

## COMMITTEE MEMBERS

### Trustees

Jenifer Rose, Chair  
Jennifer Cunningham, Vice Chair  
Richard Jay, Member  
Lisa Gianoli, Member  
Art Sperber, Alternate  
Shaun Carey, Alternate

### Staff Liaison

Randy Carlton, Chief Finance & Administration Officer

## PRESIDENT/CEO

Daren Griffin, A.A.E.

## GENERAL COUNSEL

Ann Morgan, Fennemore Craig

## CLERK OF THE BOARD

Lori Kolacek

Updated with revised Board Memo #25

## AGENDA

### FINANCE & BUSINESS DEVELOPMENT COMMITTEE

**Date:** Tuesday, May 17, 2022

**Time:** 9:00 a.m.

**Location:** Reno-Tahoe International Airport, 2001 E. Plumb Lane, Reno  
Admin Offices, Main Terminal Building, Second Floor

**Public Meeting Notice:** Meetings are open to the public and notice is given in accordance with [NRS 241.020](#)

### Public Attendance Options:

1. Attend the meeting at the address indicated above; or
2. **Watch on Zoom:** <https://us02web.zoom.us/j/84373664041>; **Webinar ID:** 843 7366 4041; or
3. **Dial in to listen only:** 1-669-900-6833 and enter the Webinar ID when prompted

Members of the public who require special accommodations or assistance at the meeting are requested to notify the Clerk of the Board by email at [lkolacek@renoairport.com](mailto:lkolacek@renoairport.com) or by phone at (775) 328-6402.

**Public Comment:** Any person wishing to make public comment may do so in person at the Board meeting, or by emailing comments to [lkolacek@renoairport.com](mailto:lkolacek@renoairport.com). Comments received **prior to 4:00 p.m. on the day before the meeting** will be given to the Board for review and included with the minutes of this meeting. To make a public comment during the Zoom meeting, please make sure your computer or device has a working microphone. Use the “Chat” feature to submit a request to speak. When the time comes to make public comments, you will be invited to speak. Public comment is **limited to three (3) minutes** per person. No action may be taken on a matter raised under general public comment.

### This Agenda Has Been Posted at the Following Locations:

1. Airport Authority Admin Offices, 2001 E. Plumb Lane, Reno
2. <https://www.renoairport.com/airport-authority/public-meeting-information/agendas-minutes>
3. <https://notice.nv.gov/>

**Supporting Materials:** Supporting materials for this agenda are available on the Airport’s website at <https://www.renoairport.com/airport-authority/public-meeting-information/agendas-minutes>, and will be available at the meeting. For further information you may contact the Board Clerk at (775) 328-6402 or [lkolacek@renoairport.com](mailto:lkolacek@renoairport.com).

**1. INTRODUCTORY ITEMS**

- 1.1 Call to Order
- 1.2 Roll Call

**2. PUBLIC COMMENT**

*This section is for persons who wish to address the Board on matters not on the agenda. Speakers are limited to (3) minutes each.*

**3. APPROVAL OF MINUTES**

- 3.1 April 12, 2022, Finance and Business Development Committee Meeting

**4. INFORMATION, DISCUSSION AND/OR POSSIBLE ACTION ITEMS****5. ITEMS RECOMMENDED FOR APPROVAL BY THE FULL BOARD**

- 5.1 Board Memo #05/2022-25: Authorization for the President/CEO to purchase Extreme Networks, Inc. network switch hardware and associated peripherals from EYEP Solutions, Inc. in an amount not to exceed \$1,600,000 which hardware is exempt from competitive bidding pursuant to NRS 332.115
- 5.2 Board Memo #05/2022-26: Adoption of Reno-Tahoe Airport Authority Fiscal Year 2022-23 Liability and Property Insurance Program and Approval of Premiums in the Amount Not to Exceed \$1,269,054
- 5.3 Board Memo #05/2022-27: Adoption of Resolution No. 556 Amending Resolution No. 551, Establishing the Airport Rates and Charges for Fiscal Year 2022-23 Pursuant to the Reno-Tahoe Airport Authority Budget for Fiscal Year 2022-23
- 5.4 Board Memo #05/2022-28: Adoption of the Reno-Tahoe Airport Authority's Fiscal Year 2022-23 Budget (July 1, 2022 through June 30, 2023)
- 5.5 Board Memo #05/2022-29: Authorization for the President/CEO to sign an Amendment to the Exclusive Option to Ground Lease and Develop Real Estate with RNO Conrac LLC for a new Consolidated Rental Car and Ground Transportation Center located at the Reno-Tahoe International Airport and use \$2,555,781 of customer facility charge fees for design, development and pricing
- 5.6 Board Memo #05/2022-30: Authorization for the President/CEO to execute a one-year contract for the Reno-Tahoe Airport Authority employee workers' compensation insurance coverage for Fiscal Year 2022-2023, with AIG Aviation, in the amount of \$217,717

**6. MEMBER COMMENTS, QUESTIONS AND REQUESTS FOR AGENDA ITEMS****7. MONTHLY ADMINISTRATIVE REPORTS *(provided for reference only)***

- 7.1 Administrative Award of Contracts (Revenues)
- 7.2 Administrative Award of Contracts (Expenditures)
- 7.3 Financial Reporting Package
- 7.4 Budget Transfers

**8. PUBLIC COMMENT**

*This section is for persons who wish to address the Board on matters not on the agenda. Speakers are limited to (3) minutes each.*

**9. ADJOURNMENT**

**COMMITTEE MEMBERS**

**Trustees**

Jenifer Rose, Chair  
Jennifer Cunningham, Vice Chair  
Richard Jay, Member  
Lisa Gianoli, Member  
Art Sperber, Alternate  
Shaun Carey, Alternate

**Staff Liaison**

Randy Carlton, Chief Finance & Administration Officer

**PRESIDENT/CEO**

Daren Griffin, A.A.E.

**GENERAL COUNSEL**

Ann Morgan, Fennemore Craig

**CLERK OF THE BOARD**

Lori Kolacek

**DRAFT  
MINUTES**

**FINANCE & BUSINESS DEVELOPMENT COMMITTEE**

**Date:** Tuesday, April 12, 2022

**Time:** 9:00 a.m.

**Location:** Reno-Tahoe International Airport, 2001 E. Plumb Lane, Reno  
Admin Offices, Main Terminal Building, Second Floor

**Members Present:** Jenifer Rose, Jenifer Cunningham, Lisa Gianoli, Richard Jay

**Members Absent:** None

**1. INTRODUCTORY ITEMS**

**1.1 Call to Order**

The meeting was called to order at 9:00 a.m.

**1.2 Roll Call**

Roll was taken by the Clerk of the Board. All members were present.

**2. PUBLIC COMMENT**

None.

