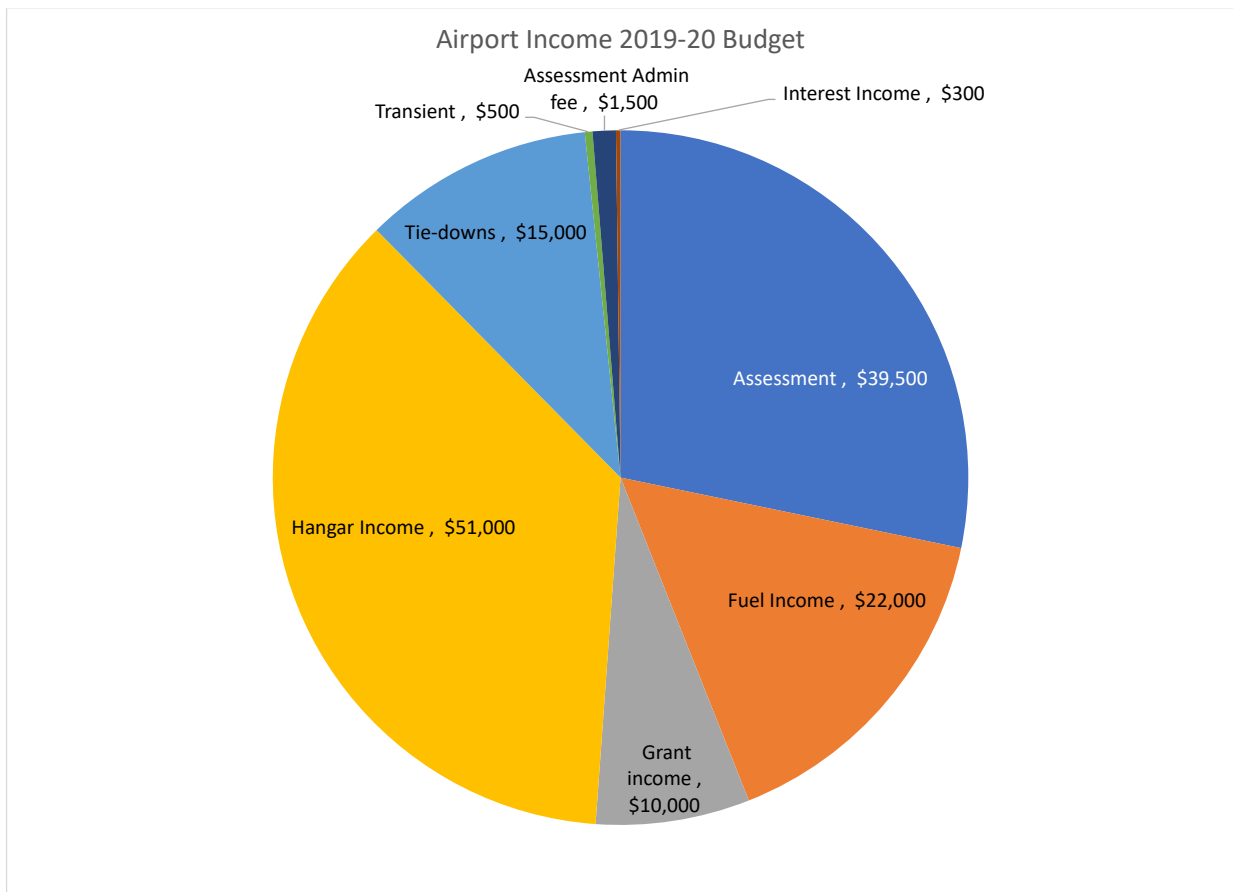
Optimal Airport and Street Budgets

Achieves Aims in Mission and Vision Statement

Airport Income Budget

The Airport income budget for 2019-2020 Fiscal Year is shown in Figure 3 below. This income was assumed for all 20 years in the plan and includes the current property assessment of \$25 per month per parcel or \$300 per year per parcel, income from fuel sales, hangar and tie-down rent, and an annual grant from Caltrans. Note that the fuel income Fuel sales revenue minus fuel purchase expenses. Total Airport current annual income is \$138,900.

Figure 6 - Airport Income Budget for Fiscal Year 2019-2020

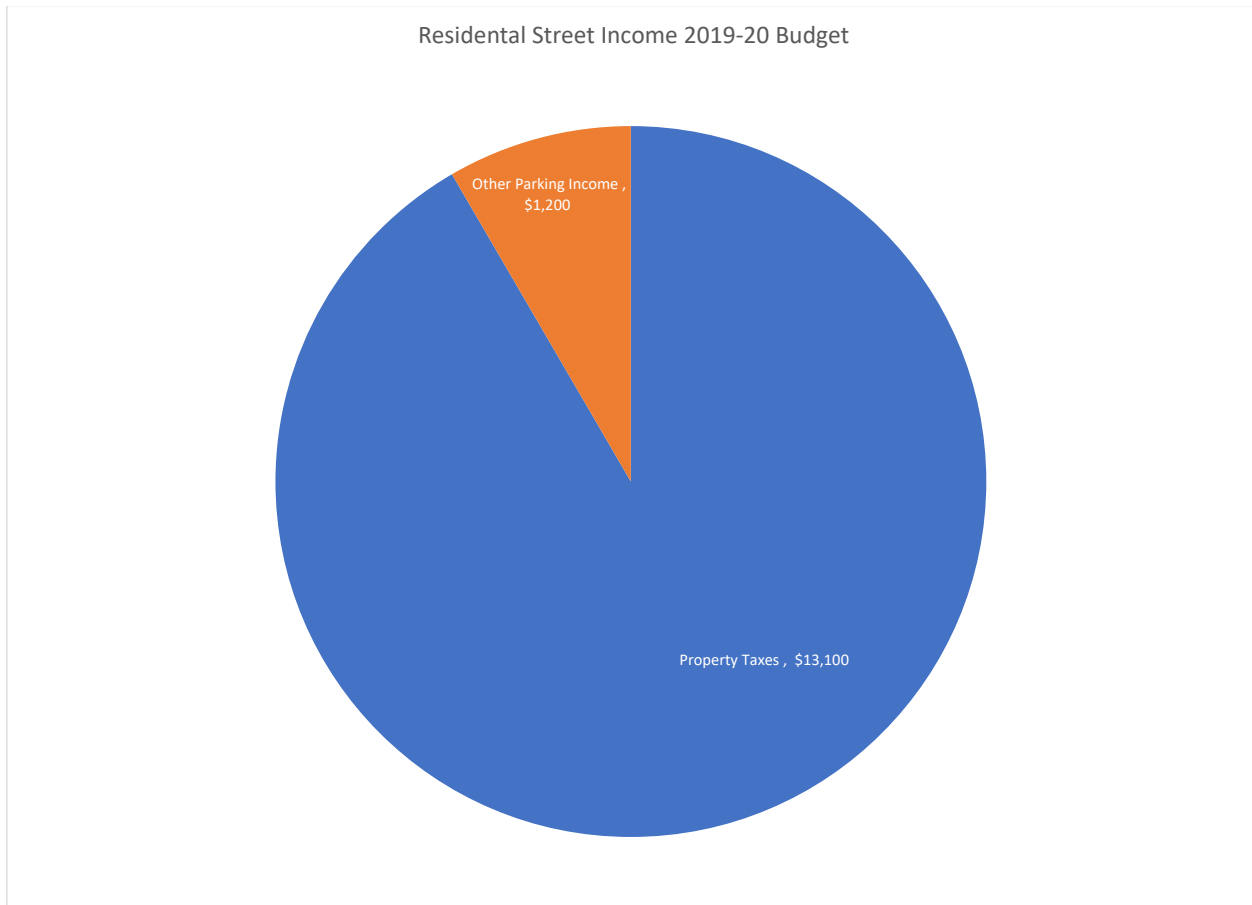




Residential Street Income Budget

The Residential Street income budget for 2019-2020 Fiscal Year is shown in Figure 4 below. This income was assumed for all years and includes the current amount from El Dorado County for street maintenance and donation from the Cops & Rodders show for parking. Total Residential Street current annual income is \$14,300.

