

**ECONOMIC DEVELOPMENT**  
**FUND NO. 001**  
**ACCOUNT NO. 2002**

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***DESCRIPTION***

The Economic Development Department oversees the following divisions: Office of Economic Development, Downtown Fund, Bell Station, Merced Regional Airport, Airport Industrial Park, Visitor Services, and the Parking Authority.

The Office of Economic Development stimulates and enhances the community's economic base. Business development and job creation programs include recruitment of new businesses, expansion of existing businesses, and retention of existing businesses by maintaining a mutually beneficial relationship between the client company and local government.

The department coordinates economic development, business development, and marketing activities with local, regional, and state economic development organizations. By participating in trade shows, conducting missions, attending conferences, and hosting promotional events, the office fosters relationships with site location consultants, brokers, and corporation real estate officers. The Office of Economic Development serves as the City's lead agency for the High Speed Rail Downtown Station Planning Grant and Altamont Corridor Express planning.

The City's partnerships with the University of California Merced and Small Business Development Center is focused on retaining UC Merced graduates, clustering innovative business start-ups, job creation, and fostering local small business development. A Memorandum of Understanding executed by the six Cities with Merced County solidifies the area's role and position in regional economic development efforts.

***MISSION***

Prosper Merced.

***GOALS***

- ◇ Keep Merced as the center. Protect and build Merced's role as the region's center for retail trade, education, and professional and medical services.
- ◇ Move forward. Strengthen Merced's environment for knowledge-based industry, building upon relationships with the University of California Merced.
- ◇ Build community quality. Maintain and encourage high community standards for Merced's services, infrastructure, and private development.
- ◇ Seize each opportunity. Capitalize on opportunities to retain, expand, and recruit new basic jobs in Merced.
- ◇ Be prepared. Provide adequate job-generating land and infrastructure to assure a competitive community position.

## ECONOMIC DEVELOPMENT

- ◇ Connect the dots. Deliberately integrate all of Merced's economic development efforts.

### **OBJECTIVES**

### **PERFORMANCE MEASUREMENTS/INDICATORS**

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| 1. Complete the revisions to the Economic Development Action Plan   | Continue working with the economic development consultant and industrial site selector to complete the update by Spring 2018.  |
| 2. Proceed with the necessary steps towards developing a new local and/or regional industrial park.   | Investigate funding opportunities through the Economic Development Administration for focused studies, poll the property owners, and meet with regulatory agencies by Spring 2018. |
| 3. Find a company to market, prepare plans for virtual buildings, and eventually construct a speculative building for City-owned properties in the Airport Industrial Park. | Enter into a Public Private Partnership with a real estate company supported by a strong site consultant network by October 2017.  |
| 4. Create teams to conduct local business outreach visits to targeted local businesses.   | Commence business outreach visits by September 2017 holding 2 visits per month.  |
| 5. Establish a quarterly mission outreach program and team meeting with developers and intermediaries.  | Train team members during the Summer 2017 and set up visits starting Fall 2017.  |
| 6. Coordinate High Speed Rail, ACE Train, and other projects that may serve as economic engines in Downtown Merced.   | Modify contracts with High Speed Rail and related consultants by December 2017 for the Downtown Station Planning Grant.  |
| 7. Engage education, UC Merced, Merced Community College, et al, on documenting the workforce, identifying training programs, and retaining talent.                         | Work with the Department of Workforce Investment and academic institutions on seeking funding through agencies to commence studies on the local                                    |

## ECONOMIC DEVELOPMENT

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| 8. Maintain core economic development programs supporting business attraction, expansion, and retention. | workforce. Updates to be regularly provided.  |
|  | Promote Merced as a City on the Rise through local business visits, fostering relationships and partnerships, engaging retailers, site consultants, and brokers, etc. throughout the Fiscal Year. |

### ***2017-2018 BUDGET HIGHLIGHTS***

The Office of Economic Development budget continues to support existing staffing levels, as well as the City's contribution to the Small Business Development Center. The core program emphasizes job creation through attraction, expansion, and competitive readiness. Resources will be committed to future economic development planning efforts such as focus studies for a new industrial park, California High Speed Rail, and Altamont Corridor Express (ACE) Train planning. Completing of a number of the identified goals and objectives relies upon support from economic development and site consultants.