**3. APPROVAL OF MINUTES**

**3.1 March 8, 2022, Finance and Business Development Committee Meeting**

**Motion:** Move to approve the minutes of the March 8, 2022, meeting.

**Moved by:** Lisa Gianoli

**Seconded by:** Jennifer Cunningham

**Aye:** Members Rose, Cunningham, Gianoli, Jay

**No:** None

**Abstain:** None

**Vote:** Motion passed

#### 4. INFORMATION, DISCUSSION AND/OR POSSIBLE ACTION ITEMS

##### 4.1 Conrac HQ Proposal Update (*presentation only*)

Brad Erger, Properties Manager, and Randy Carlton, Chief Financial Officer, presented an update on the progress of the RTAA ConRAC Ground Transportation Center project.

##### 4.2 Public Parking and Ground Transportation Rates (*presentation only*)

Brandon Mikoleit, Landside Operations Supervisor, updated the Committee on the proposed parking and transportation fee increases. This item will be brought back in May for approval.

#### 5. ITEMS RECOMMENDED FOR APPROVAL BY THE FULL BOARD

- 5.1 Board Memo #04/2022-20:** Approval to award a five (5) year contract for Janitorial Services for the Main Terminal Buildings at Reno-Tahoe International Airport and the Reno-Stead Airport, with One Call Maintenance and Janitorial Service, in the amount of \$2,002,688.07 (*for possible action*)

Dave Pittman, Director of Facilities and Maintenance, presented this item to the Committee for approval. After discussion, the Committee took the following action:

**Motion:** Move to authorize the President/CEO to award a five (5) year contract for Janitorial Services for the Main Terminal Buildings at Reno-Tahoe International Airport and the Reno-Stead Airport, with One Call Maintenance and Janitorial Service, in the amount of \$2,002,688.07

**Moved by:** Jennifer Cunningham

**Seconded by:** Lisa Gianoli

**Aye:** Members Rose, Cunningham, Gianoli, Jay

**No:** None

**Abstain:** None

**Vote:** Motion passed

#### 6. MEMBER COMMENTS, QUESTIONS AND REQUESTS FOR AGENDA ITEMS

None.

#### 7. MONTHLY ADMINISTRATIVE REPORTS (*provided for reference only*)

##### 7.1 Administrative Award of Contracts (Revenues)

##### 7.2 Administrative Award of Contracts (Expenditures)

##### 7.3 Financial Reporting Package

There was no discussion on these items.

**8. PUBLIC COMMENT**

None.

**9. ADJOURNMENT**

The meeting was adjourned at 10:10 a.m.

DRAFT

# Board Memorandum

**To:** All Board Members

**Memo #:** 05/2022-25

**From:** Daren Griffin, President/CEO

**Subject:** Authorization for the President/CEO to purchase Extreme Networks, Inc. network switch hardware and associated peripherals from EYEP Solutions, Inc. in an amount not to exceed \$1,600,000 which hardware is exempt from competitive bidding pursuant to NRS 332.115

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## STAFF RECOMMENDATION

Staff recommends that the Board authorize the President/CEO to purchase Extreme Networks, Inc. network switch hardware and associated peripherals from EYEP Solutions, Inc. in an amount not to exceed \$1,600,000 which hardware is exempt from competitive bidding pursuant to NRS 332.115

## PURPOSE

The purpose of this action is to provide funding for the replacement and modernization of the computer network switches, routers and associated hardware used for the corporate network at the Reno-Tahoe International and Stead Airports. This action is in support of the Reno-Tahoe Airport Authority (RTAA) Strategic Priority #3, Facilities for the Future and is a key element in the modernization and continued security of its technology infrastructure.

## BACKGROUND

The RTAA currently owns, maintains and operates over 50 Extreme Networks Inc. network and core switches. These devices facilitate the networking of numerous mission-critical technologies throughout the organization supporting administrative, maintenance, components of the passenger experience and in the future tenant services.

The current networking hardware was purchased from Avaya starting in 2012 with the latest additional equipment purchased in 2016. Extreme Networks, Inc. acquired Avaya in 2017. Equipment of this nature typically has a useful life of 5-7 years. This equipment is now into its 7<sup>th</sup> to 10<sup>th</sup> year of service.

## DISCUSSION

The current switches reached end of sale 11/30/2019 and will reach end of service in 6/30/2023. End of sale is the last date this model of hardware was sold. End of service means that security

and other software updates will end. The current supply chain estimates delivery of this hardware in 9 – 12 months. A purchase order needs to be placed as soon as possible so it can be received and implemented prior to the end of service in June of 2023.

The new hardware will increase the throughput of data across the network which in the future will allow for additional traffic such as from tenants or airlines. The newer technology will further improve the ability to securely and efficiently process data traffic from multiple sources across the computer network.

Staff has identified additional benefits to providing newer switches including a universal platform, simplified licensing, powerful cloud management, zero-touch provisioning for faster deployment, and improved security with Network Access Control (NAC) creating zero-trust policies. All of these benefits improve a scalable and secure network. All of this enables the RTAA network to grow and adopt new network technologies with improved switching software in support of future networking needs. The RTAA security computer network was updated to this same model of Extreme switches in 2021.

Included in the budget is networking hardware to be used to create a network lab for testing purposes prior to updating the production environment.

The installation of these networking devices require may require additional fiber optic cabling, power installation and site-specific infrastructure considerations as we upgrade and optimize the network. This work when necessary would be funded from the TIS operational budget within the approval authority of the CEO.

## **COMPANY BACKGROUND**

Extreme Networks, Inc. is a networking company based in San Jose, California. Extreme Networks designs, develops, and manufactures wired and wireless network infrastructure equipment and develops the software for network management, policy, analytics, security and access controls. Since 1996, Extreme has been pushing the boundaries of networking technology, driven by a vision of making it simpler and faster as well as more agile and secure. But their higher purpose has always been helping their customers connect beyond the network.

EYEP Solutions, Inc is a Western Regional Value-Added Reseller located in El Dorado Hills, CA who provide Secure Network Information Technology and Physical Security Solutions. They were established in the 2005 and are deeply experienced in Data Networking, bringing that experience to the Physical Security Sector and its evolution as a converged service. EYEP Solutions continues to deploy large Enterprise Data Networks with full Integration services, specialize in IT Engineering Support and Implementation services. Their customers are primarily State and Local Government entities, City Governments, State Agencies and K-12 School Districts. They are an Extreme Corporation diamond partner.

## **FISCAL IMPACT**

This is budgeted for FY22-23 in the amount of \$1,600,000 and was estimated based on anticipated quantities, unit pricing, and associated peripherals and is sufficient to fund these requirements in their entirety. Because of long lead times of nine to twelve months for delivery



of computer networking equipment, we are seeking approval now. Payment will not be due until the equipment is delivered.

NRS 332.115 provides exemptions to competitive solicitation for computer hardware, software, and maintenance. This purchase of network hardware and licensing is part of the exemption.

The following table shows the associated costs.