Figure 7 – Residential Street Income Budget for Fiscal Year 2019-2020



Airport Operations Expense Budget

The current budget shown in Table 5 and Figure 8 below, has one paid employee, the Airport Manager, with a salary that has not changed in many years, and is no longer competitive. (See discussion below) The current budget does not include any contingency funds. If and when something unexpected happens, money has to be reallocated from other account budgets.



The Airport Operations budget, developed to achieve the committee goal of achieving the aims of the District Mission Statement, includes consideration of the lessons learned from recent history. As previously noted, staffing and associated salaries is of significant concern and the budget includes costs to begin to resolve that issue. As the committee worked to evaluate the operations budget it came to be referred to as the 'Optimal Budget'. Later as fees associated with the Optimal Budget became known, an initial Target Assessment Fee was established, a reduced budget was developed, which excluded airport projects and reduced salaries, and became known as the 'Bare Bones Budget'. The Bare Bones Budget does not achieve the aims of the Mission Statement.

Both the Airport Operations Optimal and Bare Bones Expense Budget are shown below in the Table 5 and Figures 9 and 12. The Expenses do not include Fuel purchase cost, which is budgeted at \$158,000. Income from fuel sales, not revenue, is included in the Airport Income Budget.

The expense budgets shown do not include fuel purchase expenses, as that cost is relatively large and fully paid from fuel sales revenue. Fuel purchase expense in the current airport operating budget is \$158,000





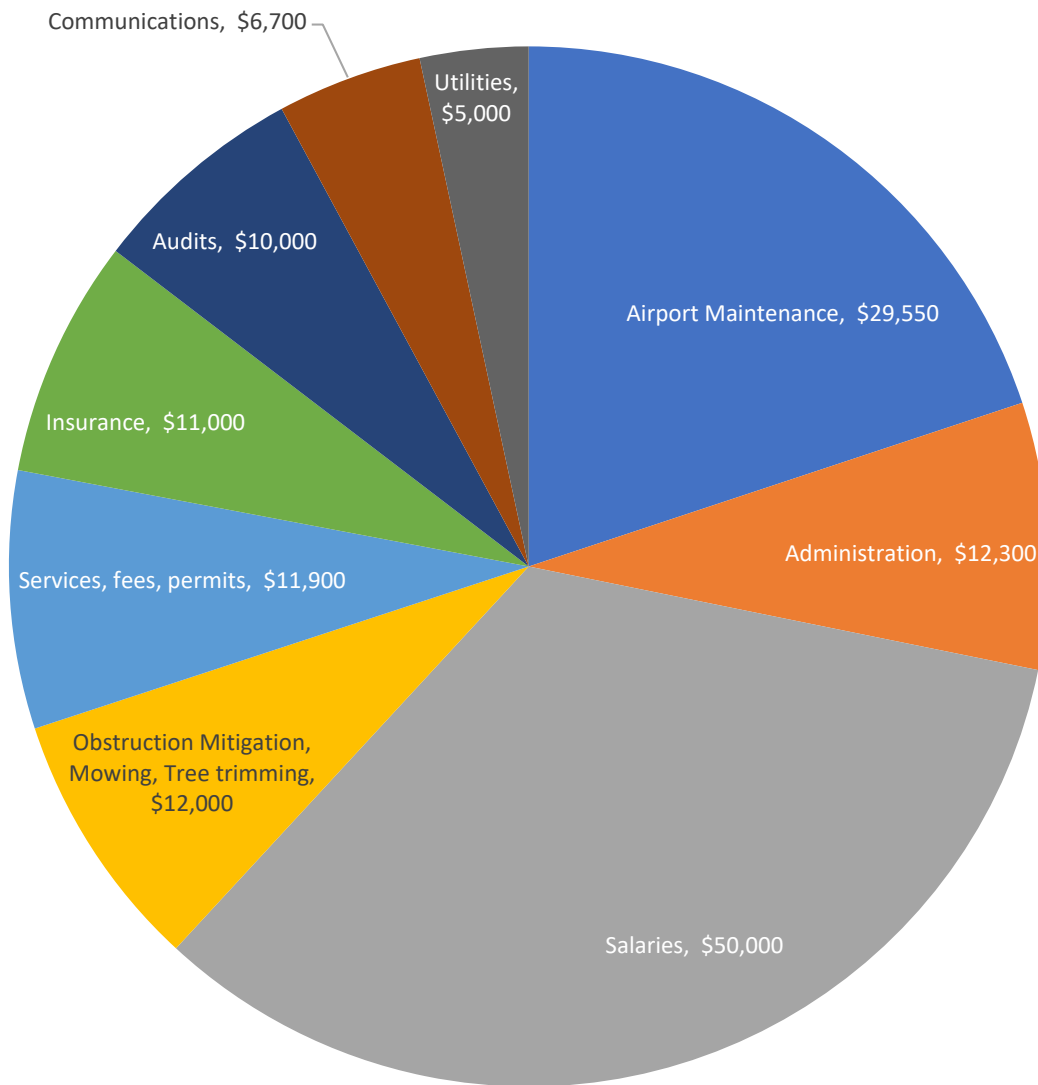
Table 5 - Airport Operations Expense Budgets

Budget	Sub Budgets	FY2019-20 Budget	Optimal Proposed	Bare Bones Proposed	Comments
Airport Maintenance	4097 · AWOS Maintenance and Inspection	\$ -	\$ 6,000	\$ 6,000	Required FAA and MesoTech permits and inspections for operating the AWOS system (3x\$870). Maintenance and service of the AWOS system (Fee: \$2,160, Repairs: \$714)
	5073 · Repairs and maintenance	\$ 15,000	\$ 12,000	\$ 12,000	Expenses moved to AWOS, Fuel repairs, tree trimmin, mowing, etc for better tracking
	5075 · Major repair expense	\$ 1,500	\$ 1,500	\$ 1,500	Need to define major repair
	5079 · Airfield Systems	\$ -	\$ -	\$ -	
	5081 · Fence and gate expense, gate remotes	\$ 4,500	\$ 4,500	\$ 4,500	
	5526 · Small equipment and tools	\$ 150	\$ 150	\$ 150	Chain saw, charger
	6005 · Outside Meeting services	\$ 7,000	\$ 7,000	\$ 7,000	
	8503 · Fuel System Maintenance	\$ 1,400	\$ 3,000	\$ 3,000	
	Totals	\$ 29,550	\$ 34,150	\$ 34,150	
Adminstration	5005 · Discounts/Write offs	\$ 500	\$ 500	\$ 500	Tennants receive a discount for storing CPAD equipment and material
	6560 · Payroll Expenses	\$ 4,000	\$ 6,000	\$ 6,000	
	8010 · Accounting services	\$ 5,000	\$ 5,000	\$ 5,000	
	8155 · Office supplies	\$ 1,400	\$ 1,400	\$ 1,400	
	8164 · Board Meeting Expenses	\$ -	\$ 150	\$ 150	Virtual Meetings - Zoom
	8165 · Postage	\$ 100	\$ 200	\$ 200	\$90 for required Public Notice
	8166 · Printing	\$ 800	\$ 400	\$ 400	Should decrease over time (tree package was high)
	8169 · Public notices	\$ 500	\$ 500	\$ 500	
	Totals	\$ 12,300	\$ 14,150	\$ 14,150	
Salaries	6001 · Salaries	\$ 50,000	\$ 115,000	\$ 70,000	See discussion in paper
Obstruction Mitigation, Mowing, Tree trimming	4098 · Clearing & Tree Services	\$ 10,000	\$ 20,000	\$ 20,000	Increased scope of tree trimming for obstruction mitigation critical to receiving eventual permission to resume night operations and to maintain that permission
	5528 · Tractor operations expense	\$ 2,000	\$ 2,000	\$ 2,000	Tractor rental, mowing equipment rental. Rename
	5077 · Obstruction Lighting Project	\$ -	\$ 250	\$ 250	Rename to maintenance.
	Totals	\$ 12,000	\$ 22,250	\$ 22,250	
Services, fees, permits	4998 · Association Dues	\$ -	\$ 800	\$ 800	Membership provides assistance for regulatory problems and all areas of airport operation. Provides avenue for larger voice in dealing with regulatory agencies. Airport Assoc, CSDA. Membership for single membership
	4999 · Conferences and meetings	\$ -	\$ 500	\$ 500	Attendance to ACA conference provides very valuable training and contacts
	6006 · Security	\$ 300	\$ 300	\$ 300	Increase and move from other account
	6097 · LAFCO	\$ 300	\$ 300	\$ 300	
	8167 · Legal services	\$ 5,000	\$ 5,000	\$ 5,000	
	8525 · Permits	\$ 2,700	\$ 2,700	\$ 2,700	
	8530 · Underground tank fees	\$ 3,600	\$ 3,600	\$ 3,600	
	Totals	\$ 11,900	\$ 13,200	\$ 13,200	
Insurance	6096 · Workers compensation insurance	\$ 3,000	\$ 6,000	\$ 6,000	
	8090 · Insurance	\$ 8,000	\$ 9,000	\$ 9,000	Expect UST insurance increase
	Totals	\$ 11,000	\$ 15,000	\$ 15,000	
Audits	8020 · Audit Expense	\$ 10,000	\$ 5,000	\$ 5,000	
Communications	8556 · Website Hosting	\$ -	\$ 1,200	\$ 1,200	Website required for communication and regulatory compliance. Purchasing web service compliant to regulatory requirements most cost effective approach
	5002 · Computer Expenses	\$ 400	\$ 1,000	\$ 1,000	Computer and support hardware old and software out of date failure cripples the ability to operate
	8135 · Miscellaneous expense	\$ 1,500	\$ 1,500	\$ 1,500	
	8204 · Telephone	\$ 4,800	\$ 4,800	\$ 4,800	Land lines for office, AWOS, Fuel , and Alarms
	Totals	\$ 6,700	\$ 8,500	\$ 8,500	
Utilities	7200 · Utilities	\$ 5,000	\$ 5,000	\$ 5,000	
	Consultants & Project Initiation	\$ -	\$ -	\$ 25,000	
	Contingency	\$ -	\$ 11,613	\$ 6,150	Contingency of Operations Expenses above; Optimal 5.0%, Bare Bones 2.9%
	Total expenses not including fuel purcdhase expense and fuel	\$ 148,450	\$ 243,863	\$ 218,400	