BUDGET DETAIL EXPENSES

001-2002 Economic Development							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
512.35-84	Retro Fee Expense	0	50	0	0	0	0
	Supplies and Services	0	50	0	0	0	0
571.01-00	Regular Salaries	191,969	188,726	185,999	190,795	190,795	190,795
571.04-01	Regular Overtime	0	17	0	0	0	0
571.10-02	Unused Sick Leave	2,724	2,778	1,286	2,910	2,910	2,910
571.10-05	Retirement PERS Classic	41,901	46,789	48,902	14,819	14,819	14,819
571.10-06	Social Security-OASDI	10,915	10,808	10,803	11,526	11,526	11,526
571.10-07	Social Security-Medicare	2,958	2,913	2,846	2,935	2,935	2,935
571.10-10	Retirement-PERS New Membr	2,941	1,463	444	0	0	0
571.10-12	Workers Compensation	766	468	413	582	544	544
571.10-20	Earned Benefit	5,058	4,922	4,637	4,849	4,849	4,849
571.10-24	Vehicle Allowance	7,444	7,315	6,998	6,934	6,934	6,934
571.10-33	Core Allowance	29,747	26,974	25,707	26,759	26,759	26,759
571.10-73	Retirement UAL Misc	0	0	0	21,188	20,002	20,002
571.10-75	Ret-EE Share PERS Classic	0	0	0	15,022	15,022	15,022
	Personnel Services	296,423	293,173	288,035	298,319	297,095	297,095
572.12-00	Telephone	1,530	1,412	3,432	3,300	3,300	3,300
572.13-00	Postage	91	81	500	500	500	500
572.15-00	Office Supplies	2,177	1,224	2,080	2,142	2,142	2,142
572.16-00	Printing	0	0	600	600	600	600
572.17-00	Professional Services	60,705	49,895	99,865	104,616	103,197	103,197
572.18-00	Travel and Meetings	11,054	10,302	20,270	20,270	20,270	20,270
572.19-00	Mileage	356	677	6,977	7,186	7,186	7,186
572.20-00	Training Expense	6,664	1,845	20,270	20,878	20,878	20,878
572.21-00	Rents/Leases	242	240	1,547	1,593	1,593	1,593
572.22-00	Office Equipment O & M	0	4	108	111	111	111
572.24-00	Memberships, Subscription	2,488	7,327	13,469	13,869	13,869	13,869
572.25-00	Maintenance Matls & Svcs	0	0	2,080	2,140	2,140	2,140
572.29-00	Other Materials Supplies	1,880	2,332	1,888	1,944	1,944	1,944
572.30-01	Dept Share of Insurance	7,741	12,102	15,809	14,025	13,878	13,878
572.38-00	Support Services	8,877	9,608	11,051	12,659	12,429	12,429
572.45-00	Facilities Maint Charge	7,740	8,069	9,145	30,652	30,976	30,976
	Supplies and Services	111,545	105,118	209,091	236,485	235,013	235,013
677.65-00	Capital Imp. Projects	0	0	0	1,848	1,848	1,848
	Capital Outlay	0	0	0	1,848	1,848	1,848
**	Economic Development	407,968	398,341	497,126	536,652	533,956	533,956

## ECONOMIC DEVELOPMENT

- 13-00 Includes mailings to local employers, California Competes updates, and marketing mailings to regional, state, and national targeted clients
- 14-00 Advertising with TeamCalifornia, other site selection journals, and International Council of Shopping Centers promotions. Publication of legal notices, design standards, environmental determinations, etc.
- 16-00 Printing of brochures, newsletters, tradeshow handouts, outreach materials, industrial site catalog, and other informational newsletters
- 17-00 Graphics and marketing services for brochures and promotional materials, marketing for investment missions, industrial prospecting services, web and GIS site maintenance and updates, and contract with economic development service provider, small business development services. State Controller report, escrow, title and broker fees, and marketing services, web services, economic development retainers
- 18-00 Participation in California Association of Local Economic Development (CALED), International Council of Shopping Centers (ICSC) tradeshows, industrial trade conferences and recruiting missions, business development workshops, site consultant workshops and meetings. Training programs, marketing outreach, recruitment missions, business workshops, and industry and retail targeted programs
- 20-00 Registration for various outreach venues coordinated through TeamCalifornia, International Council of Shopping Center, Roundtable in the High Desert, professional training seminars International Council of Shopping Centers Alliance Program and Idea Exchange, industrial outreach programs, business development programming
- 24-00 Membership for International Economic Development Council; California Association for Local Economic Development; TeamCalifornia; International Council of Shopping Centers; subscription to various demographics reports. Urban Land Institute, Shopping Center Database, California Annual Retail Survey, ESRI Business Analyst On-line, LoopNet.