<b>Extreme Switch Configuration and Cost</b>	
Items	Amount
10 Gig Copper Data Center Upgrade	\$ 20,720.36
Data Center Top of Rack Switches	\$ 50,609.98
Edge Switches 48 ports	\$ 810,749.38
Edge Switches less than 48 ports	\$ 83,075.90
Main Core Switches	\$ 373,459.32
Management/NAC licenses	\$ 48,805.21
Extreme ProServices	\$ 75,600.00
Spares/Lab/Dev	\$ 110,449.80
Contingency (1.65%)	\$ 26,530.05
Total:	\$ 1,600,000.00

## COMMITTEE COORDINATION

Finance and Business Development Committee

## RECOMMENDED MOTION

Staff recommends that the Board adopt the following motion:

It is hereby moved that the Board authorizes the President/CEO to purchase Extreme Networks, Inc. network switch hardware and associated peripherals from EYEP Solutions, Inc. in an amount not to exceed \$1,600,000 which hardware is exempt from competitive bidding pursuant to NRS 332.115

# Board Memorandum

**To:** All Board Members

**Memo #:** 05/2022-26

**From:** Daren Griffin, President/CEO

**Subject:** Adoption of Reno-Tahoe Airport Authority Fiscal Year 2022-23 Liability and Property Insurance Program and Approval of Premiums in the Amount Not to Exceed \$1,269,054

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## STAFF RECOMMENDATION

Staff recommends that the Board of Trustees approves the Fiscal Year (FY) 2022-23 Liability and Property Insurance Program and authorize the President/CEO or his designee to bind the coverages and pay the FY 2022-23 premiums through Arthur J. Gallagher Risk Management Services, Inc. (AJG) as the Broker of Record, in the amount not to exceed \$1,269,054.

## PURPOSE

The purpose of this action is to provide liability and property insurance coverage for the Reno-Tahoe Airport Authority (RTAA) and to authorize the President/CEO or his designee to bind the insurance and remit payment through AJG as the Broker of Record, of the insurance premiums.

This action is in support of RTAA Strategic Priority #3 – Facilities for the Future, Strategic Priority #4 - Safety and Security, and Strategic Priority #5 - Financial Diversification and Growth identified in the RTAA's FY 2019-23 Strategic Plan.

## BACKGROUND

RTAA has insurance policies to mitigate the risk associated with operating and maintaining the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS). This request covers insurance protection in the following areas:

1. Property - RTAA purchases insurance to protect against most risks to property, such as fire, theft, seismic (earthquake) and weather events. RTAA's property insurance includes coverage related to the following: (a) damage to real property (buildings, computer equipment, runways); (b) fire and associated risks; (c) windstorm/earthquake; (d) flood; (e) commercial crime; and (f) course of construction - damage to buildings under construction. In addition, the RTAA obtains national flood insurance and property insurance for potential damage to RTAA equipment (inland marine) and business autos.

2. Liability - RTAA purchases insurance to protect from the risk of being sued and held legally liable for activities associated with operating and maintaining both RNO and RTS. Liability insurance is designed to offer specific protection against third party insurance claims, (i.e., payment is not typically made to the insured, but rather to someone suffering a loss who is not a party to the insurance contract). However, such liability insurance coverage also reimburses RTAA for certain emergency expenses associated with Mutual Aid Agreements both at RNO and RTS. When a claim is made, the insurance carrier has the duty (and right) to defend the RTAA. The primary liability insurance coverage for the air races at RTS is arranged and maintained by the Reno Air Racing Association (RARA).

The RTAA's Liability insurance covers the following areas: (a) airport owners/operators general; (b) cyber security; (c) public officials including employment practices; (d) law enforcement; (e) emergency medical technicians.

The current policies, with the exception of flood insurance, cover the one-year period from July 1, 2021, through June 30, 2022, with renewals provided annually.

RTAA, through a competitive request for proposal (RFP) process, has retained AJG as the Broker of Record, to provide the following services:

- Develop underwriting and marketing strategies to competitively secure the best insurance coverage at the most reasonable costs. Prepare annual marketing strategy reports identifying anticipated market conditions and propose a marketing strategy for the RTAA's major loss exposure areas, prior to policy renewal.
- Analyze the RTAA's exposure to loss, adequacy of coverage, and develop options on coverage not currently purchased.
- Obtain bids from the insurance industry, evaluate the commitment and financial stability of the underwriters, and negotiate the best terms and coverages for the various exposure areas on behalf of the RTAA.
- Provide the following insurance broker services: (1) receive and analyze the underwriter's quotations; (2) review new and renewal insurance proposals for accuracy and conformity to specifications and negotiated coverages; (3) compare proposed policy language to the prior year and advise the RTAA of changes in policy form or coverage; (4) recommend policy coverage or language changes as necessary; (5) request modifications from the insurers upon RTAA concurrence, and (6) report and monitor claims activity (claims advocacy).

RTAA's insurance renewal process is as follows:

1. Insurance coverage is awarded to existing incumbents with annual premium of less than \$25,000 unless the following conditions exist:
  - a. Changing operations
  - b. Failure to provide necessary services
  - c. Material price increases

2. Insurance with annual premiums greater than \$25,000 are marketed competitively annually

This approach reflects our broker's recommendation; RTAA will obtain the most cost-efficient rates by being a long-term partner rather than a commodity price buyer. Insurance providers resent prospective clients that shop but don't buy. As a result, most insurance carriers refuse to "bid" following multiple failures to write policies. It's very easy for an entity to damage their reputation in the insurance industry and once damaged it's not easy to repair. Finally, the limit of \$25,000 reflects the N.R.S. 332 requirements that RTAA obtain competitive bids above this limit.

## COMPANY BACKGROUND

AJG is headquartered in Itasca, Illinois. The work associated with this project is expected to be performed by the staff based in Las Vegas, NV and Irvine, CA.

## DISCUSSION

In recent years the insurance market has deteriorated from stable (2018) to mixed (2019) to hard in 2020 and 2021. The year 2021 remained similar to 2020, and in fact was more challenging in some respects. The market continues to exhibit hard characteristics in the coverage of property, liability, cyber, and professional lines. In addition to the hardening of the market, a hangover effect continues due to the COVID-19 pandemic, as seen in many businesses. Many underwriters have just recently started to travel again due to company restrictions or prohibitions due to the pandemic. Barriers that dictated the prohibition of face-to-face meetings with management, and an opportunity to survey hazards, have just recently come down. Underwriters remain sensitive to claims and are discouraged to compete where the price appears to be the primary interest. The market remains together in demanding at minimum, expiring pricing, but also continues to demand increases in premiums for most lines of coverage. Coverage is difficult to match expiring terms as underwriters reduce or eliminate policy benefits such as excess auto liability or other coverages deemed to be higher risk. In other words, one may continue to pay more for less.

Property/Difference In Conditions (DIC) - For FY 2023 renewal, both property and DIC insurance were brought to open market by AJG. Property insurance rates are stabilizing and could be letting up. Capacity, which is the amount of capital available, catastrophic losses, and inflationary pressures remain the current issues. In recent years, catastrophic losses have been plentiful and well documented. Extreme weather events triggered \$343B in losses last year with tornadoes in the southern parts of the US and wildfires in Colorado, Nevada, California, and currently in New Mexico. Insureds are not finding relief and options in the standard marketplace. Carriers are offering lower limits to cap their exposure and increasing deductibles. For U.S. accounts, average property insurance premium increases are averaging 10% for non- catastrophe risks.