Figure 8 - Airport Operations Budget for Fiscal Year 2019-2020

Airport Ops Budget 2019-2020





Residential Street Expense Budget

Residential Street expenses are primarily street maintenance, including resurfacing.

- Crack Seal / Crack Filling
 - As needed
 - Prolongs pavement life by preventing moisture and incompressible material from filling cracks
 - Plan: Conduct for all street surfaces in: 2027 & 2036
 - Estimated cost in 2020 Dollars; \$99,878
- Slurry Seal
 - Usually done one or more times between Resurfacing
 - Prolongs pavement life by sealing all cracks, prevent moisture intrusion
 - Over existing pavement
 - Mixture of asphalt emulsion, fine aggregate and mineral filler
 - Normal life about 5 to 7 years.
 - Plan: Conduct 2023 & 2032
 - Estimated cost in 2020 Dollars; \$368,000
- Patch Repair
 - As needed
 - Filling pothole with Asphalt material or Removing failed pavement and replacing with Asphalt material
 - Plan: Assuming if needed, would be paid out of reserves. Cost depends on extend of repairs
- Resurface / Overlay
 - Hot Mix Asphalt overlaid on structurally sound pavement
 - Existing pavement surface milled, cleaned and tack coat applied
 - Resets life clock
 - Normal life about 15 to 20 years. Our pavement good. Assuming 30-year life
 - Was last conducted in 2010 at a cost \$1,280,000
 - Funded by Bond through property tax. Matures in 2029
 - Plan: Conduct in 2040
 - *Assumes adequate maintenance, including at least two Slurry Seals before then*



The current reserve for street maintenance is \$21,300 and increases by about \$14,300 annually.



Significant Airport Operation Budget Items

Significant cost and expense items in the Airport Operations Budget and in the proposed solutions are discussed below.

Staffing and Salary Budgets:

Cameron Park Airport District currently has one full time paid employee at a salary of \$50,000 with no benefits. The manager's responsibilities include managing the Airport and Residential Street Maintenance. This salary is well below the national average wage for an airport manager and almost half of the California average and the position has too much scope for one person without paid support. *A dedicated competent manager critical to continued operation of airport.*

Inadequate staffing was a significant factor that got us to the point of losing night operations and almost every other major system at the airport while completely neglecting the streets. A paid Administration Assistant position used to exist and was staffed.

Since night operations were suspended, it took significant effort and hundreds of hours by a small group of dedicated volunteers to keep the Airport operating and in the improved condition it is today.

Dependence on Volunteers

Volunteers do not work well for sustained activities and a budget dependent on having a high level of volunteer activity to keep operating is very risky and likely to fail. The existing volunteer situation which is VERY UNUSUAL *and much appreciated*, has not existed for many years. *We currently have the equivalent of two full time people working on the issues and are making progress, as volunteers.*

Our volunteers, include CPAD Board and Committee Members, and other residents for a variety of tasks, including contacting and working with airpark and non-airpark residents to trim or cut obstructing trees, cut trees, contact and work with outside agencies and vendors, hauling trash and brush, document searches, file organization, procedure review and writing, grass mowing, weed spraying, select repairs on runway lights, fences, lights, gates, fuel system signs, and grounding line reels. Without this dedicated group of volunteers since late 2018, our Airport would not be anywhere near the much-improved condition it is now, both visibly, and behind the scenes in operations and management, including our bills being paid on time and government regulation compliance.

Recruiting volunteers is difficult if not nearly impossible. Many candidates work, have families, have other volunteer jobs, or just want to enjoy retirement and let others do the work to keep operations and maintenance going. Losing one or more of the current volunteers now will cause significant harm to ongoing operations.

Obstruction Mitigation – Tree Trimming and Cutting

Tree trimming and cutting is central to returning to and sustaining night operations. Expenses in the account have significantly increased as the scope and work increased to return to night operations and is expected to remain high to keep night operations. Trees grow and are expected to required trimming in about 3 years.



To return to night operations, critical trees were trimmed or cut, inside and outside of the Airpark as identified by Caltrans Aero in 2018. There are many other trees that will need to be trimmed or cut to maintain night operations. As of this writing, most of the critical trees have been trimmed or cut and work on the other trees has begun.

Expenses include contracting with tree trimmers, hauling, payment in-kind to CalFire for clearing brush, and payments to property owners when certain hardship criteria are met.

Contingency

The current budget does not have any consideration of possible contingency expenses. It assumes all the airport facilities and systems will continue to be in good condition and there will not be any unexpected major failure or breakdown, and other expenses will be within their budgets. However, as we all know, things fail and breakdown, sometime requiring a significant cost to fix, and sometimes things are more expensive than planned. When that did happen in prior year budgets, money to fix or cover the overrun came from other accounts, which meant that items in that account (s) may not be adequately covered, or the broken item was left broken.

The Optimal budget provides for a 5% contingency on operations expenses, not including fuel purchase expenses. This should adequately cover contingency costs. If not fully used, the remaining funds roll into the following year budget.

Airport Operations Optimal Budget

Table 5 shows the current 2019-2020 Fiscal Year Budget and the Optimal Budget developed by the I&F Committee. In going from the current budget to the Optimal budget, there were some adjustment of accounts and reassignment of expenses to accounts.

As previously discussed, the most significant expense is salaries. The Optimal budget proposes a total salary expense of \$115,000 to hire at least a part time person to support administration and general help, and increase the Airport Manager's salary to be more competitive to attract, and/or retain a competent manager.

The second largest increase is Obstruction Mitigation which includes tree trimming and cutting as previously discussed.

AWOS inspection and maintenance expenses were moved into their own account for better tracking. Prior to 2019, AWOS expense were in a general maintenance account.

Most other expense accounts did not change from the 2019-2020 budget to the Optimal Budget as shown in Table 5.