25-00 Maintenance for glass display Mainplace, Art maintenance, fences, and weed abatement

29-00 Public presentation materials, photo processing, graphics display items, film, photographic equipment, tablet and smartphone upgrades, fees, and software

**MERCED VISITOR SERVICES**  
**FUND NO. 001**  
**ACCOUNT NO. 2006**

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***DESCRIPTION***

The Merced Services (MVS) program promotes Merced as a tourism destination. Key attractions to the City are the University of California Merced and Yosemite National Park. The MVS program responds to inquiries generated from travelers, potential visitors, film location scouts, and event planners. The MVS program is responsible for managing and operating the California Welcome Center. MVS also performs the duties of the Film Commission for the City of Merced. MVS reports to the Office of Economic Development.

***MISSION***

Merced Visitor Services is committed to bringing more visitors to Merced and increasing visitor spending.

***GOALS***

- ◇ Increase Merced Visitor Services revenues.
- ◇ Strengthen the operations and administration of the Visitor Services through strategic partnerships.
- ◇ Establish Merced as a go to City rather than a go through City.
- ◇ Provide more visitor services via on-line, social media, and apps.

***OBJECTIVES***

***PERFORMANCE  
MEASUREMENTS/INDICATORS***

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|--|---|
| 1. Reposition the Visitor Services program to have a stronger on-line and social media presence.               | Comprehensively update the MVS website, and incorporate social media as a means of promoting Merced's attractions and events by September 2017. |
| 2. Investigate alternatives for providing Visitor Services virtually supported by a smaller physical presence. | Work with local hospitality businesses and organizations to identify a provider willing to serve as a Visitor Bureau by December 2017.          |
| 3. Expedite Film Commission permits.   | Work with the Finance Department to re-write the Film Commission  |



**MERCED VISITOR SERVICES**

ordinance to expedite the process by December 2017.

- 4. Enhance Merced’s image via Way Finding Signs and the Highway Billboard.

Replace fading Way Finding Signs and have a new billboard face installed by September 2017.

***2017-2018 BUDGET HIGHLIGHTS***

The Merced Visitor Services (MVS) is similar to the previous Fiscal Year’s budget. As tourists continue to increase their use of on-line services, social media, and apps to book hotels, find restaurants, and other travel needs, the City will continue investigating phasing out the Visitor Services program, and partnering with an organization to serve as a virtual Visitor’s Bureau with a smaller physical presence.



BUDGET DETAIL EXPENSES

001-2006 Merced Visitor's Services							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
571.01-00	Regular Salaries	62,878	63,798	63,015	64,640	64,640	64,640
571.03-00	Extra Help	22,874	24,809	19,387	19,387	19,387	19,387
571.04-01	Regular Overtime	0	17	0	0	0	0
571.10-05	Retirement PERS Classic	14,702	16,015	16,522	5,021	5,021	5,021
571.10-06	Social Security-OASDI	3,697	3,810	3,772	3,844	3,844	3,844
571.10-07	Social Security-Medicare	1,196	1,252	1,163	1,180	1,180	1,180
571.10-10	Retirement-PERS New Membr	0	333	444	0	0	0
571.10-12	Workers Compensation	9,253	101	78	96	90	90
571.10-20	Earned Benefit	797	1,185	1,200	1,230	1,230	1,230
571.10-27	PTS Plan FICA Alternative	297	324	252	252	252	252
571.10-33	Core Allowance	16,312	13,631	13,341	13,899	13,899	13,899
571.10-73	Retirement UAL Misc	0	0	0	7,178	6,777	6,777
571.10-75	Ret-EE Share PERS Classic	0	0	0	5,044	5,044	5,044
Personnel Services		132,006	125,275	119,174	121,771	121,364	121,364
572.11-00	Utilities	317	294	330	339	339	339
572.12-00	Telephone	378	226	457	450	450	450
572.13-00	Postage	168	59	500	500	500	500
572.15-00	Office Supplies	445	265	557	557	557	557
572.17-00	Professional Services	949	7,911	2,143	2,207	1,877	1,877
572.18-00	Travel and Meetings	650	1,460	1,571	1,571	1,571	1,571
572.20-00	Training Expense	0	499	571	571	571	571
572.21-00	Rents/Leases	463	463	535	535	535	535
572.24-00	Memberships, Subscription	6,307	6,806	6,800	6,341	6,341	6,341
572.29-00	Other Materials Supplies	13,405	13,449	16,063	16,063	16,063	16,063
572.30-01	Dept Share of Insurance	1,575	1,450	1,568	1,463	1,386	1,386
572.38-00	Support Services	3,750	4,284	4,588	5,662	5,555	5,555
572.45-00	Facilities Maint Charge	7,697	7,089	8,361	8,313	8,214	8,214
Supplies and Services		36,104	44,255	44,044	44,572	43,959	43,959
**	Merced Visitor's Services	168,110	169,530	163,218	166,343	165,323	165,323