The renewal quote of \$620,000 from AIG reflects a premium increase of 9.7% or \$55,000 over expiring. AIG was RTAA's property insurance underwriter for a long time prior to FY 2020. AIG values its partnership with RTAA. With no losses in a few decades, prompt response to recommendations on engineering reports, contributed to the renewal premium offer at a competitive rate.

Several other markets were approached for property insurance coverage – Hartford, Allianz, CNA, Swiss Re, Zurich, Travelers, and Liberty Mutual. Although in theory able to provide coverage at full capacity they have declined to quote due to not being able to compete with the incumbent, or not willing to write full capacity, and/or offer very small limits. Lower limits require adding more carriers for a vertical placement and ultimately result in increased premiums.

DIC (Excess Flood coverage) is potentially increasing by approximately 12.6% or \$17,400. The projected premium of \$155,850 is a not to exceed amount as the broker, AJG continues to work on securing the most advantageous DIC coverage for RTAA. Based on the initial market review conducted by AJG, carriers indicated higher renewal premiums or declined due to underwriting guidelines.

Airport Liability – In recent years RTAA's airport liability insurance was provided by QBE Insurance. 2021 proved to be a volatile year for QBE with 12 key high level aviation employees departing on the same day to start a competing firm. The ensuing carnage has led to a major overhaul of their business, and they are no longer a viable market for RTAA due to the significant roll-back in capacity. While QBE offered renewal terms for 2022, they can only write a \$100 million limit. Multiple underwriters would need to support their terms in a vertical fashion, and adequate support for such a placement did not materialize. QBE is not unique in this respect, with many underwriters continuing to pull back exposure to large liability limits.

RTAA's liability coverage has been thoroughly marketed for FY the 2022-23 renewal. AJG approached the incumbent QBE, Chubb, AIG, Allianz, Global Aerospace, Old Republic Aerospace, Starr Aviation, W. Brown and Associates, USAIG, and AXAXL. Starr Aviation quoted \$99,750, and AIG Aerospace, \$110,204, both providing 100% of the required \$250 million limit of liability. QBE quoted \$109,900 to write only 40% of the necessary limit. Chubb provided a non-binding indication of \$200,000. All proposals whether bindable or not, exclude contingent air show liability to cover the Reno Air Races within their airport liability offering. In some instances, this is because certain underwriters write the Reno Air Racing Association's primary liability coverage and do not wish to stack their limits (where they conceivably could pay two claims). However, overall, underwriters continue to evaluate coverages that represent unique risk, notably where there is a history of claims, choosing to take a more conservative approach of not offering certain high-risk insurance at any cost.

An analysis of proposals to accept higher deductibles for premium savings last year did not develop any meaningful savings as the market continues to hunger for premium income. This position remains unchanged this year.

Over the past three years, the aerospace insurance industry has seen some of the worst experience in its history, exasperated by large airline, aircraft products, general aviation, and space related claims. The COVID-19 pandemic has made a hard market more difficult from an income perspective, notably due to decreased airline operations. Underwriters continue to reduce risk while charging more for what they are offering.

Current market headwinds include potential historic large claims associated with the Russia/Ukraine war, some estimates exceeding \$10 billion. Although currently not priced into the market, the potential impact of war related claims may soon have a negative impact on the aviation

insurance industry. Territorial exclusions are rapidly being added to aviation insurance policies addressing any activity in Russia, Ukraine, or Belarus.

Professional Liability (Law Enforcement and Public Official) – The overall conditions of the professional lines are bit mixed, with Law Enforcement seeing price hikes and Public Official Liability seeing stability. Law Enforcement Liability is a constantly evolving risk. Loss drivers go beyond false arrest claims and are becoming more costly. The George Floyd settlement of \$27 million was one of the largest on record.

Public Official Liability is seeing stability and rates seem to have flattened. Carrier loss results continue to improve. There are two carriers – Indian Harbor and Fair Insurance, that share the limit for RTAA’s Public Official coverage. Although several markets were approached for the renewal, the insurance broker received no offers due to revenue size of the account or underwriters unable to compete with the incumbents. AJG recommends renewing with Indian Harbor for Law Enforcement Liability and Indian Harbor and Fair Insurance for Public Official Liability.

Automobile Liability – Auto liability coverage remains challenging for personal and commercial insurers as severity and frequency of losses continue to climb. The coverage renewal was marketed by AJG, with only one proposal received from incumbent AIG. There is virtually no market for stand-alone auto, and operations in aviation related arenas tends to narrow this scope further. The renewal terms offered by AIG resulted in a premium increase of approximately \$7,131 on a static basis or 7%. Four new police vehicles add an additional annual premium of \$12,188.

Inland Marine – This line of coverage represents the insurance of RTAA’s equipment. RTAA chooses to insure the equipment at Actual Cash Value (ACV) instead of purchase cost. The policy only pays out ACV in case of a loss. Slightly lower insurable values resulted in a premium decrease of \$152, although rates increased by 8% consistent with a volatile property insurance market.

Cyber Liability - Cyber Liability Insurance continued to deteriorate in 2022. Current issues with Cyber Liability are price and capacity. There is also the perception of being a public entity, process of marketing, and impact of ransomware. Cyber claims cost the world an estimated \$20 billion in 2021, which is an increase of over 60X since 2015. Ransomware is outpacing all other losses in frequency and severity. Reporting demands have soared to over 400% from 239% in the last two years. Recent incidents include Colonial Pipeline resulting in \$4.4 million ransom payment and CNA resulting in \$40 million ransomware payment. We are also finding a lot of markets are not looking to add any new business to their portfolio. RTAA currently has a very low deductible on this policy and majority of carriers indicate a much higher retention. The incumbent CFC’s renewal premium increased by 42% or \$24,764 in additional premium keeping the lower deductible. Markets approached – AXA, Beazley, and Westchester declined to quote as they are not accepting any new public entity business. Other markets (Cowbell, Crum & Forster, Berkley, Starr, and Tokio Marine) are not releasing quotes until 30 days prior to renewal. Since the incumbent is still offering a relatively low deductible, AJG is recommending renewing with the incumbent.

Crime – Crime coverage also saw decent increases due to social engineering claims on the rise. Social engineering represents malicious acts tricking employees into giving away sensitive information or making a transfer of company funds. This coverage also reflects a low deductible of \$10,000. The incumbent proposed a premium increase of 10% or \$1,366. AJG recommends

staying with the incumbent, Great American, and keeping the low deductible. Current indications are that the incumbent will require a higher deductible next year.

Insurance lines with premiums below \$25,000 were not competitively marketed for the FY 2022-23 renewal.