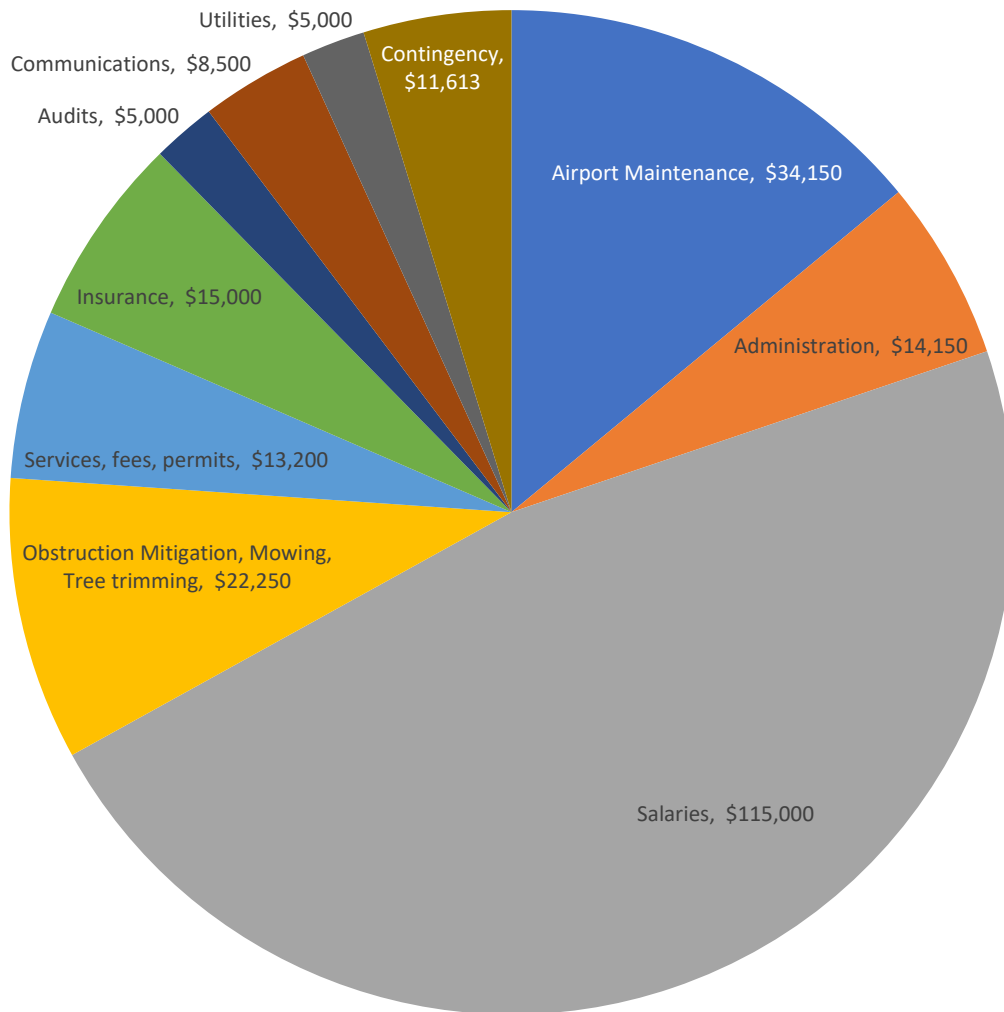
During the review process, the Committee identified several items where expenses may be able to be significantly reduced. Telephone expense is a good example. Volunteers are currently working with the Airport Manager to investigate cost reductions and service improvement options. In the particular case, land lines are required for our old and mostly obsolete fuel credit card system, which is also being investigated to replace with a more modern system with lower long-term expenses.



It is important to recognize that the Airport Operations Optimal Budget is not ‘gold plated’. It does not for example provide for purchasing a tractor for mowing or other expensive equipment. It does not pay for new LED Runway lights, etc. The Optimal Budget is believed to be lowest reasonable budget to provide for long term sustainability of the airport.

Figure 9 – Airport Operations Optimal Budget

Airport Ops Optimal Budget





Optimum Airport and Streets Budgets Associated Assessment Fees Summary

Table 5 shows the Airport Operations Optimize Budget, Table 6 shows the Airport projects and their schedule and expense profile, and Table 7 shows the Residential Street Maintenance projects and their schedule and expense profile. Considering the

Table 6 – Optimal Annual Budget Fee Summary

	Current Annual Income	Optimal Annual Income Required
Airport Operations & Maintenance	Property Assessments: \$39,500 Operating Income: \$100,300 Total: \$139,800	\$339,616 Total Additional \$199,816 needed. Equals \$127 per month per parcel. (\$152 Total)
Residential Street Maintenance	County Property Taxes: \$13,100 Parking (Cops & Rodders): \$1,200 Property Assessments: None Total: \$14,300	\$136,207 Total Additional \$121,907 needed. Equals \$78 per month per parcel.
Assessment Fee Total	\$25 per month per parcel or \$300 per year.	\$231 per parcel per month or \$2,767 per year. Increase of \$206 per month





Optimal Airport and Street Budgets Expense and Reserve Accumulation Profiles

The Expense and Fee model generated the Tables and Figures below. The financial analysis was conducted for a 20-year period, from 2021 to 2040. This time span was chosen to include resurfacing the streets in 2040 and ensure that accumulation of funds was considered. Expenses are constant and estimated in 2020 dollars. Income is also assumed constant with no adjustment for inflation.

Table 7 is a summary showing the Optimal annual Airport Operations budget, the selected airport projects, Residential Street Maintenance Projects, project schedules and associated fees to close the budgets. Current income is considered in computing the fees.

Table 8 shows the Airport Expenses over the 20-year plan by year and project schedules. Airport Operations expenses are assumed the same for every year. Projects were time-phased/schedule to minimize the required fees to close while meeting the objective of the project, especially for pavement maintenance. For each included project, green shaded cells show the start and stop years for accumulation of funds for a particular project. At the end of accumulation period, there is tan shaded box showing the spending of those funds to complete the project. The numbers in the cells are in thousands of dollars. (multiply the number by \$1,000). The number in the green shaded cells shown the reserve needed for the given year to support spending for the project. The number in the tan cells show what is spent and is the cumulative amount of the green shaded row of cells for a project.

In the case of recurring projects, such as pavement maintenance, the reserves continue to accumulate for the next time maintenance is conducted, although the accumulation rate may be different due to shorter or longer time periods to accumulate reserves.

The assessment fee to close the budget was determined by not allowing the end-of year funds for any year to be not less than zero. (using the goal seek feature in Excel) This is shown in the last row of cells in Tables 8 and 9 labeled 'End the Year With'. For the airport, the \$127 fee per month increase is driven by the expenses in 2021 as funds for the fuel system replacement begin to accumulate achieve completion in 2025. For the street maintenance, the \$78 per month fee is driven by accumulating enough reserves in 2040 for street resurfacing.

Figure 10 graphs data from Table 6 to show reserve balances, spending and income over the 20-year plan time.

Residential Street Maintenance Projects are shown in Table 9 and Figure 11. The street maintenance projects are all recurring and reserves continue to be accumulated for maintenance beyond 2040. The minimum fee to close the budget is \$78 per month with the no 'End-of-Year With' amount occurring in 2040 after resurfacing. However, from 2021 to 2023 those years end with about \$20,000 as funds are accumulated for a Slurry Seal in 2023. After the Slurry Seal in 2023, reserves steadily accumulate to fund Crack Seals and then another Slurry Seal in 2032, then finally resurfacing in 2040 which uses up all the accumulated reserves.



In summary, the Optimal Budget and project expense profile for the airport, assuming the same income currently received today, closes with an assessment fee increase of \$127 per month per parcel. The Residential Street Maintenance budget, assuming the same income currently received today, closes at a fee of \$78 per month per parcel. In total, the month fee to close both budgets are \$231 per month per parcel.

