

MOJAVE AIR AND SPACE PORT

NOTICE OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS

Date: May 09, 2017

Time: 2:00 p.m.

**Location: Board Room
1434 Flightline, Mojave, California**

AGENDA

1. Call to Order

- A. Pledge of Allegiance
- B. Roll Call
- C. Approval of Agenda

2. Business Items

- A. Budget Workshop

3. Closed Session

- A. CEO Personnel Review

Adjournment

This Agenda was posted on May 5, 2017 by Jason.

ADA Notice: Persons desiring disability-related accommodations should contact the District no later than forty-eight hours prior to the meeting. Persons needing an alternative format of the agenda because of a disability should notify the District no later than seventy-two hours prior to the meeting. All inquiries/requests can be made by phone at (661) 824-2433, in person at 1434 Flightline, Mojave, CA, or via email to carrie@mojaeairport.com.

Copy of Records: Copies of public records related to open session items are available at the administrative office of the District at 1434 Flightline, Mojave, CA.

Public Comments: Members of the public may comment on items on the agenda before the Board takes action on that item, or for closed session items, before the Board goes into closed session. Comments on items not on the agenda, and over which the Board has jurisdiction, may be made under "Public Comments on Items not on the Agenda," but the Board may not take action on any issues raised during this time. All comments by members of the public are limited to three minutes.

MISSION STATEMENT

FOSTER AND MAINTAIN OUR RECOGNIZED AEROSPACE PRESENCE WITH A PRINCIPLE
FOCUS AS THE WORLD'S PREMIER CIVILIAN AEROSPACE TEST CENTER WHILE SEEKING
COMPATIBLY DIVERSE BUSINESS AND INDUSTRY

MOJAVE
AIR AND SPACE PORT
STAFF MEMORANDUM

TO: Board of Directors
FROM: Karina Drees, GM
SUBJECT: FY 17-18 Budget Workshop
MEETING DATE: May 9, 2017

Background:

FY 16-17 has been an outstanding revenue year for the District. It is estimated fuel revenue will be 100% higher than originally budgeted. We expect fuel sales to remain up, but are unable to predict how much revenue we will receive from the military over the next fiscal year. We will close the year with about \$9M in cash reserves, and would like to reinvest some of the reserves back into the property.

Staff would like to introduce the attached draft of the FY 17-18 budget. Most of the individual budget items are only adjusted to reflect the cost of business, but there are a few items staff would like the Board to consider:

We would like to discuss changing the presentation format of the budget as well as the monthly financial reports throughout the year.

This budget reflects four new hires during the year: two during the first half of the year and two during the second half of the year, based on our needs with the current team. We will have a pending offer in the coming weeks and hope to fill one of these slots prior to July 1 based on the current year budget. These new hires will assist our response time with our customers and help shape growth for the future.

In addition to the staff, we would like to discuss benefits including tuition reimbursement and lifetime health insurance.

There are a number of capital improvements to discuss as well, including:

- \$3M for perimeter road improvements
 - As mentioned in prior meetings, for years the roads have been a constant source of pain for our customers. We are working up some scenarios that will create a win-win for the airport and tenants.

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- \$400K for Radar upgrade
 - The DOD is upgrade their Radar system from Rehost to STARS. We have known about this pending upgrade, but thought it was to take place during the 18-19 fiscal year. We have recently learned area airports are expected to pay for the upgrade in March 2018. There is additional data to gather, but want to be sure we are capturing the expense appropriately.
- \$500K for property acquisition
 - We will continue the effort of building and land acquisition during the year to accommodate growth.
- \$150K for parking lot improvements at the event center
 - Our recently approved conditional use permit requires 79 spaces to be paved.

We look forward to highlighting our plans for the year and learn from the Board any additional items you wish to discuss.

