

HEBER VALLEY AIRPORT FINANCIAL REQUIREMENTS ANALYSIS

FINAL REPORT

December 13, 2022

Heber Valley Airport Financial Requirements Analysis

December 13, 2022

Background:

Heber City has requested an analysis of the financial implications of operating the Heber Valley Airport in its current design condition without making any physical changes required to comply with FAA design standards for Airport Reference Code, Category C-II, as defined in Advisory Circular 150/5300-13B. Category C-II aircraft include those aircraft that have wingspans between 49 feet and 79 feet, tail heights between 20 feet and 30 feet, and approach speeds between 121 knots and less than 141 knots. While the airport today is designed for B-II category aircraft, it is important to recognize that the airport today is considered to be a Category C-II facility because there are more than 500 annual operations (itinerant and local, excluding touch and goes) of C-II category aircraft. Under FAA requirements, airport modifications are required to bring the facility into compliance with C-II design standards, which include relocating the runway and taxiway. The cost of these modifications is not included in this analysis.

Heber City is obligated to comply with federal grant assurances to which it agrees every year when it accepts federal grants. The obligations set forth in the grant assurances are in full force and effect throughout the useful life of the facilities developed for which federal funds were used, generally considered to be 20 years from the date of acceptance of a grant.

Heber City is considering whether it would be financially feasible to manage the airport without making the physical changes that are required to meet FAA C-II design standards. If the City does not take actions to meet the C-II design standards, it is highly probable that FAA would no longer provide any discretionary grants for capital projects at the airport. The City is considering not accepting entitlement grants during the next 20 years as well. It should be noted that if the City decides to accept any entitlement grant over the next 20 years, its grant assurance obligations will be renewed for an additional 20 years from the date a grant is accepted. Therefore, it is assumed that Heber City would need to cover the shortfall caused by loss of these grant funds in accordance with its federal grant assurance obligations at least for the duration of their applicability. This analysis is intended to estimate the total cost to operate, maintain, and manage expected airport growth over the next 20 years without any federal grants.

Summary:

The results of the analysis suggest that it could cost Heber City as much as \$87,469,000 to operate and manage the airport over the next 20 years. The financial analysis is based on projections of revenues and expenditures over the 20-year period. A base year budget was developed to estimate operating, maintenance, and capital costs in current dollars (2022). The base year budget was then escalated to estimate future revenues and operating costs.

Numerous assumptions were made in preparation of this analysis because of the need to estimate unknown operation, management and development costs. The airport master plan process has not yet been completed, and once it is completed will more accurately identify airport improvements that may be

needed in the future. A completed master plan will likely recommend capital expenditures that might be needed to manage forecasted increases in aircraft operations that are attributable to community growth. Strong community growth is expected as the popularity of the region becomes more renowned due to its attractiveness, the high quality of living and many tourist amenities.

One of the key assumptions in this analysis is that limited capital improvements will be required throughout the next 20 years, and that capital expenditures will be limited to those needed based on prudent and responsible management of the airport and/or those required to comply with federal grant assurance obligations to maintain the airport in a safe and efficient manner. The analysis assumes that all existing facilities will be maintained until the end of their respective useful life, at which time the facility will be replaced (but not improved) as needed. Capital expenditures that are included in the analysis are those that would be required to ensure the airport is well-maintained, efficient, safe, and operable in accordance with FAA standards (other than the modification of the airport to meet C-II design standards), and sufficient to minimize risks and liability.

Although the master plan forecast predicts growth in both operations and based aircraft, this analysis assumes that no new facilities will be developed to accommodate the projected growth. The only new capital expenditures that are included in the analysis are those that may be required for regulatory compliance. For example, Airport Sponsor Assurance 23, *Exclusive Rights*, prohibits exclusive use of airport property to provide aeronautical services to the public. Therefore, the analysis includes an assumption that at some point in the future, Heber City may incur costs for infrastructure improvements needed to allow competition by a second limited/full service FBO. Such improvements could include a public road and common-use taxiway. The analysis attempts to identify possible future projects that would be needed over the next 20 years, but the list of future capital projects is based on assumptions only.

The analysis assumes that C-II design standards would not be implemented and relocation of the runway and taxiway would not be required; therefore, existing FBO facilities would not be impacted and the FBO would continue to operate at its current location. We do not express an opinion on whether this scenario will impact the City's ability to resolve ongoing litigation with the FBO. In addition to the financial implications summarized herein, the City should consider the costs of continued litigation with the FBO and/or other means of settling the litigation since litigation costs could continue to be substantial.

Since projects to upgrade the airport to C-II standards are not assumed to be part of this analysis, it is also assumed that Heber City could face additional litigation by tenants who might assert that Heber City is failing to maintain the airport in a safe condition because it is non-compliant with FAA standards. While such litigation is a possibility, it is viewed as unlikely, so the potential cost of such litigation is not included in our analysis.

After 20 years (and the end of Heber City's grant assurance obligations), the analysis assumes that the City will continue to operate the airport. However, if the City decides to cease operations of the airport, or reduce its size, additional costs will be incurred that are also not included in this analysis. Such costs could include environmental analysis, demolition and removal of airport facilities, site planning, and potential litigation costs to defend airport closure, among other unknown costs.