AJG began to market the RTAA's insurance coverage in March 2022, and the following schedule is a summary of the recommended proposed insurers by policy type:

Type of Insurance	Recommended Carrier	Insurance Premium
<b>Property Insurance</b>		
Property	AIG Insurance	\$620,000
DIC Flood	Evanston Insurance Co Endurance American Westchester Surplus	\$155,850  NOT TO EXCEED
Equipment – Inland Marine	Granite State Insurance Company	\$12,443
National Flood Insurance**	NFIP Hanover	\$17,000
Business Auto	New Hampshire Insurance Company	\$120,706
Total Property		\$925,999
<b>Liability Insurance</b>		
Airport Operations Liability	Starr Aviation	\$99,750
Cyber Liability	CFC Underwriting Ltd	\$84,160
Public Officials / Employee Practices	Stafford Insurance	\$83,529
Law Enforcement	Indian Harbor Insurance*	\$32,994
Emergency Medical Technician	James River Insurance*	\$23,695
Crime and Dishonesty	Great American	\$15,026
Fiduciary	Great American	\$3,900
Total Liability		\$343,054
GRAND TOTAL		\$1,269,054

\* Note: Indicates that insurance carrier is a surplus lines carrier in Nevada. The premium column includes surplus lines taxes and fees.

\*\* Note: NFIP Flood Insurance premium is an estimate. Exact premiums cannot be determined until Policies renew in February 2023.

## FISCAL IMPACT

The FY 2022-23 insurance renewal premiums total \$1,269,054, a 10.7% increase from FY 2021-22. The proposed FY 2022-23 budget reflects \$1,332,000 for liability and property insurance premiums. The proposed insurance premium is 4.7% or \$62,946 less than the adopted budget.

The total renewal premium as compared to the current year actual expenditures and the proposed FY 2022-23 Budget is shown below:

<b>FY 2021-22 Actual</b>	<b>FY 2022-23 Quote</b>	<b>Dollar Change</b>	<b>Percent Change</b>	<b>FY 2022-23 Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
\$1,146,508	\$1,269,054	\$122,546	10.7%	\$1,332,000	(\$62,946)	(4.7%)

A detailed breakdown of each insurance coverage recommendation is provided in the attached Summary of Insurance Premiums for policy term July 1, 2022, to June 30, 2023.

## **COMMITTEE COORDINATION**

Finance and Business Development Committee

## **RECOMMENDED MOTION**

Staff recommends that the Board adopt the following motion:

“It is hereby moved that the Board of Trustees approves the Fiscal Year 2022-23 Liability and Property Insurance Program and authorizes the President/CEO, or his designee, to bind the coverages and pay the FY 2022-23 premiums in the amount not to exceed \$1,269,054”



**RENO-TAHOE AIRPORT AUTHORITY**  
**SUMMARY OF INSURANCE PREMIUMS FOR POLICY TERM: JULY 1, 2022 TO JUNE 30, 2023**

Quotes for FY 2022-23 Renewal Term									
Coverage	Recommend Carrier	Limits & Deductibles	FY 2022-23 PREMIUM	Surplus Lines Tax	TOTAL FY 2022-23 PREMIUM	FY 2021-22 PREMIUM	FY 2022-23 Budget	FY 2022-23 Quote vs. FY 2021-22 Actual	FY 2022-23 Quote vs. Budget
<b>Property Insurance</b>									
<b>Property</b>	AIG,  Evanston Insurance Co, AXIS Insurance & Westchester Surplus*	\$661,926,052 Property Values <b>Limit of Liability:</b> \$400,000,000 \$50 mil EQ / \$25 mil Flood B & M included <b>Deductible:</b> \$100,000 /Loss Except: Flood \$100,000; 5% of Property Value subject to minimum \$1,000,000 for special flood hazard areas; \$500,000 for four locations Earthquake of 10% of Property Value subject to minimum of \$250,000	\$775,850.00		\$775,850.00	\$703,467.53	\$787,000.00	10%	-1%
<b>Equipment - Inland Marine</b>	Granite State Insurance (AIG)	\$11,302,709 Total Cash Value  Deductible: \$10,000 Per Occurrence	\$12,443.00	n/a	\$12,443.00	\$12,595.00	\$15,000.00	-1%	-17%
<b>National Flood Insurance**</b>	NFIP/Hanover	\$500,000 Policy Limit per building	\$17,000.00	n/a	\$17,000.00	\$17,000.00	\$21,000.00	0%	-19%
<b>Business Auto</b>	New Hampshire Insurance Co.	Auto Liability Limit: \$1,000,000 CSL Deductible: \$5,000 Comp/Collision	\$120,706.00	n/a	\$120,706.00	\$101,387.00	\$135,000.00	19%	-11%
<b>Liability Insurance</b>									
<b>Airport Operations Liability</b>	Starr Insurance	\$250,000,000 Per Occurrence \$250,000,000 Annual Aggregate Deductible: \$0	\$99,750.00	n/a	\$99,750.00	\$98,150.00	\$125,000.00	2%	-20%
<b>Cyber Liability</b>	CFC Underwriting Ltd.*	\$5,000,000 Per Claim \$5,000,000 Annual Aggregate Deductible: \$20,000	\$81,000.00	\$3,160.00	\$84,160.00	\$59,396.17	\$85,000.00	42%	-1%
<b>Public Official Liability / Employee Practices Liability</b>	Fair American Indian Harbor*	\$10,000,000 E&O Annual Aggregate \$10,000,000 EPL Annual Aggregate Deductible: \$100,000	\$81,497.00	\$2,031.78	\$83,528.78	\$84,929.94	\$85,000.00	-2%	-2%
<b>Law Enforcement Liability</b>	Indian Harbor Insurance Co.*	\$5,000,000 Each Occurrence/Annual Aggregate Deductible: \$50,000 Per Occurrence	\$31,756.00	\$1,238.48	\$32,994.48	\$29,464.00	\$33,000.00	12%	0%
<b>Emergency Medical Technicians (EMT) Liability</b>	James River Insurance Co.*	\$5,000,000 Annual Aggregate Deductible: \$5,000 Each Claim	\$22,806.00	\$889.43	\$23,695.43	\$22,858.00	\$26,000.00	4%	-9%

Quotes for FY 2022-23 Renewal Term									
Coverage	Recommend Carrier	Limits & Deductibles	FY 2022-23 PREMIUM	Surplus Lines Tax	TOTAL FY 2022-23 PREMIUM	FY 2021-22 PREMIUM	FY 2022-23 Budget	FY 2022-23 Quote vs. FY 2021-22 Actual	FY 2022-23 Quote vs. Budget
Crime and Dishonesty	Great American	<b>Limit of Liability:</b> \$5,000,000 Employee Dishonesty \$250,000 Forgery Alteration \$100,000 Inside Premises \$100,000 Outside Premises \$500,000 Computer Fraud \$50,000 Money Orders/ Counterfeit Paper \$500,000 Funds Transfer Fraud Deductible \$250,000 Social Engineering <b>Deductible:</b> \$10,000	\$15,026.00	n/a	\$15,026.00	\$13,660.00	\$16,000.00	10%	-6%
Fiduciary Liability	Great American	\$2,000,000 Annual Aggregate Deductible: \$1,000 Per Claim	\$3,900.00	n/a	\$3,900.00	\$3,600.00	\$4,000.00	8%	-3%
<b>TOTAL</b>			<b>\$1,261,734.00</b>	<b>\$7,319.69</b>	<b>\$1,269,053.69</b>	<b>\$1,146,507.64</b>	<b>\$1,332,000.00</b>	<b>10.7%</b>	<b>-4.7%</b>

Note: \* Indicates that insurance carrier is a surplus lines carrier in Nevada. The premium column includes surplus lines taxes and fees.