Mojave Air & Space Port
Draft Budget
2017 - 2018

	Annual Budget
Operating revenue	
Rents & leases	\$4,907,534
Fuel sales & services	547,821
Other operating revenue	64,811
Total operating revenue	5,520,166
Operating expense	
Fire	458,094
Security	557,025
Tower	217,738
Planning, engineering, & construction	426,299
Maintenance	1,202,372
Utilities	300,000
Total operating expense	3,161,529
Excess (deficit) of operating revenue over operating expense	2,358,637
Administration	2,755,025
Non-operating revenue	988,556
Non-operating expense	50,000
Excess (deficit) of total revenue over total expense	542,168
Capital expenditure plan	4,607,500
Total budget and capital expenditures	(\$4,065,332)

Mojave Air & Space Port
Draft Budget Detail
2017 - 2018

	Annual Budget
Operating revenue	
Rents & leases	
Rents & leases-Grounds	\$2,419,338.
Rents & leases-Hangars	352,460
Rents & leases-Buildings	1,942,145
Rents & leases-Terminal Bldg	24,759
Rental security	236,935
Event Center rents	19,251
Location site fees	84,800
Finance charges	7,846
Hangar 79 Lease Agreement	(180,000)
Rents & leases total	4,907,534
Fuel sales & services:	
Fuel sales & services revenue	
Fuel and lubricant sales	2,500,000
Defueling/refueling	22,500
Afterhours fueling	22,500
Aircraft storage	13,730
Other services	6,300
Fuel sales & services revenue total	2,565,030
Cost of fuel sales & services	
Cost of fuel & lubricants sold	1,375,000
Salaries	278,056
Statutory taxes & benefits	41,708
Health & welfare benefits	165,000
Retirement benefits	57,445
Repairs & maintenance	50,000
Rent expense	50,000
Cost of fuel sales & services total	2,017,209
Fuel sales & services total	547,821
Other operating revenue	
Gift shop sales	5,412
Equipment rental	10,865
Other operating revenue	48,534
Other revenue total	64,811
Total operating revenue	5,520,166
 Operating expense	
Fire	
Salaries	216,449
Statutory taxes & benefits	17,263
Health & welfare benefits	46,036
Retirement benefits	46,036

Mojave Air & Space Port
Draft Budget Detail
2017 - 2018

	Annual Budget
Supplies	1,875
Outside services	150,000
Miscellaneous	5,000
Reimbursements	(24,564)
Fire total	458,095
Security	
Salaries	128,818
Statutory taxes & benefits	17,263
Health & welfare benefits	46,036
Retirement benefits	46,036
Supplies	1,875
Outside services	334,544
Miscellaneous	5,000
Reimbursements	(22,546)
Security total	557,026
Tower	
Outside services	240,615
Reimbursements	(22,877)
Tower total	217,738
Planning, engineering, & construction	
Salaries	115,089
Statutory taxes & benefits	17,264
Health & welfare benefits	46,036
Retirement benefits	46,036
Supplies	1,875
Outside services	195,000
Miscellaneous	5,000
Planning, engineering, & construction total	426,300
Maintenance	
Salaries	279,742
Statutory taxes & benefits	41,961
Health & welfare benefits	111,897
Retirement benefits	111,897
Supplies	36,875
Permits & fees	30,000
Repairs & maintenance	565,000
Rent expense	20,000
Miscellaneous	5,000
Maintenance total	1,202,372
Utilities	
Electricity	145,000
Gas	5,000
Water	130,000

Mojave Air & Space Port
Draft Budget Detail
2017 - 2018

	Annual Budget
Refuse	20,000
Utilities total	300,000
Total operating expense	3,161,531
Excess (deficit) of operating revenue over operating expense	2,358,635
Administration	
Salaries	789,328
Statutory taxes & benefits	121,413
Health & welfare benefits	453,767
Retirement benefits	223,767
Office	200,000
Communications	65,000
Training	30,000
Outside services	330,000
Travel	50,000
Bad debts	20,000
Dues & subscriptions	50,000
Insurance	325,000
Marketing	76,750
Miscellaneous	20,000
Administration total	2,755,025
Non-operating revenue	
Property taxes	660,000
Federal/State Grants	300,000
Interest income	28,556
Total non-operating revenue	988,556
Non-operating expense	
California City Grant	50,000
Total nonoperating expense	50,000
Excess (deficit) of total revenue over total expense	542,166
Capital expenditure plan	
FAA Projects	330,000
Equipment	507,500
Infrastructure Projects	3,260,000
Tenant Retention Projects	10,000
Property Investments	500,000
Capital expenditure plan total	4,607,500
Total budget and capital expenditures	(\$4,065,334.)