Table 7 – Optimal Expense and Projects included in Optimal Expense Profile Summary

Expense Profile A	V1S1	Ops Expenses without Fuel and Inventory Charge, Full Staffing							
		Annual Cost	Match?	10.00%	Match Amount Needed	Include in Request	Year Start Saving	Spend Year(s)	Years Amortized
Summary	One Time Cost (2020 Dollars)	Annual Cost	Match?	10.00%	Match Amount Needed	Include in Request	Year Start Saving	Spend Year(s)	Years Amortized
Airport Operations	NA	\$ 243,863	No	NA	Yes	NA	All	NA	
Fuel System Replacement	\$ 260,000	NA	No	NA	Yes	2021	2025	5	
ALP	\$ 180,000	NA	Yes	\$ 18,000	Yes	2021	2021	1	
Obstruction lights	\$ 120,000	NA	Yes	\$ 12,000	Yes	2021	2022	2	
Consultation	\$ 20,000	NA	Yes	\$ 2,000	Yes	2021	2022	2	
Runway Engineering, Inspection, Plan	\$ -	NA	Yes	\$ -	No				
AWOS Category 3	\$ 65,000	NA	Yes	\$ 6,500	Yes	2026	2027	2	
PAPI Runway 31/13	\$ 141,070	NA	Yes	\$ 14,107	Yes	2026	2027	2	
Runway & Taxiway Overlay/Resurface	\$ 483,878	NA	Yes	\$ 48,388	Yes	2021	2023	3	
Runway & Taxiway Slurry Seal	\$ 203,284	NA	Yes	\$ 20,328	Yes	2026	2033	8	
Apron/Tie-down Overlay/Resurface	\$ 131,221	NA	Yes	\$ 13,122	Yes	2021,2021	2025	5	
Apron/Tie-down Slurry Seal	\$ 209,487	NA	Yes	\$ 20,949	Yes	2026	2035	10	
Runway Improvements	\$ -	NA	Yes	\$ -	No				
Fence and Gate Upgrades (Airport Side)	\$ -	NA	Yes	\$ -	No				
Purchase Property	\$ -	NA	No	NA	No				
Density Altitude Display	\$ 5,000	NA	Yes	\$ 500	Yes	2028	2029	2	
Electric AC Chargers	\$ 3,000	NA	Yes	\$ 300	Yes	2028	2029	2	
Total Monthly Assessment Fee	\$ 152	Current Monthly	\$ 25	Monthly Increase	\$ 127				
Total Annual Assessment Fee	\$ 1,827	Current Annual	\$ 300	Annual Increase	\$ 1,525				
Budget Short Fall	\$ -	Budgets Close							
Residential Streets									
Street Resurface	\$ 1,438,184		No		Yes	2028	2040	13	
Street Slurry Seal 1	\$ 368,000		No		Yes	2021	2023	3	
Street Slurry Seal 2	\$ 368,000		No		Yes	2024	2032	9	
Street Crack Seal 1	\$ 99,878		No		Yes	2021	2027	7	
Street Crack Seal 2	\$ 99,878		No		Yes	2028	2036	9	
Fence and Airport Gate Upgrades (Residential side)	\$ 120,000	NA	No	NA	No			5	
Video Surveillance at Entrance	\$ 32,890	NA	No	NA	No			1	
Fence and gates	\$ -	NA	No	NA	No			1	
Entrance Gate	\$ 99,000	NA	No	NA	No			1	
Total Monthly Assessment Fee	\$ 78	Current Monthly	\$ -	After Bond Ends in 2009 increase	\$ -				
Total Annual Assessment Fee	\$ 940	Current Annual	\$ -						
Budget Short Fall	\$ (0)	Budgets NOT Closed							
Total Airport & Residential Streets									
Total Monthly Assessment Fee	\$ 231	Current Monthly	\$ 25	Monthly Increase	\$ 206				
Total Annual Assessment Fee	\$ 2,767	Current Annual	\$ 300	Annual Increase	\$ 2,467				
Budget Short Fall	\$ (0)								



Table 8 – Optimal Airport Operations Budget and Projects Time Phasing Expense Profile

Expense Profile A	Total Assessment - Month \$												Annual Assessment \$												1,827 After Street Bond Ends Monthly Assessment Increases \$																
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
VIS1	Dollars shown, with exception of Assessments, are X1,000																																								
Budgets Close	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Airport	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244
Airport Operations	52	52	52	52	52	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Fuel System Replacement	18	18																																							
ALP	6	6																																							
Obstruction lights	1	1																																							
Consultation	2	2																																							
AWOS Category 3																																									
PAPI Runway 31/13																																									
Runway & Taxiway Overlay/Resurface	16	16	16	48																																					
Runway & Taxiway Slurry Seal																																									
Apron/Tie-down Overlay/Resurface	3	3	3	3	3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Apron/Tie-down Slurry Seal																																									
Density Altitude Display																																									
Electric AC Chargers																																									
Increase Monthly Assessment by	152	142	164	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152	152		
Total Monthly Assessment with Later If	78	142	164	218	0	28	22	40	58	76	94	112	109	127	123	141	158	176	193	193	193	193	193	193	193	193	193	193	193	193	193	193	193	193	193	193	193	193	193		
Cumulative Reserves minus Net Spend	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340	340		
Annual Revenue From Assessments & C	340	340	358	383	424	465	532	600	677	755	832	910	988	1,066	1,144	1,222	1,301	1,379	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457			
Start the Year With	340	322	315	298	298	272	272	262	262	262	262	262	262	262	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261	261		
Annual Spend	0	18	43	84	125	193	260	338	415	493	570	648	726	804	883	961	1,039	1,117	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196			
End the Year With																																									