Analysis:

This paper evaluates the potential estimated cost to operate, maintain, and manage the Heber Valley Airport over the next 20 years, in accordance with federal grant assurance obligations. The financial analysis uses a traditional budgetary methodology to estimate airport revenues and expenditures in each of the future 20 years. Financial projections were developed using Heber City's standard budget categories. The financial analysis establishes base year costs, which represent the consultant's professional opinion of what individual budget line items would cost in 2023 dollars, to construct, operate

and manage the airport. The base year costs were then escalated every year over the next 20 years to estimate future budget revenues and operating and maintenance expenses through 2043.

Revenue sources include ground and facility rent from airport tenants, fuel flowage fees, landing fees, and all other revenue categories found in the Heber Valley Airport annual budget. Future revenue projections do not include additional revenues that might be possible if additional land were leased and/or rates and charges were increased or modified (except as escalated below). Revenue projections explicitly exclude FAA and Utah State entitlement and discretionary grants. This is because it is assumed that FAA will no longer offer discretionary grants to fund airport capital projects unless C-II design standards are met and that the City will not accept entitlement grants to avoid extending its grant assurance obligations another 20 years.

Revenues were escalated using several methods depending on the revenue line item. For some line items, revenues are tied to the number of aircraft operations or the number of based aircraft; and therefore, as aircraft operations or based aircraft increase, revenues increase. For example, the more aircraft that land at the airport the greater airport landing fee revenues will be. Likewise, as aircraft operations increase, it is assumed more fuel will be sold and therefore fuel flowage fee revenues will increase. In contrast, some budget line items are tied to specific terms of negotiated agreements. Revenues from airport tenant leases which are negotiated, were escalated based on the terms of the lease agreement. Finally, revenues for some budget line items are tied to average market conditions and as the general market improves, revenues are projected to increase. For example, individual ground lease rates and hangar pad fees may be based on comparable rates charged at other airports or consumer price increases. Therefore, these line items were escalated at consumer price index (CPI) rates. CPI rates were determined using the 2022 Utah Governor's Economic Report prepared by the Utah Economic Council.

Expenses include operating and maintenance costs which the City has historically incurred. O&M expenses include such items as employee salaries, employee benefits, materials and supplies, utilities, professional services, legal services, travel and all other miscellaneous expenses. Operating and maintenance expenditures are generally associated with the general economy and therefore, as consumer prices increase, O&M expenditures are assumed to increase in similar patterns. Therefore, future O&M expenditures were estimated based on forecasted changes in the consumer price index.

In addition to O&M expenditures, Heber City will likely incur costs in the future for capital equipment and facilities that need to be maintained and managed to preserve the airport in a safe and serviceable condition in accordance with FAA standards. Therefore, numerous capital equipment and projects are included in the financial analysis. Capital equipment and project needs were determined through discussions with the Airport Manager; the airport's engineering consultant; considering prudent industry practices for maintaining pavements, buildings and equipment; considering industry practices for equipment replacement; reviewing the scope and timing of previous capital improvements; reviewing estimates of existing equipment/facility conditions and life expectancies; considering future growth and demand for facilities; and the consultants best professional judgement regarding practices to properly manage and maintain a public use airport.

Capital project types vary based on their purpose. Certain projects will be required to maintain the existing airport infrastructure and ensure continuous operation of facilities in their current physical condition. Some projects may be required to meet minimum safety and security requirements not related to the airport's classification as a C-II facility. Other projects may be needed to respond to requests for additional or improved facilities and services based on expectations of future demand; and still others may be required to replace worn, obsolete, and failing equipment and facilities because they are expected to reach the end of their useful life.

Costs for capital equipment and projects were estimated in 2023 dollars to establish baseline costs assuming the projects were implemented, or equipment acquired today. The probable year of equipment acquisition or project implementation was estimated to determine the number of years that baseline costs would need to be escalated for each capital item. Capital costs were then escalated annually based on future projections of consumer price indices.

General Assumptions and Disclaimer:

This analysis is a planning level analysis based on reasonable assumptions and the best professional judgement of the consultant. Assumptions were required because many details regarding Heber City's administrative policies, airport development plans and economic conditions are uncertain and unpredictable. Assumptions of base year revenues, expenditures, and present-day capital costs were developed in collaboration with Heber City's Finance Director, Airport Manager, discussions with the City's airport consulting engineer, other industry professionals and industry research. The analysis is based on numerous assumptions where data and/or policy direction is unavailable or unknown. The analysis relies on the current state of the pending airport master plan. Development plans for the airport will most likely not be established until the master plan is completed, and formal policy direction is provided by Heber City Council.

The analysis assumes that the airport will be maintained in accordance with the existing B-II standards throughout the 20-year evaluation period. The analysis assumes that the airport will continue to operate as it exists today. No assumption is made that the airport will be closed or materially altered in any way during this time. This assumption is made to reflect the lowest possible cost, as any other decision would require additional projects and costs to be added to the analysis.