Note: \*\* NFIP Flood Insurance premium is estimated. Exact premiums can not be determined until policies renew in February, 2023

# Board Memorandum

**To:** All Board Members

**Memo #:** 05/2022-27

**From:** Daren Griffin, President/CEO

**Subject:** Adoption of Resolution No. 556 Amending Resolution No. 551, Establishing the Airport Rates and Charges for Fiscal Year 2022-23 Pursuant to the Reno-Tahoe Airport Authority Budget for Fiscal Year 2022-23

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## Staff Recommendation

Staff recommends that the Board adopts Resolution No. 556, a Resolution amending Resolution No. 551, a Master Fee Resolution setting forth Airport Rates and Charges for Fiscal Year (FY) 2022-23 pursuant to the Reno-Tahoe Airport Authority's (RTAA) FY 2022-23 Annual Budget.

## Purpose

The purpose of this action is to establish and maintain a master list of FY 2022-23 rates, charges, and fees established for specific uses of RTAA facilities and user fees related to the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS).

## Background

The Airport Act, Chapter 474, states that RTAA may assess and collect fees, rentals, rates, and other charges. RTAA has numerous resolutions, policies, and agreements that set forth rates and fees for the various operators and customers at RNO and RTS. The purpose of the Master Fee Resolution ("Resolution") is to provide the Board, staff, and users of the RTAA one document that details the majority of rates, charges and fees in one place for easy reference.

## Discussion

The Resolution is updated on an annual basis to coincide with the budget process and may be amended during the fiscal year. Rates and charges, such as landing fees, terminal building rents, and fees for the baggage handling system are calculated to recover the estimated cost to operate these facilities as established in the proposed RTAA budget for FY 2022-23. The fee structure and the method of calculating the airline rates and charges is further outlined in the RTAA's airline use and lease agreement established on July 1, 2015. Some of the highlights of the proposed FY 2022-23 Master Fee Resolution are as follows:

- The landing fee rate is increasing from \$3.23 to \$3.50 per 1,000 lbs. of landed weight. The rate has been discounted from \$3.82 to \$3.50 by allocating \$1.120 million of federal stimulus funding. This is the first time the rate has increased since the onset of the COVID-19 pandemic. This rate recovers the proposed budget requirements to fund operating expenses, fixed assets, and capital improvement projects associated with the Airfield cost center.

- Terminal rental rates for the use of RNO terminal facilities including ticket counters, holdrooms, and other terminal space occupied by airlines are increasing due to higher expenses allocated to the Terminal cost center. The average terminal rental rate is increasing from \$78.99 to \$96.13 per square foot per annum (PSFPA). There are differential terminal rates between signatory airlines and non-signatory airlines due to the terms of RTAA's airline use and lease agreement. Signatory airlines pay a lower average terminal rental rate after applying the budgeted revenue sharing credit. Average terminal rental rates for signatory airlines are decreasing from \$55.31 to \$54.40 PSFPA primarily due to the increase in net revenues forecasted for FY 2022-23.
- Ticket Counter per use charges are changing due to the shortage of available ticket counter space. Staff proposes reducing the minimum amount of leased ticket counters from four to one. This will provide for greater operational flexibility and allow for more accurate billing should the airport transition to a shared or common use system for ticket counters. The new per use charge is \$25 per enplaned operation.
- Applicable land and building rents reflect an 8.5% Consumer Price Index (CPI) adjustment based the period of March 2021 to March 2022.
- General Aviation (GA) rental rates adjusted annually by CPI are proposed to change based on current contracts. T-hangars reflect a 2% increase due to the cap in the T-Hangar Leasing Guidelines. Box hangars and other GA rental rates reflect a 3% increase based on the cap in the lease agreements.
- Based on the Walker Consultants' ("Walker") report and input from the Board, staff recommends increasing public parking rates in FY 2022-23 by two dollars per day. Hourly rates are also recommended to change and are detailed in the Master Fee Resolution. Public parking rates at RNO have not been updated since 2008 and ground transportation rates have not been updated since 2004. RTAA retained Walker to assist in evaluating and recommending changes to both the public parking and ground transportation rates. Walker Consultants surveyed and analyzed RTAA's public parking and ground transportation rates in comparison with parking and ground transportation programs of other like-sized and regional airports. Additionally, Walker evaluated RTAA's current and future needs with growing passenger volumes and the associated increased traffic volumes from personal and commercial vehicles. Master Fee resolution 556 is replacing parking resolutions 480, 496, and 497.
- The Blue and Yellow parking lots are introduced for public parking overflow with a daily rate of \$12, and \$14 respectively.
- Customer Facility Charges (CFC) are increasing from \$5.50 to \$6.50 per car rental transaction day. The car rental companies were informed of the proposed increase.
- A new Peer-to-Peer Car Sharing fee is being established at RNO to ensure that all operators are treated equitably. Peer-to-peer car sharing is a new transportation category that allows vehicle owners to use a web-based platform to rent their personal vehicle to another party. The 10% fee that RTAA is proposing matches the fee that off-airport operators currently pay, plus a parking fee for any dedicated parking spaces.
- Waste disposal fees are increasing from \$4,770 to \$6,597 per month due to higher costs associated with providing the trash removal services. This is based on prior year actual expenditures and reflects the significant increase in passenger traffic.
- Airport mini warehouse rates are increasing based on a market study.

- Returned Check Charge fees are increasing from \$25.00 to \$35.00, Administrative Fees are increasing from \$10.00 to \$15.00, and Storage Unit Lock Services are increasing from \$10.00 to \$20.00 per occurrence. The increases are due to higher costs associated with providing these services.
- Reimbursement for services/maintenance – the reimbursement fees associated with services and maintenance provided by RTAA to tenants are increasing to recover higher airport costs related to personnel and equipment used to provide the services.

## **Fiscal Impact**

The fiscal impact related to Resolution No. 556 is outlined in the presentation for the FY 2022-23 budget approval and various resolutions.

## **Committee Coordination**

Finance and Business Development Committee

## **Recommended Motion**

It is hereby recommended that the Board adopt the following motion:

"It is hereby moved that the Board adopts Resolution No.556: amending Resolutions Number 480, 496, 497, and 551 establishing the Airport Rates and Charges for Fiscal Year 2022-23 pursuant to the RTAA Budget for FY 2022-23."

# Board Memorandum

**To:** All Board Members

**Memo #:** 05/2022-28

**From:** Daren Griffin, President/CEO

**Subject:** Adoption of the Reno-Tahoe Airport Authority's Fiscal Year 2022-23 Budget (July 1, 2022 through June 30, 2023)

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## STAFF RECOMMENDATION

Staff recommends that the Board of Trustees adopt the Fiscal Year 2022-23 (FY 2022-23) budget of the Reno-Tahoe Airport Authority (RTAA).