**AIRPORT INDUSTRIAL PARK**  
**FUND NO. 448**  
**ACCOUNT NO. 2003**

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***DESCRIPTION***

The Economic Development Department promotes economic development activity in the Airport Industrial Park consisting of land sales and property leasing. Installation, improvement, and maintenance of infrastructure are programs undertaken to assure existing, expanding and future industrial tenants will be well served in the Airport Industrial Park.

***MISSION***

The Airport Industrial Park provides opportunities for economic growth in Merced through sale of land to job generating industries that will benefit the community.

***GOALS***

- ◇ Encourage new job generating industry to locate at the Airport Industrial Park.
- ◇ Accommodate the expansions or necessary relocations of local industries.
- ◇ Generate revenues for economic development activities and economic development related capital improvement projects.
- ◇ Monitor and adjust as necessary the sales price of the Airport Industrial Park property to be equal with market rate.

***OBJECTIVES***

***PERFORMANCE  
MEASUREMENTS/INDICATORS***

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|---|---|
| 1. Eliminate the blight at the former Dog Pound facility on Grogan Avenue.  | Seek a public-private partnership solution to clean-up the site, and develop a new industrial facility on the property.   |
| 2. Create new marketing materials specifically focusing on investment opportunities in the Airport Industrial Park. | Continue to monitor Airport Industrial Park land pricing. Engage in shadow building programs with consultants and developers. Identify opportunities by September 2017. |

AIRPORT INDUSTRIAL PARK

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| 3. Increase the supply of industrial designated property in the Southern Airport Industrial Park area. | Investigate the annexation of contiguous properties adjacent to the South Airport Industrial Park by May 2018. |
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***2017-2018 BUDGET HIGHLIGHTS***

The proposed budget for fiscal year 2017-18 is substantially similar to that of the previous year.

Airport Industrial Park

EXPENSES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Dept. Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval 2017-18
Personnel Expenses	0	0	0	0	0	0
Supplies and Services	5,131	47,805	5,596	700	700	700
Debt Service	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Capital Improvements	3,513	0	0	0	0	0
* Undefined *	135	137,718	1,303,678	193,157	193,157	193,157
TOTAL	8,779	185,523	1,309,274	193,857	193,857	193,857

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FINANCING SOURCES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Estimated 2017-18
Cost Recovery	0	0	7,369	7,302
Investment Earnings	10,760	10,745	9,580	0
Unclassified	0	5,000	0	0
Other Revenues	1,981-	169,778	1,292,325	186,555
TOTAL	8,779	185,523	1,309,274	193,857

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BUDGET DETAIL EXPENSES

448-2003 Airport Industrial Park							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
575.92-01	Interdept DSC-General Fnd	0	41,503	0	0	0	0
575.92-17	Interdept DSC-Develop Svc	5,131	6,302	5,596	700	700	700
	Interdepartmental	5,131	47,805	5,596	700	700	700
647.65-00	Capital Imp. Projects	3,513	0	0	0	0	0
	Capital Outlay	3,513	0	0	0	0	0
908.93-01	Trsf-General Fund (001)	135	68,209	7,369	7,302	7,302	7,302
908.93-74	Trsf-EcDev Oppor (074)	0	0	1,086,577	0	0	0
	Other	135	68,209	1,093,946	7,302	7,302	7,302
948.93-61	Trsf-Airport Capital(461)	0	12,987	49,032	85,855	85,855	85,855
	Other	0	12,987	49,032	85,855	85,855	85,855
958.93-61	Trsf-Airport Fund (561)	0	0	60,700	0	0	0
	Other	0	0	60,700	0	0	0
968.93-67	Trsf-Liability Insur(667)	0	0	100,000	100,000	100,000	100,000
968.93-72	Trsf-Support Service(672)	0	56,522	0	0	0	0
	Other	0	56,522	100,000	100,000	100,000	100,000
**	Airport Industrial Park	8,779	185,523	1,309,274	193,857	193,857	193,857