The analysis assumes that all airport facilities will be maintained in a safe and operable condition until the end of each facility's useful life. Once a facility reaches the end of its useful life, the facility will be replaced to allow for continued operation. Capital expenditures that are included in the analysis are those that would be required to ensure the airport is well-maintained, efficient, safe, and operable, sufficient to minimize risks and liability in accordance with FAA requirements and industry best practices.

The analysis assumes that the airport will remain in its current physical configuration with no additional development being undertaken to accommodate future growth. Additional development is only included to the degree it is needed to comply with regulatory requirements.

Costs for some line items cannot be estimated or determined today and therefore a financial value is allocated to recognize that a cost is expected in the future.

Operating revenue and expenses are based on Heber City's July 1 - June 30 fiscal year.

It is assumed that FAA will no longer maintain on-airport NAVAIDS and those costs will become the responsibility of Heber City.

This scope did not include preparing detailed project cost estimates. Capital project costs are based on estimated average costs per unit (linear foot, square foot, etc.) obtained from industry resources. Base year capital project costs were extrapolated using estimates from recent projects of similar scope, and type within the industry.

No on-site surveys or observations were conducted as part of this analysis; therefore, the condition and remaining life of existing facilities was based on available data, the original date of construction or date of last maintenance/rehabilitation and discussions with the Airport Manager and the airport engineering consultant to obtain their opinions of condition and remaining life.

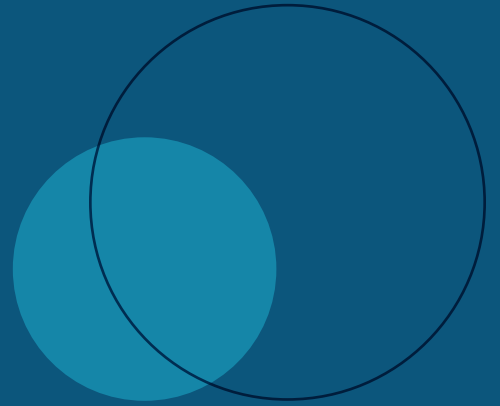
Neither a facility asset management plan nor pavement maintenance and management plan exist, and therefore the remaining life expectancy of facilities and equipment was estimated using useful life

guidelines established in FAA Order 5100.38D, Change 1, Table 3-7. Maintenance and replacement schedules for facilities and equipment were calculated by applying the useful life guidelines to the original year of construction or purchase to estimate remaining life expectancy and when maintenance or replacement is needed.

Future pavement projects were assumed using the useful life test and general industry standards for recurring pavement maintenance. For asphalt pavements, minor pavement maintenance (crack seal and slurry coat) should be performed every 4 years. Major maintenance or rehabilitation should be performed every 10 years, whereas full reconstruction is generally needed every 20 years. Concrete pavements are assumed to require joint seal and spall repair every 10 years and full reconstruction every 30 years.

Expense items were escalated in proportion to estimates of annual inflation in future years. Utah's annual inflation rate is assumed to gradually decline over the next 3 years from the current high of 4.2% in 2022 as a result of the Federal Reserve Board's monetary policy to increase interest rates. Inflation rate decreases are assumed to decline and then remain steady at a more acceptable rates of 2% as reported in the 2022 Utah Governor's Economic Report.

Details regarding settlement of litigation are undetermined and therefore assumptions have been made regarding the FBO's existing and future operation. The existing FBO is assumed to maintain its current lease throughout the remainder of its term. If the FBO decides to expand operations, a separate lease is assumed to be needed.