## PURPOSE

The purpose of this action is to adopt the RTAA's annual budget for FY 2022-23, representing the period of July 1, 2022, through June 30, 2023. Pursuant to State law, the budget is to be considered by the Board in a noticed public hearing. The notice was published in the *Reno Gazette-Journal* on May 10, 2022. In accordance with State law, the Board must adopt the budget on or before June 1, 2022. Accompanying this memorandum is the RTAA proposed budget for FY 2022-23 for consideration and adoption by the Board of Trustees.

The budget is RTAA's annual fiscal plan of revenues and expenses to fund operations and the annual capital improvement program for the Reno-Tahoe International Airport (RNO) and Reno-Stead Airport (RTS) as owned and operated by RTAA. Adopting the budget is in support of all RTAA Strategic Priorities, including # 1 – Passenger and Air Cargo Service, # 2 – General Aviation, #3 – Facilities for Future, # 4 – Safety and Security, #5 – Financial Diversification and Growth, # 6 – Customer Experience # 7 – People, and #8 – Sustainability.

## BACKGROUND

On April 29<sup>th</sup> the Board held a workshop on the preliminary budget. Staff presented an overview of the draft budget, including passenger enplanement, landed weight, revenue, and expense estimates for the upcoming fiscal year to begin on July 1, 2022. The presentation included information on federal airport relief grants issued by the Federal Aviation Administration (FAA) in response to the pandemic, including CARES, CRRSA, and ARPA. These grants are a critical source of funding used to pay for capital projects, offset RTAA's operating expenses, and pay debt service. The FY 2022-23 budget was also discussed with the Airline Airport Affairs Committee as required by the RTAA's airline agreement with signatory airlines.

## DISCUSSION

Accompanying this memorandum is the RTAA's proposed budget for FY 2022-23, including data from the current FY 2021-22 budget (original budget and a revised forecast) and actual results from FY 2020-21, the last completed and audited fiscal year. Airline traffic through RNO continued its rebounding trend in the current fiscal year from the devastating impacts of the COVID-19 pandemic, in some months exceeding the passenger numbers recorded in FY 2018-19. The FY 2022-23 proposed budget assumes a 2.4 million enplaned passenger forecast, 12% over the current year forecast and 10% over the FY 2018-19 actual results. The landed weight forecast for FY 2022-23 is 3.5 million thousand pounds, an increase of 10% over the current year updated forecast and 16% over the FY 2018-19 actual results. The airline traffic forecast is based on published airline schedules and announced new routes. Three new airlines were added to the forecast. Aha! is RNO's newest signatory airline, while Spirit and Sun Country are expected to start scheduled service in FY 2022-23.

A key element in sustaining our operations during the pandemic have been federal airport relief grants we began receiving in FY 2019-20. In prior years RTAA has put this funding to use by retaining personnel, reimbursing airport operating expenses, and debt service costs. Additionally, CRRSA and ARPA acts contained allocations for in-terminal concessionaire relief. The proposed FY 2022-23 Budget assumes using CARES/ARPA funds to pay debt service costs for RTAA's new short-term borrowing program to finance approximately \$12.5 million in capital projects and reimburse approximately \$1.1 million in operating expenses. As a result, the airlines operating at RNO will pay less in rates and charges.

Although we see a strong traffic and revenue forecast for FY 2022-23, some level of uncertainty continues with new pandemic variants, increased fuel costs, the war in Ukraine, and a potential recession being discussed for next year. All these factors may have a significant impact on travel and airline, airport operations. As customary, we will be actively monitoring our important business metrics and updating the Board on a regular basis during the year.

## FISCAL IMPACT

As discussed in the attached FY 2022-23 Budget of the Reno-Tahoe Airport Authority.

## COMMITTEE COORDINATION

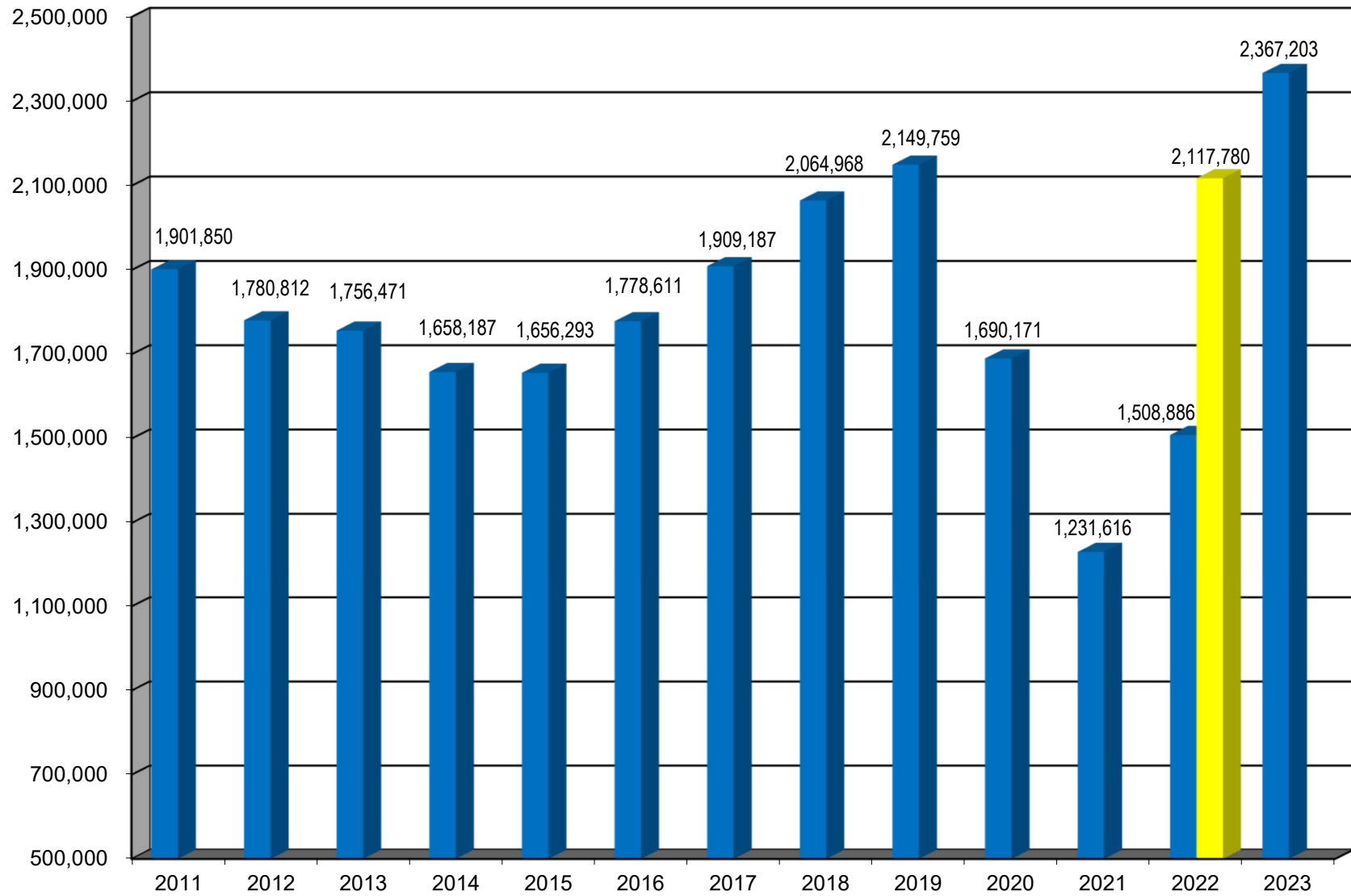
Finance and Business Development Committee

## RECOMMENDED MOTION

It is hereby recommended that the Board adopt the motion following:

"It is hereby moved that the Board of Trustees adopts the budget of the Reno-Tahoe Airport Authority for Fiscal Year 2022-23."