**BELL STATION FACILITY**  
**FUND NO. 063**  
**ACCOUNT NO. 2005**

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***PROGRAM***

Fund is used to account for operation and maintenance of the Bell Station, which is leased to the United States Post Office and used as a post office location at 415 West 18<sup>th</sup> Street.

***MISSION***

Maintain and preserve the Bell Station as a historic icon in Downtown Merced.

***GOALS***

- ◇ Secure and maintain appropriate tenants for the main level of the facility while preserving its historic character.

***OBJECTIVES***

***PERFORMANCE  
MEASUREMENTS/INDICATORS***

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|---|--|
| 1. Transition two office spaces for use by the Merced Fire Department and Police Department | Coordinate tenant improvements and digital connectivity to accommodate transition by September 2016. |
| 2. Maintain the character of the Bell Station.  | Replace and repair fixtures, equipment, and grounds as needed.                                       |
| 3. Develop a system that monitors lease terms for renewals and rent increases.              | Create a tickler system for lease renewals and options by September 2017.                            |

***2017-2018 BUDGET HIGHLIGHTS***

All available space in the Bell Station is leased. The United State Postal Service continues to be the dominate user and revenue generator for the Bell Station budget. Use of the Bell Station is subject to the Agreement between the federal Department of Interior and the City of Merced. In addition, Fire Prevention and Code Enforcement will be co-located to enhance services provided to the Downtown area.



Bell Station Facility

ACCOUNT NO. 2005

E X P E N S E S	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Dept. Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval 2017-18
Personnel Expenses	0	0	0	0	0	0
Supplies and Services	61,260	77,066	162,120	113,617	111,703	111,703
Debt Service	0	0	0	0	0	0
Acquisitions	345	0	7,280	7,280	7,280	7,280
Capital Improvements	73,138	0	291	291	291	291
* Undefined *	7,168	7,426	7,692	7,967	7,967	7,967
<b>TOTAL</b>	<b>141,911</b>	<b>84,492</b>	<b>177,383</b>	<b>129,155</b>	<b>127,241</b>	<b>127,241</b>

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F I N A N C I N G S O U R C E S	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Estimated 2017-18
Investment Earnings	454	536	520	940
Rent of Facilities	84,788	95,393	99,374	76,465
Other Revenues	56,669	11,437-	77,489	49,836
<b>TOTAL</b>	<b>141,911</b>	<b>84,492</b>	<b>177,383</b>	<b>127,241</b>

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BUDGET DETAIL EXPENSES

063-2005 Bell Station Facility							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
515.92-01	Interdept DSC-General Fnd	3,075	11,730	12,180	0	11,923	11,923
	Interdepartmental	3,075	11,730	12,180	0	11,923	11,923
572.11-00	Utilities	38,111	37,439	41,600	41,600	41,600	41,600
572.12-00	Telephone	245	201	208	208	208	208
572.17-00	Professional Services	14,070	14,003	14,340	14,340	14,340	14,340
572.29-00	Other Materials Supplies	1,039	8,593	86,673	51,755	37,707	37,707
572.30-01	Dept Share of Insurance	1,960	2,820	3,841	3,171	3,171	3,171
572.38-00	Support Services	1,221	913	1,658	854	919	919
	Supplies and Services	56,646	63,969	148,320	111,928	97,945	97,945
573.43-00	Machinery/Equipment	345	0	7,280	7,280	7,280	7,280
	Property	345	0	7,280	7,280	7,280	7,280
574.91-01	Adm Exp-City Manager	175	219	308	320	372	372
574.91-02	Adm Exp-City Attorney	85	48	61	96	99	99
574.91-03	Adm Exp-City Clerk	301	137	158	144	152	152
574.91-09	Adm Exp-Finance	798	782	878	917	990	990
574.91-10	Adm Exp-Purchasing	102	93	117	116	120	120
574.91-16	Adm Exp-City Council	78	88	98	96	102	102
	Other	1,539	1,367	1,620	1,689	1,835	1,835
677.65-00	Capital Imp. Projects	73,138	0	291	291	291	291
	Capital Outlay	73,138	0	291	291	291	291
968.93-71	Trsf-Facilities Main(671)	7,168	7,426	7,692	7,967	7,967	7,967
	Other	7,168	7,426	7,692	7,967	7,967	7,967
**	Bell Station Facility	141,911	84,492	177,383	129,155	127,241	127,241