**HEBER VALLEY
AIRPORT
FINANCIAL
ANALYSIS
SPREADSHEET**

Heber Valley Financial Analysis Spreadsheet

	Base Year Costs	Forecasted											
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	
Revenues													
Charges for Services													
3470 Airport Business FBO/SSO Fees (Lease)	\$ 21,000	\$ 21,900	\$ 22,600	\$ 23,200	\$ 23,700	\$ 24,200	\$ 24,700	\$ 25,200	\$ 25,700	\$ 26,200	\$ 26,700	\$ 27,200	
3471 Airport Hangar Ground Lease Fee	\$ 211,000	\$ 219,900	\$ 226,900	\$ 232,600	\$ 237,300	\$ 242,000	\$ 246,800	\$ 251,700	\$ 256,700	\$ 261,800	\$ 267,000	\$ 272,300	
3472 Aviation Fuel	\$ 65,000	\$ 69,000	\$ 69,900	\$ 70,800	\$ 71,700	\$ 72,600	\$ 73,600	\$ 74,500	\$ 75,500	\$ 76,400	\$ 77,500	\$ 78,500	
3473 Airport Landing Fees	\$ 237,000	\$ 240,100	\$ 243,200	\$ 246,400	\$ 249,500	\$ 252,800	\$ 256,200	\$ 259,500	\$ 262,800	\$ 266,100	\$ 269,700	\$ 273,200	
3474 Hangar Transfer Fees	\$ 11,000	\$ 11,500	\$ 11,900	\$ 12,200	\$ 12,400	\$ 12,600	\$ 12,900	\$ 13,200	\$ 13,500	\$ 13,800	\$ 14,100	\$ 14,400	
3476 Farm Lease / Non-aeronautical Use	\$ 5,000	\$ 5,200	\$ 5,400	\$ 5,500	\$ 5,600	\$ 5,700	\$ 5,800	\$ 5,900	\$ 6,000	\$ 6,100	\$ 6,200	\$ 6,300	
3610 Interest Income	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	
3620 Miscellaneous Income (Fire Fighting, Gate Access Fees & Other)	\$ 8,000	\$ 8,300	\$ 8,600	\$ 8,800	\$ 9,000	\$ 9,200	\$ 9,400	\$ 9,600	\$ 9,800	\$ 10,000	\$ 10,200	\$ 10,400	
Total Revenue:	\$ 559,000	\$ 576,900	\$ 589,500	\$ 600,500	\$ 610,200	\$ 620,100	\$ 630,400	\$ 640,600	\$ 651,000	\$ 661,400	\$ 672,400	\$ 683,300	
O& M Expenditures													
	CPI Inflation	4.20%	3.20%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
4011 Salaries and Wages (Off Airport Public Works)	\$ 10,000	\$ 10,400	\$ 10,700	\$ 11,000	\$ 11,200	\$ 11,400	\$ 11,600	\$ 11,800	\$ 12,000	\$ 12,200	\$ 12,400	\$ 12,600	
4012 On Site Payroll - Managers	\$ 96,000	\$ 100,000	\$ 103,200	\$ 105,800	\$ 107,900	\$ 110,100	\$ 112,300	\$ 114,500	\$ 116,800	\$ 119,100	\$ 121,500	\$ 123,900	
4013 Employee Benefits (Off Airport Public Works)	\$ 4,500	\$ 4,700	\$ 4,900	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,400	\$ 5,500	\$ 5,600	\$ 5,700	\$ 5,800	
4014 Employee Benefits - Managers	\$ 49,000	\$ 51,100	\$ 52,700	\$ 54,000	\$ 55,100	\$ 56,200	\$ 57,300	\$ 58,400	\$ 59,600	\$ 60,800	\$ 62,000	\$ 63,200	
4015 Uniform Allowance	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	
4021 Books, Subscriptions & Dues	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	
4022 Public Noticing	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	
4023 Travel	\$ 4,200	\$ 4,400	\$ 4,500	\$ 4,600	\$ 4,700	\$ 4,800	\$ 4,900	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,400	
4024 Office Supplies	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	
4025 Equipment Maintenance	\$ 4,000	\$ 4,200	\$ 4,300	\$ 4,400	\$ 4,500	\$ 4,600	\$ 4,700	\$ 4,800	\$ 4,900	\$ 5,000	\$ 5,100	\$ 5,200	
4027 Utilities	\$ 8,000	\$ 8,300	\$ 8,600	\$ 8,800	\$ 9,000	\$ 9,200	\$ 9,400	\$ 9,600	\$ 9,800	\$ 10,000	\$ 10,200	\$ 10,400	
4028 Telephone	\$ 5,000	\$ 5,200	\$ 5,400	\$ 5,500	\$ 5,600	\$ 5,700	\$ 5,800	\$ 5,900	\$ 6,000	\$ 6,100	\$ 6,200	\$ 6,300	
4029 Gasoline & Oil	\$ 4,500	\$ 4,700	\$ 4,900	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,400	\$ 5,500	\$ 5,600	\$ 5,700	\$ 5,800	
4031 Professional Services	\$ 100,000	\$ 104,200	\$ 107,500	\$ 110,200	\$ 112,400	\$ 114,600	\$ 116,900	\$ 119,200	\$ 121,600	\$ 124,000	\$ 126,500	\$ 129,000	
4032 Training	\$ 2,000	\$ 2,100	\$ 2,200	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	
4033 Legal	\$ 148,700	\$ 148,700	\$ 148,700	\$ 148,700	\$ 148,700	\$ 148,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4048 Special Supplies	\$ 9,000	\$ 9,400	\$ 9,700	\$ 9,900	\$ 10,100	\$ 10,300	\$ 10,500	\$ 10,700	\$ 10,900	\$ 11,100	\$ 11,300	\$ 11,500	
4051 Liability and Property Insurance	\$ 3,600	\$ 3,800	\$ 3,900	\$ 4,000	\$ 4,100	\$ 4,200	\$ 4,300	\$ 4,400	\$ 4,500	\$ 4,600	\$ 4,700	\$ 4,800	
4071 Recurring Snow Removal Equipment Service	\$ 8,700	\$ 9,100	\$ 9,400	\$ 9,600	\$ 9,800	\$ 10,000	\$ 10,200	\$ 10,400	\$ 10,600	\$ 10,800	\$ 11,000	\$ 11,200	
4072 Non-Capital Building Improvements	\$ 3,000	\$ 3,100	\$ 3,200	\$ 3,300	\$ 3,400	\$ 3,500	\$ 3,600	\$ 3,700	\$ 3,800	\$ 3,900	\$ 4,000	\$ 4,100	
4073 Improvement for Other Buildings	\$ 3,000	\$ 3,100	\$ 3,200	\$ 3,300	\$ 3,400	\$ 3,500	\$ 3,600	\$ 3,700	\$ 3,800	\$ 3,900	\$ 4,000	\$ 4,100	
4074 Equipment	\$ 20,000	\$ 20,800	\$ 21,500	\$ 22,000	\$ 22,400	\$ 22,800	\$ 23,300	\$ 23,800	\$ 24,300	\$ 24,800	\$ 25,300	\$ 25,800	
4091 Transfer to General Fund - Indirect SAL (Off Airport Admin Support)	\$ 66,900	\$ 69,700	\$ 71,900	\$ 73,700	\$ 75,200	\$ 76,700	\$ 78,200	\$ 79,800	\$ 81,400	\$ 83,000	\$ 84,700	\$ 86,400	
4092 Transfer to General Fund - Indirect Benefits Portion In 4091	\$ 30,100	\$ 31,400	\$ 32,400	\$ 33,200	\$ 33,900	\$ 34,600	\$ 35,300	\$ 36,000	\$ 36,700	\$ 37,400	\$ 38,100	\$ 38,900	
Total O&M Expenditures:	\$ 582,800	\$ 601,000	\$ 615,400	\$ 626,900	\$ 636,500	\$ 646,200	\$ 507,400	\$ 517,400	\$ 527,700	\$ 538,000	\$ 548,600	\$ 559,300	