Figure 10 – Airport Optimal Expenses and Reserve Accumulation

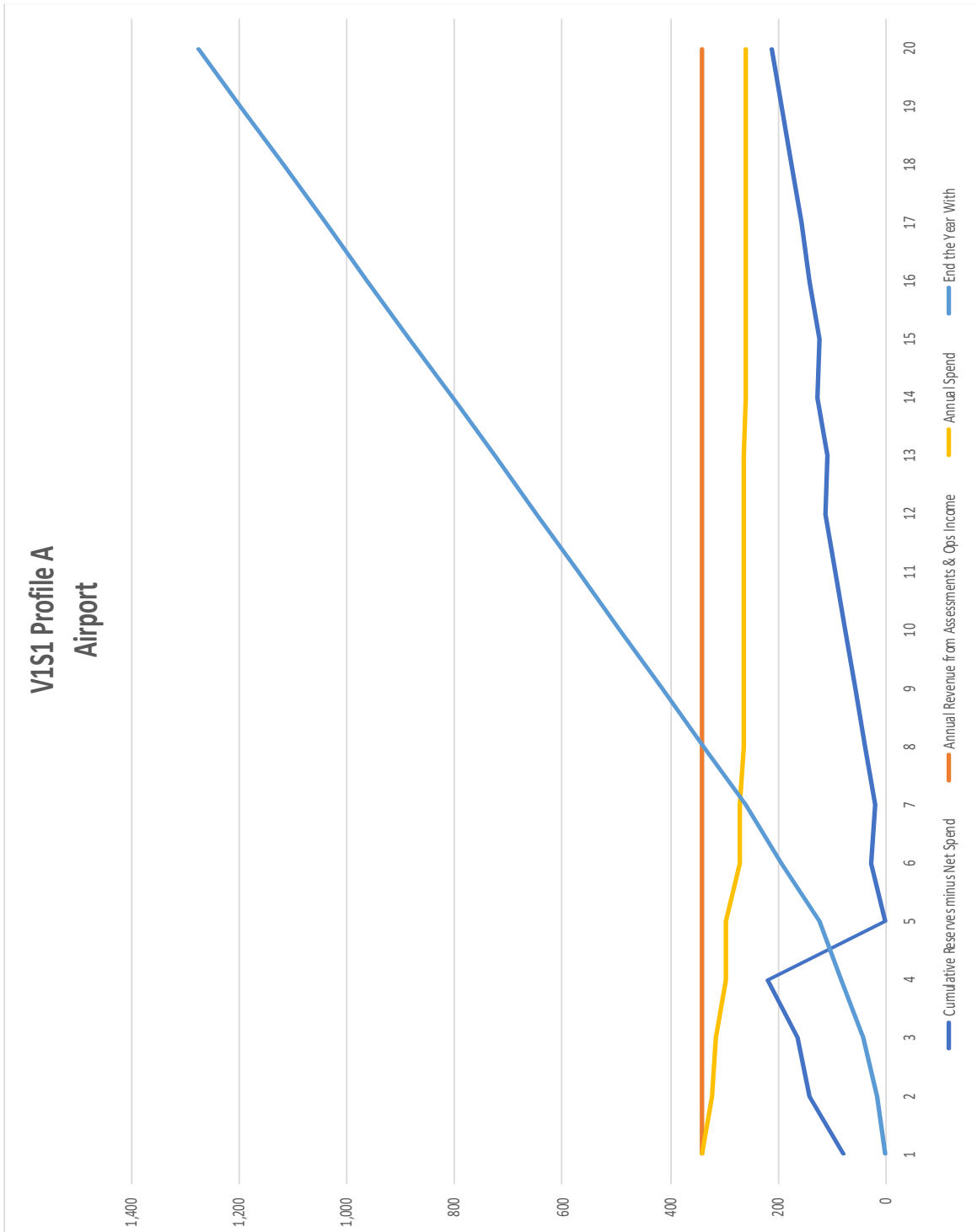
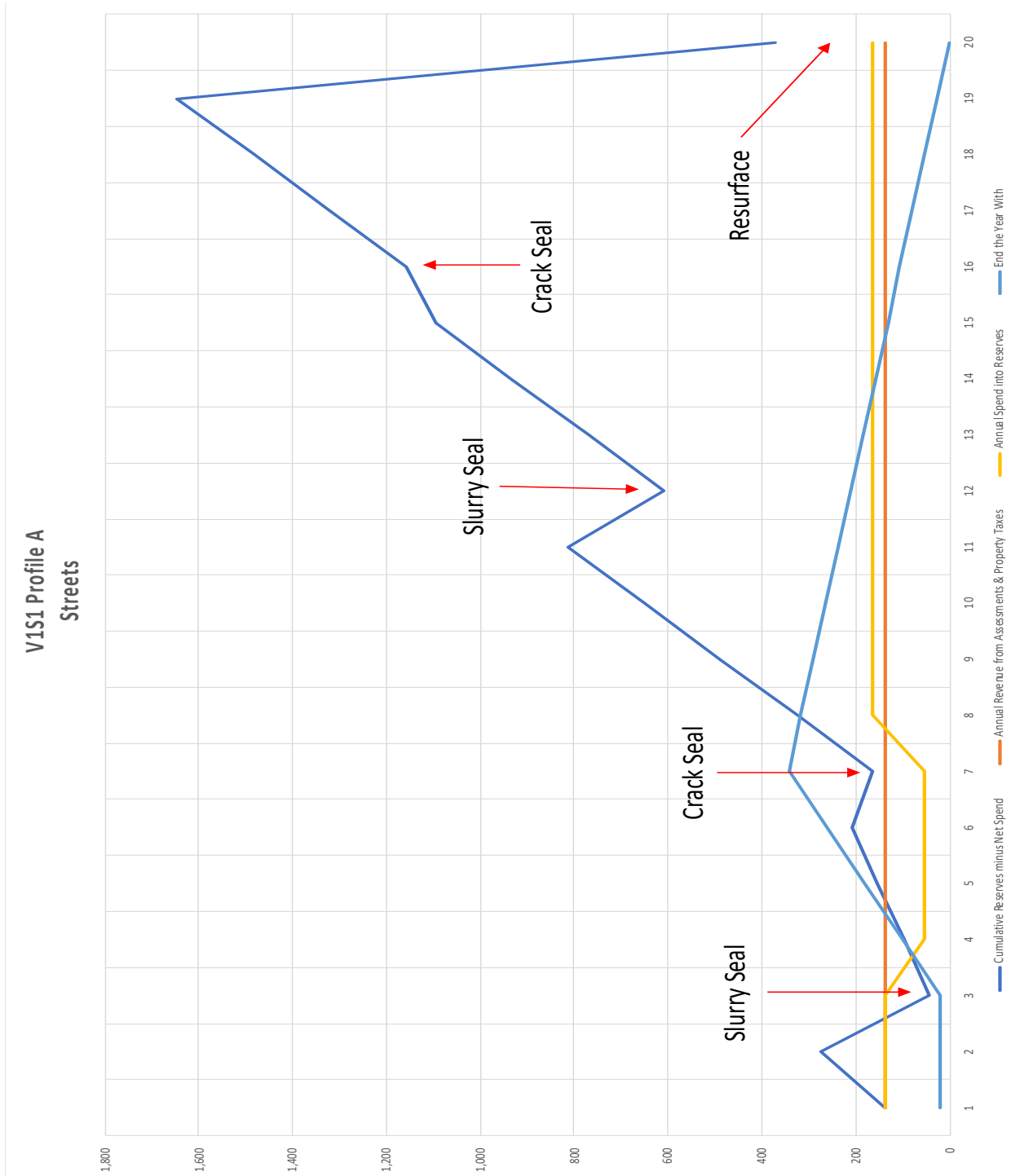




Figure 11 – Residential Streets Optimal Project Expense Time Phasing and Reserve Accumulation



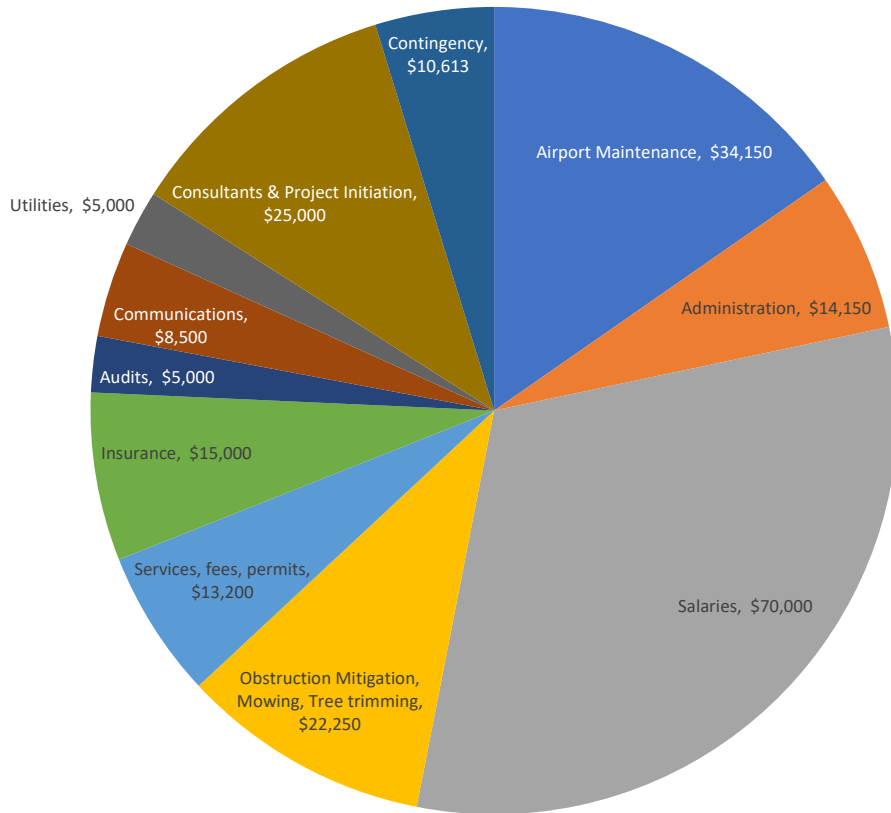


Airport Operations Bare Bones Budget

Table 5 and Figure 12 also shows the Bare Bones Budget. Where the Optimal Budget Fee was determined bottoms up, the Bare Bonds Budget was determined assuming a \$75 per month target increase. In an attempt to reduce the Airport Operations budget to fit within the target assessment fee increase total of \$50 for the airport , the salary expense was reduced by \$20,000 and the remaining \$95,000 allocated to \$70,000 for the airport manager and \$25,000 into an account for consulting and project initiation and at least initially, no additional paid help. The Contingency Budget was also reduced from 5% to 2.9% of expenses. In order to fit within the target fee *all airport projects where deleted*. The consulting and project initiation account is intended to help start activity for some projects, especially the fuel system replacement, before adding additional staff.