# AIRPORT

**AIRPORT**  
**FUND NOS. 561, 461 & 361**  
**ACCOUNT NO. 1303**

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***DESCRIPTION***

The Merced Regional Airport supports the economic development of the City of Merced by offering commercial, corporate and general aviation operations and related services; air ambulance services; flight training; aircraft maintenance and repair; fuel sales; and a restaurant. Commercial airline service is provided through the federally subsidized Essential Air Service (EAS) program of the U.S. Department of Transportation. The airport activities are conducted in accord with federal and state laws and regulations, and the City's Municipal Code and local ordinances. The airport's runway, taxiways, terminal building, aircraft parking and hangar areas are managed by the City to ensure the safe and efficient movement of aircraft and airport customers.

The airport strives to operate in a safe and secure manner, adhering to applicable federal and state laws and regulations, as well as the City Municipal code and local ordinances.

***MISSION***

The Merced Regional Airport supports the economic and physical development of the City of Merced by providing resources for commercial airline service, corporate and general aviation, air ambulance services, flight training, aircraft maintenance and repair, fuel sales and a restaurant.

***GOALS***

- Provide sustained high quality aviation services and facilities by maintaining and operating the Merced Regional Airport in a safe, secure, cost-effective and financially self-sufficient manner.
- Increase the utilization of Airport assets by expanding passenger enplanement numbers and providing improved passenger physical facilities.
- Increase pilot training avenues to equip individuals for a career in aviation and for private pilot usage of the airport. Encourage development of a flying club for more affordable general aviation activity. Encourage pilot safety activities offered through the FAA.
- Expand awareness of the airport through events open to the public to build interest in aviation, working with the airport based general aviation community.
- Enter into new leases and agreements for provision of aviation related services to generate additional operating revenues.

## AIRPORT

### **OBJECTIVES**

1. Contribute to economic development efforts of the City.
2. Enhance airport revenues and reduce operational costs at the Merced Regional Airport.
3. Maintain and grow scheduled airline service at Merced Regional Airport.
4. Maintain safe operation of the Merced Airport.
5. Continuous Improvement of Airport facilities.

### **PERFORMANCE MEASUREMENTS/INDICATORS**

Effectively work with the federal government, businesses, tenants, and customers to increase activities and revenues at the airport.

Sustain and operate the airport with reduced reliance on City General Fund subsidy.

Airline service continues and expands; EAS program participation continues with no interruption to service; advertising efforts to be employed in a broader geographic region.

Achieve "Excellent" results on all annual inspection/performance reports provided by the FAA, National Weather Service, and State of California. Work with tenants of airport to ensure satisfactory performance to avoid inspection violations due to tenant action or inaction.

Proactive efforts to achieve no lost time or employee reportable medical injuries, aircraft incursions or accidents.

Stay on schedule and within budget on capital improvement items as described in the Merced Airport Master Plan and as updated in the Airport Capital Improvement Plan on an annual basis. Be prepared to pursue available "shovel ready project" funding at end of FAA annual funding cycle.

## AIRPORT

6. Maintain excellent Tenant and City relationships.

Create transparency of airport operations and policies through airport business tenant meetings, monthly reports, informational mail-outs as needed, and updates to the Airport website.

### ***2017-2018 BUDGET HIGHLIGHTS***

The primary highlights will continue to be attention to ongoing Airport financial sustainability, as well as increasing passenger enplanements and terminal upgrades to ensure that the passenger experience is one that travelers will wish to repeat. In addition, efforts will continue to expand airport businesses. Necessary updates to facilities and airport operating areas will be accomplished as private, local, City, State, and Federal funding sources allow. However, for Airport Terminal renovations no Federal funding will be available. Overall, operating expenses will remain similar to last year. The airport and the EAS carrier will strive to achieve the 10,000 passenger enplanement target which would result in eligibility for \$1 million in FAA Airport Capital Improvement Funding, payable in two to three years following attainment of the 10,000 enplanement goal.