Heber Valley Financial Analysis Spreadsheet

	Base Year Costs	Forecasted									
		FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	
Revenues											
Charges for Services											
3470 Airport Business FBO/SSO Fees (Lease)	\$ 21,000	\$ 27,700	\$ 28,300	\$ 28,900	\$ 29,500	\$ 30,100	\$ 30,700	\$ 31,300	\$ 31,900	\$ 32,500	
3471 Airport Hangar Ground Lease Fee	\$ 211,000	\$ 277,700	\$ 283,300	\$ 289,000	\$ 294,800	\$ 300,700	\$ 306,700	\$ 312,800	\$ 319,100	\$ 325,500	
3472 Aviation Fuel	\$ 65,000	\$ 79,500	\$ 80,500	\$ 81,500	\$ 82,600	\$ 83,700	\$ 84,800	\$ 85,900	\$ 87,000	\$ 88,100	
3473 Airport Landing Fees	\$ 237,000	\$ 276,800	\$ 280,300	\$ 283,900	\$ 287,700	\$ 291,400	\$ 295,200	\$ 299,000	\$ 302,800	\$ 306,600	
3474 Hangar Transfer Fees	\$ 11,000	\$ 14,700	\$ 15,000	\$ 15,300	\$ 15,600	\$ 15,900	\$ 16,200	\$ 16,500	\$ 16,800	\$ 17,100	
3476 Farm Lease / Nonaeronautical Use	\$ 5,000	\$ 6,400	\$ 6,500	\$ 6,600	\$ 6,700	\$ 6,800	\$ 6,900	\$ 7,000	\$ 7,100	\$ 7,200	
3610 Interest Income	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	
3620 Miscellaneous Income (Fire Fighting, Gate Access Fees & Other)	\$ 8,000	\$ 10,600	\$ 10,800	\$ 11,000	\$ 11,200	\$ 11,400	\$ 11,600	\$ 11,800	\$ 12,000	\$ 12,200	
Total Revenue:	\$ 559,000	\$ 694,400	\$ 705,700	\$ 717,200	\$ 729,100	\$ 741,000	\$ 753,100	\$ 765,300	\$ 777,700	\$ 790,200	
O& M Expenditures											
	CPI Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
4011 Salaries and Wages (Off Airport Public Works)	\$ 10,000	\$ 12,900	\$ 13,200	\$ 13,500	\$ 13,800	\$ 14,100	\$ 14,400	\$ 14,700	\$ 15,000	\$ 15,300	
4012 On Site Payroll - Managers	\$ 96,000	\$ 126,400	\$ 128,900	\$ 131,500	\$ 134,100	\$ 136,800	\$ 139,500	\$ 142,300	\$ 145,100	\$ 148,000	
4013 Employee Benefits (Off Airport Public Works)	\$ 4,500	\$ 5,900	\$ 6,000	\$ 6,100	\$ 6,200	\$ 6,300	\$ 6,400	\$ 6,500	\$ 6,600	\$ 6,700	
4014 Employee Benefits - Managers	\$ 49,000	\$ 64,500	\$ 65,800	\$ 67,100	\$ 68,400	\$ 69,800	\$ 71,200	\$ 72,600	\$ 74,100	\$ 75,600	
4015 Uniform Allowance	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	
4021 Books, Subscriptions & Dues	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	
4022 Public Noticing	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	
4023 Travel	\$ 4,200	\$ 5,500	\$ 5,600	\$ 5,700	\$ 5,800	\$ 5,900	\$ 6,000	\$ 6,100	\$ 6,200	\$ 6,300	
4024 Office Supplies	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	
4025 Equipment Maintenance	\$ 4,000	\$ 5,300	\$ 5,400	\$ 5,500	\$ 5,600	\$ 5,700	\$ 5,800	\$ 5,900	\$ 6,000	\$ 6,100	
4027 Utilities	\$ 8,000	\$ 10,600	\$ 10,800	\$ 11,000	\$ 11,200	\$ 11,400	\$ 11,600	\$ 11,800	\$ 12,000	\$ 12,200	
4028 Telephone	\$ 5,000	\$ 6,400	\$ 6,500	\$ 6,600	\$ 6,700	\$ 6,800	\$ 6,900	\$ 7,000	\$ 7,100	\$ 7,200	
4029 Gasoline & Oil	\$ 4,500	\$ 5,900	\$ 6,000	\$ 6,100	\$ 6,200	\$ 6,300	\$ 6,400	\$ 6,500	\$ 6,600	\$ 6,700	
4031 Professional Services	\$ 100,000	\$ 131,600	\$ 134,200	\$ 136,900	\$ 139,600	\$ 142,400	\$ 145,200	\$ 148,100	\$ 151,100	\$ 154,100	
4032 Training	\$ 2,000	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	
4033 Legal	\$ 148,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4048 Special Supplies	\$ 9,000	\$ 11,700	\$ 11,900	\$ 12,100	\$ 12,300	\$ 12,500	\$ 12,800	\$ 13,100	\$ 13,400	\$ 13,700	
4051 Liability and Property Insurance	\$ 3,600	\$ 4,900	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,400	\$ 5,500	\$ 5,600	\$ 5,700	
4071 Recurring Snow Removal Equipment Service	\$ 8,700	\$ 11,400	\$ 11,600	\$ 11,800	\$ 12,000	\$ 12,200	\$ 12,400	\$ 12,600	\$ 12,900	\$ 13,200	
4072 Non-Capital Building Improvements	\$ 3,000	\$ 4,200	\$ 4,300	\$ 4,400	\$ 4,500	\$ 4,600	\$ 4,700	\$ 4,800	\$ 4,900	\$ 5,000	
4073 Improvement for Other Buildings	\$ 3,000	\$ 4,200	\$ 4,300	\$ 4,400	\$ 4,500	\$ 4,600	\$ 4,700	\$ 4,800	\$ 4,900	\$ 5,000	
4074 Equipment	\$ 20,000	\$ 26,300	\$ 26,800	\$ 27,300	\$ 27,800	\$ 28,400	\$ 29,000	\$ 29,600	\$ 30,200	\$ 30,800	
4091 Transfer to General Fund - Indirect SAL (Off Airport Admin Support)	\$ 66,900	\$ 88,100	\$ 89,900	\$ 91,700	\$ 93,500	\$ 95,400	\$ 97,300	\$ 99,200	\$ 101,200	\$ 103,200	
4092 Transfer to General Fund - Indirect Benefits Portion In 4091	\$ 30,100	\$ 39,700	\$ 40,500	\$ 41,300	\$ 42,100	\$ 42,900	\$ 43,800	\$ 44,700	\$ 45,600	\$ 46,500	
Total O&M Expenditures:	\$ 582,800	\$ 570,400	\$ 581,600	\$ 593,000	\$ 604,400	\$ 616,300	\$ 628,400	\$ 640,700	\$ 653,400	\$ 666,200	