Figure 12 – Airport Operations Bare Bones Budget

Airport Ops Bare Bones Budget





Target Assessment Fees

Target assessment fees resulting from the fee acceptability process previously describe, as of this writing are:

- Total: \$100 per month per parcel, or \$1,200 per year per parcel
 - \$75 per month increase, or \$900 per year per parcel
- Airport: Increase from \$25 per month to \$75 per month
- Streets: Increase from no fee to \$25 per month

Table 10 – Reduced Annual Budget Assessment Fee Summary

	Current Annual Income	Reduced (Bare Bones) Budget Annual Income Required
Airport Operations & Maintenance	Property Assessments: \$39,500 Operating Income: \$100,300 Total: \$139,800	\$222,863 Total Additional \$83,563 needed. Driven by target fee of \$50 increase per month per parcel. <i>Deletes, projects and reserves. Ops budget reduced.</i>
Residential Street Maintenance	County Property Taxes: \$13,100 Parking (Cops & Rodders): \$1,200 Property Assessments: None Total: \$14,300	\$25 per month Target Fee of \$25 per month plus current income yields \$53,600. (\$68,307 shortfall) <i>Maintenance cannot be reasonably be reduced to match income.</i> <i>Loans required to maintain streets.</i>
Assessment Fee Total	\$25 per month per parcel or \$300 per year.	\$100 per month per parcel or \$1,200 per year. Increase of \$75 per month. Airport total \$75 per month Streets total \$25 per month



Bare Bones Airport and Street Budgets Expense and Reserve Accumulation Profiles

Table 11 is a summary showing the Bare Bones annual Airport Operations budget, all airport projects deleted. The Residential Street Maintenance Projects, project schedules were kept as there is no reasonable way to reduce the budget to meet the \$25 per month target. Current income is considered in computing the impact of the target fees.

Table 12 shows the only the operations budget is funded and is the same for years in the plan. The corresponding graph was not included as it is one straight line.

Table 13 shows a hypothetical debt in the 'End the Year With' row as debt accumulates due to insufficient funds to pay for street maintenance. Figure 14 graphs the spending and accumulation of hypothetical debt. In reality, there is no year to year source of free funds and maintenance could not be conducted without new loan(s). It is important to remember that as street maintenance is deferred, the street will deteriorate faster, advancing the time when a complete resurface needs to be done. Crack Sealing does not replace a Slurry Seal. In the meantime, property values will diminish.



Table 11 – Bare Bones Expense and Projects deleted in Expense Profile Summary

Expense Profile D	V156	Reduced Airport Expense. Not including fuel purchase expense and inventory charge.						
					10.00%			
Summary	One Time Cost (Adj for Inflation)	Annual Cost	Match?	Match Amount Needed	Include in Request	Year Start Saving	Spend Year(s)	Years Amortized
Airport Operations	NA	\$ 218,400	No	NA	Yes	NA	All	NA
Fuel System Replacement	\$ 260,000	NA	No	NA	No	2021	2025	5
ALP	\$ 180,000	NA	Yes	\$ 18,000	No	2021	2021	1
Obstruction lights	\$ 120,000	NA	Yes	\$ 12,000	No	2021	2022	2
Consultation	\$ 20,000	NA	Yes	\$ 2,000	No	2021	2022	2
Runway Engineering, Inspection, Plan	\$ -	NA	Yes	\$ -	No			
AWOS Category 3	\$ 65,000	NA	Yes	\$ 6,500	No	2026	2027	2
PAPI Runway 31/13	\$ 141,070	NA	Yes	\$ 14,107	No	2026	2027	2
Runway & Taxiway Overlay/Resurface	\$ 483,878	NA	Yes	\$ 48,388	No	2021	2023	3
Runway & Taxiway Slurry Seal	\$ 203,284	NA	Yes	\$ 20,328	No	2026	2033	8
Apron/Tie-down Overlay/Resurface	\$ 131,221	NA	Yes	\$ 13,122	No	2021	2025	5
Apron/Tie-down Slurry Seal	\$ 209,487	NA	Yes	\$ 20,949	No	2026	2035	10
Runway Improvements	\$ -	NA	Yes	\$ -	No			
Fence and Gate Upgrades (Airport Side)	\$ -	NA	Yes	\$ -	No			
Purchase Property	\$ -	NA	No	NA	No			
Density Altitude Display	\$ 5,000	NA	Yes	\$ 500	No	2028	2029	2
Electric AC Chargers	\$ 3,000	NA	Yes	\$ 300	No	2028	2029	2
Total Monthly Assessment Fee	\$ 75	Current Monthly		\$ 25	Monthly Increase		\$ 50	
Total Annual Assessment Fee	\$ 902	Current Annual		\$ 300	Annual Increase		\$ 600	
Budget Short Fall	\$ -	Budgets Close						
Residential Streets								
Street Resurface	\$ 1,438,184		No		Yes	2028	2040	13
Street Slurry Seal 1	\$ 368,000		No		Yes	2021	2023	3
Street Slurry Seal 2	\$ 368,000		No		Yes	2024	2032	9
Street Crack Seal 1	\$ 99,878		No		Yes	2021	2027	7
Street Crack Seal 2	\$ 99,878		No		Yes	2028	2036	9
Fence and Airport Gate Upgrades (Residential side)	\$ 120,000	NA	No	NA	No			5
Video Surveillance at Entrance	\$ 32,890	NA	No	NA	No			1
Fence and gates	\$ -	NA	No	NA	No			1
Entrance Gate	\$ 99,000	NA	No	NA	No			1
Total Monthly Assessment Fee	\$ 25	Current Monthly		\$ -	After Bond Ends in 2009 increase		\$ -	
Total Annual Assessment Fee	\$ 300	Current Annual		\$ -				
Budget Short Fall	\$ (1,594,363)	Budgets NOT Closed						
Total Airport & Residential Streets								
Total Monthly Assessment Fee	\$ 100	Current Monthly		\$ 25	Monthly Increase		\$ 75	
Total Annual Assessment Fee	\$ 1,202	Current Annual		\$ 300	Annual Increase		\$ 902	
Budget Short Fall	\$ (1,594,363)							



Table 12 – Bare Bone Airport Operations Budget Expense Profile

Expense Profile D	Total Assessment - Monthly \$										Annual Assessment \$										902 After Street Bond Ends Monthly Assessment Increase \$																			
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
VIS6	Dollars shown, with exception of Assessments, are X1,000																																							
Budgets Close	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Airport	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218
Airport Operations	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218
Fuel System Replacement																																								
ALP																																								
Obstruction lights																																								
Consultation																																								
AWOS Category 3																																								
PAPI Runway 31/13																																								
Runway & Taxiway Overlay/Resurf																																								
Runway & Taxiway Slurry Seal																																								
Apron/Tie-down Overlay/Resurface																																								
Apron/Tie-down Slurry Seal																																								
Fence and Gate Upgrades (Airport Si																																								
Purchase Property																																								
Density Altitude Display																																								
Electric AC Chargers																																								
Increase Monthly Assessment by																																								
Total Monthly Assessment with Later	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75
Cumulative Reserves minus Net Spend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Revenue from Assessments &	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218
Start the Year With	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218
Annual Spend	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218
End the Year With	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