Airport

PERSONNEL

Number of Positions

Classification	Funded In Budget 2016-17	Dept. Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval
Airport Manager	1.00	1.00	1.00	1.00
Airport Operations Technician	1.00	1.00	1.00	1.00
Secretary I/II	.30			
Director of Economic Dev	.10	.10	.10	.10
TOTAL	2.40	2.10	2.10	2.10



## BUDGET DETAIL EXPENSES

ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
561-1303	Airport						
561.01-00	Regular Salaries	126,959	134,619	179,094	154,410	154,410	154,410
561.03-00	Extra Help	40,845	3,180	3,388	3,909	3,909	3,909
561.04-01	Regular Overtime	600	1,558	943	943	943	943
561.10-05	Retirement PERS Classic	19,756	15,522	21,313	5,749	5,749	5,749
561.10-06	Social Security-OASDI	8,217	8,762	10,955	9,524	9,524	9,524
561.10-07	Social Security-Medicare	2,530	2,095	2,647	2,311	2,311	2,311
561.10-10	Retirement-PERS New Membr	9,244	17,945	24,117	6,568	6,568	6,568
561.10-12	Workers Compensation	7,534	4,078	3,770	4,680	4,412	4,412
561.10-17	Stand By Pay	0	6,577	0	0	0	0
561.10-20	Earned Benefit	9,223	1,024	1,046	1,612	1,612	1,612
561.10-21	Bilingual Pay Program	136	3	180	0	0	0
561.10-24	Vehicle Allowance	0	0	778	770	770	770
561.10-27	PTS Plan FICA Alternative	531	42	44	51	51	51
561.10-33	Core Allowance	22,357	19,328	26,090	35,413	35,413	35,413
561.10-35	Post Employment Benefits	18,315	19,245	8,942	9,572	9,572	9,572
561.10-73	Retirement UAL Misc	0	0	0	17,147	16,187	16,187
561.10-75	Ret-EE Share PERS Classic	0	0	0	5,448	5,448	5,448
561.10-77	Ret-EE Share PERS NewMemb	0	0	0	5,285	5,285	5,285
	Personnel Services	266,247	233,978	283,307	263,392	262,164	262,164
562.11-00	Utilities	38,221	37,960	44,880	44,880	44,880	44,880
562.12-00	Telephone	3,275	2,952	4,077	4,077	4,077	4,077
562.13-00	Postage	123	204	350	350	350	350
562.14-00	Advertising	1,900	2,419	5,460	5,460	4,048	4,048
562.15-00	Office Supplies	1,622	2,909	1,533	1,533	1,533	1,533
562.16-00	Printing	0	0	60	60	60	60
562.17-00	Professional Services	8,885	8,474	23,929	27,679	27,679	27,679
562.18-00	Travel and Meetings	734	437	2,000	2,000	2,000	2,000
562.19-00	Mileage	66	0	200	200	200	200
562.20-00	Training Expense	415	1,125	2,600	2,600	2,600	2,600
562.22-00	Office Equipment O & M	257	260	890	890	890	890
562.23-00	Vehicle Operations/Maint	6,187	5,644	5,784	5,596	5,596	5,596
562.24-00	Memberships, Subscription	862	699	1,634	2,324	2,324	2,324
562.25-00	Maintenance Matls & Svcs	20,766	17,585	29,700	29,700	29,700	29,700
562.26-00	Other Equipment O & M	432	438	510	510	510	510
562.27-00	Small Tools	27	28	100	100	100	100
562.29-00	Other Materials Supplies	4,946	3,237	35,850	35,850	33,850	33,850
562.30-01	Dept Share of Insurance	10,742	15,349	19,974	16,991	16,829	16,829
562.32-00	Vehicle Replacement Fee	0	44,221	0	0	0	0
562.34-00	Contingency Reserve	0	0	3,774	0	0	0
562.35-84	Retro Fee Expense	0	50	0	0	0	0
562.38-00	Support Services	19,201	15,216	16,433	16,687	16,272	16,272
562.45-00	Facilities Maint Charge	13,794	14,590	45,774	35,778	40,435	40,435
	Supplies And Services	132,455	173,797	245,512	233,265	233,933	233,933
564.91-01	Adm Exp-City Manager	2,891	4,833	6,377	7,141	7,843	7,843
564.91-02	Adm Exp-City Attorney	2,780	1,050	1,258	2,148	2,085	2,085
564.91-03	Adm Exp-City Clerk	6,442	3,079	3,271	3,228	3,206	3,206
564.91-09	Adm Exp-Finance	13,190	17,239	18,182	20,489	20,857	20,857
564.91-10	Adm Exp-Purchasing	1,684	2,049	2,424	2,584	2,537	2,537
564.91-16	Adm Exp-City Council	1,297	1,934	2,031	2,142	2,151	2,151
	Other	28,284	30,184	33,543	37,732	38,679	38,679
565.92-01	Interdept DSC-General Fnd	0	0	0	47,693	19,077	19,077
565.92-29	Interdept DSC-Pub Works	0	38,407	0	0	0	0