	Base Year Costs	Forecasted											
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	
Capital Project Expenditures													
Airport Safety, Security & Compliance Projects													
1	Dump Site - Phase 2 Environmental Assessment	\$ 100,000	\$ 104,000										
2	Dump Site - Phase 2 Assessment Report & Recommendations	\$ 20,000		\$ 21,000									
3	Dump Site - Environmental Remediation (Design / Construction)	\$ 3,400,000		\$ 3,737,000									
4	Taxiway A Between A5 and A6 Reconstruction - Design	\$ 450,000			\$ 504,000								
5	Taxiway A Between A5 and A6 Reconstruction - Construction	\$ 3,000,000				\$ 3,417,000							
6	Replace Automated Weather Observing System (AWOS)	\$ 245,000		\$ 269,000									
7	Runway 4-22 & Taxiway A Rehabilitation - Design	\$ 760,000		\$ 835,000									
8	Runway 4-22 & Taxiway A Rehabilitation - Construction	\$ 6,460,000			\$ 7,229,000								
9	Runway 4-22 & Taxiway A Reconstruction & LED Lighting Upgrade - Design	\$ 1,500,000											
10	Runway 4-22 & Taxiway A Reconstruction & LED Lighting Upgrade - Constr	\$ 30,000,000											
11	Reconstruction of Taxilanes & Main Apron (Design/Construction)	\$ 12,476,000					\$ 14,460,000						
12	Rehabilitation of Taxilanes & Main Apron (Design / Construction)	\$ 4,456,000											
13	Full Apron Reconstruction in front of Hangar Row (Design/Construction)	\$ 944,000											
14	Full Apron Rehabilitation in front of Hangar Row (Design/Construction)	\$ 337,000											
15A	Primary Airfield Seal Coat (Runway, Taxiways and Aprons)	\$ 838,000	\$ 873,000										
15B	Primary Airfield Seal Coat (Runway, Taxiways and Aprons)	\$ 838,000						\$ 1,005,000					
15C	Primary Airfield Seal Coat (Runway, Taxiways and Aprons)	\$ 838,000											
15D	Primary Airfield Seal Coat (Runway, Taxiways and Aprons)	\$ 838,000											
16A	Secondary Airfield and Landside Seal Coat (Taxilanes and Roadways)	\$ 304,000		\$ 326,000									
16B	Secondary Airfield and Landside Seal Coat (Taxilanes and Roadways)	\$ 304,000											
16C	Secondary Airfield and Landside Seal Coat (Taxilanes and Roadways)	\$ 304,000									\$ 377,000		
16D	Secondary Airfield and Landside Seal Coat (Taxilanes and Roadways)	\$ 304,000											
16E	Secondary Airfield and Landside Seal Coat (Taxilanes and Roadways)	\$ 304,000											
17A	Replace Three Airport Security Gate Components & Signs (Design / Constr	\$ 150,000			\$ 165,000								
17B	Replace Three Airport Security Gate Components & Signs (Design / Constr	\$ 150,000											
18A	Acquire Snow Removal Equipment & Attachments	\$ 750,000	\$ 782,000										
18B	Acquire Snow Removal Equipment & Attachments	\$ 750,000										\$ 944,000	
19A	Acquire Replacement Loader & Attachments	\$ 300,000			\$ 330,000								
19B	Acquire Replacement Loader & Attachments	\$ 300,000											
20A	Acquire Mowing Tractor & Deck System	\$ 100,000					\$ 116,000						
20B	Acquire Mowing Tractor & Deck System	\$ 100,000											
21A	Acquire Replacement Airport Operations Vehicle	\$ 60,000		\$ 64,000									
21B	Purchase Secondary Airport Operations Vehicle	\$ 60,000											
22	Replace Airport Perimeter Fence	\$ 1,056,000							\$ 1,266,000				
23	Repair Segmented Circle	\$ 50,000					\$ 58,000						
24A	Storm Drain Modifications	\$ 1,000,000											
24B	Storm Drian Modifications	\$ 500,000					\$ 580,000						
24C	Storm Drian Modifications	\$ 500,000											
Total Airport Safety, Security & Compliance Projects		\$ 74,846,000	\$ 1,759,000	\$ 411,000	\$ 5,336,000	\$ 7,733,000	\$ 3,417,000	\$ 15,214,000	\$ -	\$ 2,271,000	\$ -	\$ 377,000	\$ 944,000