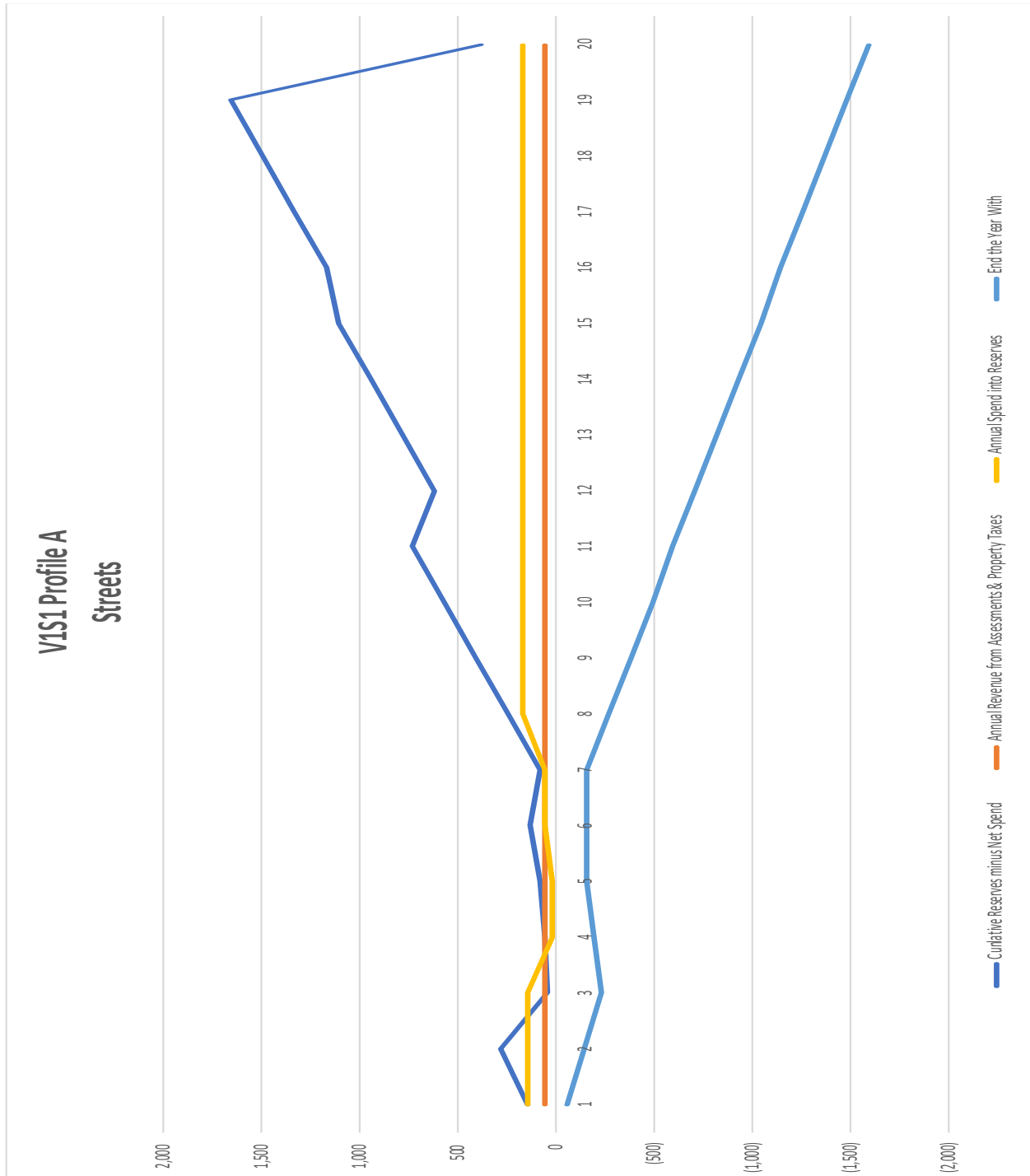


Table 13 – Residential Streets Assessment Fee \$25 per month Impact on Maintenance Projects

Expense Profile D	Assessment - Monthly \$												After Street Bond Ends Monthly Assessment Increase: \$ -											
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040				
V156	Dollars shown, with exception of Assessments, are X1,000																							
Budgets NOT Closed	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20				
Residential																								
Street Resurface							111	111	111	111	111	111	111	111	111	111	111	111	111	111				
Street Slurry Seal 1	123	123	123																	1,438				
Street Slurry Seal 2						41	41	41	41	41	41	286	41	41	41	41	41	41	41	41				
Street Crack Seal 1	14	14	14	14	14	14	14	0	0	0	0	0	0	0	0	0	0	0	0	0				
Street Crack Seal 2	0	0	0	0	0	0	0	11	11	11	11	11	11	11	11	100	11	11	11	11				
Increase Monthly Assessment by	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25				
Monthly Assessment with Later Increase	137	274	43	57	71	126	82	244	407	570	732	609	771	934	1,096	1,159	1,322	1,484	1,647	372				
Cumulative Reserves minus Net Spend	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52				
Annual Revenue from Assessments & Pro	74	(11)	(95)	(180)	(142)	(104)	(106)	(109)	(219)	(330)	(440)	(550)	(660)	(770)	(881)	(991)	(1,101)	(1,211)	(1,322)	(1,432)				
Start the Year With	137	137	137	14	14	55	163	163	163	163	163	163	163	163	163	163	163	163	163	163				
Annual Spend into Reserves	(63)	(148)	(232)	(194)	(156)	(159)	(162)	(272)	(382)	(492)	(602)	(713)	(823)	(933)	(1,043)	(1,153)	(1,264)	(1,374)	(1,484)	(1,594)				
End the Year With																								



Figure 13 – Residential Streets Assessment Fee \$25 per month Reserve Accumulation Profile





SUMMARY

Proposed Assessment Fee Increase Summary

- **Airport**
 - Current \$300 per year or \$25 per month per parcel does not sustain long term operations.
 - No maintenance reserves
 - No fuel system replacement reserves
 - Dependent on significant and consistent volunteer support
 - No reserves for matching capital improvement grants
 - Optimal increase of \$127 per month for total of \$152 per month (\$25 + \$127) supports minimal sustaining operations
 - Begins building minimum reserves for above
 - Improvement projects over many years (some up to 10 to 12 years)
 - **Proposed Fee increase of \$50 per month** per parcel for \$75 per month total
 - Funds reduced operational budget
 - No projects or maintenance reserves
 - Improves financial stability, but not optimal
- **Residential Streets**
 - Current \$13,100 per year via Property Taxes does not support near and long-term street maintenance.
 - Little and insufficient maintenance reserves
 - No contingency for unexpected repairs
 - *Last Resurface was funded through a Bond at \$902 per property, matures in 2029. Interest expense per property of about \$5,000.*
 - Optimal Assessment of \$78 per month supports minimal sustaining maintenance
Support required maintenance to support 30-year pavement life
 - **Proposed Fee of \$25 per month** per parcel helps, but does not build sufficient funds for any near-term maintenance, expect relatively small repairs.
 - Helps reduce amount of loan(s) to fund maintenance

AS OF THIS PAPER WRITING, The Committee plans to formally propose the fee increase of \$75 per month per parcel or a total of \$100 per month per parcel, at the June 1st, 2020 Board Meeting for a resolution for the November 3rd, 2020 General Election Ballot. This target fee is what is seen as mostly likely passing with a 2/3 majority vote. While the target fee is less than the optimal fee, the Committee believes the optimal fee is not likely to have 2/3 majority vote and the District would be worse off.

YOUR COMMENTS ABOUT THE FEES IS HIGHLY ENCOURAGED. Would you support the \$100 fee? Would you support a higher fee?

In 1987 Airpark Residents voted to gain control of their community to ensure its future. It up to us to maintain that control and our future!



SUMMARY

Table 14 - Summary

	Current Annual Income	Optimal Annual Income Required	Reduced Annual Budget
Airport Operations & Maintenance	Property Assessments: \$39,500 Operating Income: \$100,300 Total: \$139,800	\$339,616 Total Additional \$199,816 needed. Equals \$127 per month per parcel. (\$152 Total)	\$222,863 Total Additional \$83,563 needed. Driven by target fee of \$50 increase per month per parcel. Deletes, projects and reserves. Ops budget reduced.
Residential Street Maintenance	County Property Taxes: \$13,100 Parking (Cops & Rodders): \$1,200 Property Assessments: None Total: \$14,300	\$136,207 Total Additional \$121,907 needed. Equals \$78 per month per parcel.	\$25 per month Target Fee of \$25 per month plus current income yields \$53,600. (\$68,307 shortfall) Maintenance cannot be reasonably be reduced to match income. Loans required to maintain streets.
Assessment Fee Total	\$25 per month per parcel or \$300 per year.	\$231 per parcel per month or \$2,767 per year. Increase of \$206 per month	\$100 per month per parcel or \$1,200 per year. Increase of \$75 per month. Airport total \$75 per month Streets total \$25 per month