BUDGET DETAIL EXPENSES

561-1303 Airport							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
565.92-53	Interdept DSC-Wastewater	795	480	498	414	414	414
565.92-70	Interdept DSC-Fleet	715	278	288	282	282	282
	Interdepartmental	1,510	39,165	786	48,389	19,773	19,773
633.64-00	Depreciation Expense	155,422	155,485	0	0	0	0
	Property	155,422	155,485	0	0	0	0
948.93-61	Trsf-Airport Capital(461)	2,300	0	1,540	0	0	0
	Other	2,300	0	1,540	0	0	0
968.93-71	Trsf-Facilities Main(671)	9,509	9,850	10,203	10,569	10,569	10,569
	Other	9,509	9,850	10,203	10,569	10,569	10,569
**	Airport	595,727	642,459	574,891	593,347	565,118	565,118

## AIRPORT

- 14-00 Advertising and marketing of airport services
- 16-00 Special color copy needs for required manuals
- 17-00 Airport and fuel pump maintenance and other professional services
- 18-00 FAA and state agency meetings and travel associated with training in Line 20-00, including meals and mileage reimbursements
- 20-00 Annual Fire training, registrations for airport management seminars and conferences, and staff training as required
- 24-00 Annual membership fees for Association of California Airports; American Association of Airport Executives; and California Association of Airport Executives; Office PC annual software licenses
- 25-00 Airport Improvements and upkeep of airport facilities and property
- 26-00 Maintenance of radios and altimeters
- 29-00 Federal, State and County required certifications and inspections for various equipment pertaining to the airport

### FOOTNOTE:

Fund 561 represents the operating costs of the Airport. Fund 461 reflects capital improvements. Fund 361 is the Airport's debt service.



BUDGET DETAIL EXPENSES

361-1303 Airport							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
532.38-00	Support Services	1	1	1	1	1	1
	Supplies and Services	1	1	1	1	1	1
534.91-01	Adm Exp-City Manager	9	14	17	19	21	21
534.91-02	Adm Exp-City Attorney	3	3	3	6	6	6
534.91-03	Adm Exp-City Clerk	14	9	9	9	9	9
534.91-09	Adm Exp-Finance	43	49	48	55	57	57
534.91-10	Adm Exp-Purchasing	6	6	6	7	7	7
534.91-16	Adm Exp-City Council	4	6	5	6	6	6
	Administrative	79	87	88	102	106	106
706.71-02	Principal-City Loans	0	0	47,299	50,321	50,321	50,321
706.72-02	Interest-City Loans	12,156	9,486	6,646	3,624	3,624	3,624
	Debt Services	12,156	9,486	53,945	53,945	53,945	53,945
**	Airport	12,236	9,574	54,034	54,048	54,052	54,052



BUDGET DETAIL EXPENSES

461-1303 Airport							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
633.64-00	Depreciation Expense	267,252	269,890	0	0	0	0
	Property	267,252	269,890	0	0	0	0
667.65-00	Capital Imp. Projects	437,782	49,327	183,943	202,247	202,247	202,247
	Capital Outlay	437,782	49,327	183,943	202,247	202,247	202,247
**	Airport	705,034	319,217	183,943	202,247	202,247	202,247