	Base Year Costs	Forecasted									
		FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	
Capital Project Expenditures											
Airport Safety, Security & Compliance Projects											
1	Dump Site - Phase 2 Environmental Assessment	\$ 100,000									
2	Dump Site - Phase 2 Assessment Report & Recommendations	\$ 20,000									
3	Dump Site - Environmental Remediation (Design / Construction)	\$ 3,400,000									
4	Taxiway A Between A5 and A6 Reconstruction - Design	\$ 450,000									
5	Taxiway A Between A5 and A6 Reconstruction - Construction	\$ 3,000,000									
6	Replace Automated Weather Observing System (AWOS)	\$ 245,000									
7	Runway 4-22 & Taxiway A Rehabilitation - Design	\$ 760,000									
8	Runway 4-22 & Taxiway A Rehabilitation - Construction	\$ 6,460,000									
9	Runway 4-22 & Taxiway A Reconstruction & LED Lighting Upgrade - Design	\$ 1,500,000		\$ 1,949,000							
10	Runway 4-22 & Taxiway A Reconstruction & LED Lighting Upgrade - Constru	\$ 30,000,000			\$ 39,570,000						
11	Reconstruction of Taxilanes & Main Apron (Design/Construction)	\$ 12,476,000									
12	Rehabilitation of Taxilanes & Main Apron (Design / Construction)	\$ 4,456,000									
13	Full Apron Reconstruction in front of Hangar Row (Design/Construction)	\$ 944,000									
14	Full Apron Rehabilitation in front of Hangar Row (Design/Construction)	\$ 337,000									
15A	Primary Airfield Seal Coat (Runway, Taxiways and Aprons)	\$ 838,000									
15B	Primary Airfield Seal Coat (Runway, Taxiways and Aprons)	\$ 838,000									
15C	Primary Airfield Seal Coat (Runway, Taxiways and Aprons)	\$ 838,000	\$ 1,072,000								
15D	Primary Airfield Seal Coat (Runway, Taxiways and Aprons)	\$ 838,000						\$ 1,172,000			
16A	Secondary Airfield and Landside Seal Coat (Taxilanes and Roadways)	\$ 304,000									
16B	Secondary Airfield and Landside Seal Coat (Taxilanes and Roadways)	\$ 304,000									
16C	Secondary Airfield and Landside Seal Coat (Taxilanes and Roadways)	\$ 304,000									
16D	Secondary Airfield and Landside Seal Coat (Taxilanes and Roadways)	\$ 304,000			\$ 401,000						
16E	Secondary Airfield and Landside Seal Coat (Taxilanes and Roadways)	\$ 304,000								\$ 437,000	
17A	Replace Three Airport Security Gate Components & Signs (Design / Constru	\$ 150,000									
17B	Replace Three Airport Security Gate Components & Signs (Design / Constru	\$ 150,000		\$ 195,000							
18A	Acquire Snow Removal Equipment & Attachments	\$ 750,000									
18B	Acquire Snow Removal Equipment & Attachments	\$ 750,000									
19A	Acquire Replacement Loader & Attachments	\$ 300,000									
19B	Acquire Replacement Loader & Attachments	\$ 300,000		\$ 390,000							
20A	Acquire Mowing Tractor & Deck System	\$ 100,000									
20B	Acquire Mowing Tractor & Deck System	\$ 100,000				\$ 136,000					
21A	Acquire Replacement Airport Operations Vehicle	\$ 60,000									
21B	Purchase Secondary Airport Operations Vehicle	\$ 60,000				\$ 82,000					
22	Replace Airport Perimeter Fence	\$ 1,056,000									
23	Repair Segmented Circle	\$ 50,000									
24A	Storm Drain Modifications	\$ 1,000,000		\$ 1,299,000							
24B	Storm Drian Modifications	\$ 500,000									
24C	Storm Drian Modifications	\$ 500,000							\$ 710,000		
Total Airport Safety, Security & Compliance Projects		\$ 74,846,000	\$ 1,072,000	\$ 3,833,000	\$ 39,971,000	\$ -	\$ 218,000	\$ -	\$ 1,172,000	\$ 710,000	\$ 437,000

Heber Valley Financial Analysis Spreadsheet

	Base Year Costs	Forecasted										
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Building Preservation & Airport Modification Projects												
25 Remodel Bathroom in SRE Building	\$ 5,000											\$ 6,000
26 Repair SRE Building Roof	\$ 10,000	\$ 10,000										
27 Replace SRE Building Roof	\$ 130,000										\$ 161,000	
29 Repair Other Airport Owned Building Roofs	\$ 60,000					\$ 68,000						
30 Replace Other Airport Owned Building Roofs	\$ 780,000											
31 Realign Airport Access Road (Design / Construction)	\$ 680,000					\$ 775,000						
32 Demolish Country Garden Building	\$ 75,000									\$ 91,000		
33 Replace HVAC System in SRE Building	\$ 10,000										\$ 12,000	
Total Building Preservation & Airport Modification Projects	\$ 1,750,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 843,000	\$ -	\$ -	\$ -	\$ 91,000	\$ 173,000	\$ 6,000
Limited Second FBO Airport Cost Projects												
34 Taxilane for hangar development (Design / Construction)	\$ 324,000											
35 Construct Public Roadway & Extend Utilities to FBO	\$ 600,000											
Limited Second FBO Airport Cost Projects	\$ 924,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning & Miscellaneous												
37 Airport Master Plan Update	\$ 500,000											
38 ALP Update with Narrative	\$ 200,000										\$ 248,000	
Total Planning & Miscellaneous	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248,000	\$ -

Net Cash Position \$ (1,793,100) \$ (436,900) \$ (5,362,400) \$ (7,759,300) \$ (4,286,100) \$ (15,091,000) \$ 123,200 \$ (2,147,700) \$ 32,400 \$ (674,200) \$ (826,000)

20-Year Net Cash Position \$ (87,469,000)

Heber Valley Financial Analysis Spreadsheet

	Base Year Costs	Forecasted								
		FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042
Building Preservation & Airport Modification Projects										
25 Remodel Bathroom in SRE Building	\$ 5,000									
26 Repair SRE Building Roof	\$ 10,000									
27 Replace SRE Building Roof	\$ 130,000									
29 Repair Other Airport Owned Building Roofs	\$ 60,000									
30 Replace Other Airport Owned Building Roofs	\$ 780,000				\$ 1,044,000					
31 Realign Airport Access Road (Design / Construction)	\$ 680,000									
32 Demolish Country Garden Building	\$ 75,000									
33 Replace HVAC System in SRE Building	\$ 10,000									
Total Building Preservation & Airport Modification Projects	\$ 1,750,000	\$ -	\$ -	\$ -	\$ 1,044,000	\$ -	\$ -	\$ -	\$ -	\$ -
Limited Second FBO Airport Cost Projects										
34 Taxilane for hangar development (Design / Construction)	\$ 324,000		\$ 421,000							
35 Construct Public Roadway & Extend Utilities to FBO	\$ 600,000		\$ 779,000							
Limited Second FBO Airport Cost Projects	\$ 924,000	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning & Miscellaneous										
37 Airport Master Plan Update	\$ 500,000								\$ 710,000	
38 ALP Update with Narrative	\$ 200,000									
Total Planning & Miscellaneous	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 710,000	\$ -

Net Cash Position \$ (948,000) \$ (4,908,900) \$ (39,846,800) \$ (919,300) \$ (93,300) \$ 124,700 \$ (1,047,400) \$ (1,295,700) \$ (313,000)

20-Year Net Cash Position \$ (87,469,000)



Prepared by
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