## Enplaned Passengers



\* 2022 and 2023 are budgeted amounts



**Reno-Tahoe Airport Authority**  
**FY 2022-23**  
**ANNUAL BUDGET**  
**Total Revenues**

	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Budget	% Change 2023 Budget to	
					22 Budget	22 Projected
Operating Revenues						
Airline Revenues	15,061,499	16,978,753	17,002,646	21,009,607	23.7%	23.6%
Other Operating Revenues	28,215,690	31,102,471	39,384,186	47,186,703	51.7%	19.8%
Total Operating Revenues	\$ 43,277,189	\$ 48,081,224	\$ 56,386,832	\$ 68,196,310	41.8%	20.9%
Non-Operating Revenues						
Passenger Facility Charges (PFC)	4,514,399	5,653,900	7,964,400	8,879,500	57.1%	11.5%
Customer Facility Charges (CFC)	4,954,128	5,693,000	7,419,700	10,588,500	86.0%	42.7%
CARES/CRRSA	7,114,061	11,745,950	14,594,857	13,650,300	16.2%	-6.5%
Interest Income	886,651	708,000	811,500	878,600	24.1%	8.3%
Other Non-Operating Revenues	(689,934)	213,700	244,500	256,700	20.1%	5.0%
Total Non-Operating Revenues	\$ 16,779,305	\$ 24,014,550	\$ 31,034,957	\$ 34,253,600	42.6%	10.4%
<b>TOTAL REVENUES</b>	<b>\$ 60,056,493</b>	<b>\$ 72,095,774</b>	<b>\$ 87,421,788</b>	<b>\$ 102,449,910</b>	<b>42.1%</b>	<b>17.2%</b>

**Reno-Tahoe Airport Authority**  
**FY 2022-23**  
**ANNUAL BUDGET**  
**Non-Airline Revenues**

Non-Airline Revenues	2020-21 Actual	2021-22 Budget	2021-22 Projected	2022-23 Budget	% Change 2023 Budget to	
					22 Budget	22 Projected
Auto Parking	\$ 7,161,202	\$ 8,587,900	\$ 13,265,258	16,459,900	91.7%	24.1%
Ground Transportation	199,975	265,400	321,800	690,600	160.2%	114.6%
Auto Rental	6,486,437	6,496,400	10,230,396	11,208,806	72.5%	9.6%
Non-Terminal Rents (RNO)	6,151,066	6,540,846	6,334,357	6,781,127	3.7%	7.1%
Reimbursed Services	1,818,482	2,194,932	2,789,732	2,972,759	35.4%	6.6%
Food & Beverage	772,106	1,407,689	822,188	2,108,900	49.8%	156.5%
Gaming Concession	632,609	700,400	808,249	1,199,500	71.3%	48.4%
Merchandising Revenue	514,509	932,145	430,543	1,119,700	20.1%	160.1%
Aircraft Fees	1,131,162	1,026,600	1,149,911	1,181,011	15.0%	2.7%
Reno Stead Rents	1,188,840	924,650	898,300	1,039,400	12.4%	15.7%
Other Terminal Rents	750,995	875,900	727,150	791,400	-9.6%	8.8%
Advertising	615,514	537,809	789,179	847,400	57.6%	7.4%
Other Concessions	607,021	517,900	695,106	677,500	30.8%	-2.5%
Miscellaneous	185,773	93,900	122,018	108,700	15.8%	-10.9%
<hr/>						
Total Non-Airline Revenues	\$ 28,215,690	\$ 31,102,471	\$ 39,384,186	\$ 47,186,703	51.7%	19.8%

Reno-Tahoe Airport Authority

FY 2022-23

ANNUAL BUDGET

Operations and Maintenance Expenses by Department by Expense Category

Division/Department	Personnel Services	Utilities	Purchased Services	Materials & Supplies	Admin Expenses	TOTAL
Board of Trustees	\$ 120,420	\$ -	\$ 1,100	\$ 1,500	\$ 53,500	\$ 176,520
General Counsel	280,000	-	440,720	-	17,400	738,120
President/CEO	646,600	-	150	6,150	159,500	812,400
Air Service Business Develop	423,400	-	221,505	16,250	114,225	775,380
Marketing and Public Affairs	1,313,400	-	198,116	54,240	640,188	2,205,944
Economic Development	1,302,700	55,700	377,150	9,220	83,245	1,828,015
Outside Properties Budget	177,700	174,350	998,847	5,020	16,900	1,372,817
People, Culture, & Equity	1,274,880	-	125,230	10,310	185,795	1,596,215
Information Systems	2,031,700	425,000	2,129,111	637,787	55,300	5,278,898
Reno Stead Airport	752,700	146,000	99,370	150,800	13,750	1,162,620
Finance	1,795,600	-	291,300	13,200	50,600	2,150,700
Purchasing & Materials Mgmt	713,200	-	9,300	12,255	18,680	753,435
Ops & Public Safety Admin	767,300	-	65,050	5,950	40,810	879,110
Airside Operations	1,349,500	-	71,000	21,525	50,050	1,492,075
Landside Operations	1,952,232	-	494,500	92,185	381,516	2,920,433
Airport Fire	4,539,668	-	155,195	256,118	149,657	5,100,638
Airport Police	4,000,045	-	25,761	73,115	63,270	4,162,191
Airport Communications	1,364,300	-	157,621	32,800	23,450	1,578,171
Airport Security	1,820,800	-	42,200	62,750	15,600	1,941,350
Planning & Infrastructure Admin	581,404	-	130,650	5,750	7,512	725,316
Planning & Environmental	814,278	-	366,120	-	11,342	1,191,740
Engineering & Construction	1,108,900	-	590,900	1,500	29,136	1,730,436
Facilities & Maintenance Admin	450,000	-	11,000	32,845	5,095	498,940
Airfield Maintenance	3,028,753	262,000	89,443	925,170	65,150	4,370,516
Building Maintenance	5,676,127	1,667,000	773,668	488,050	13,350	8,618,195
Baggage Handling System	72,300	403,000	1,273,493	70,500	-	1,819,293
Non Departmental	(300,000)	-	435,500	-	1,382,000	1,517,500
Customs Border Protection	-	-	191,000	-	-	191,000
Fuel Tax Expenses	-	-	-	-	344,000	344,000
Total Expense	38,057,907	3,133,050	9,765,000	2,984,990	3,991,021	57,931,967

Reno-Tahoe Airport Authority

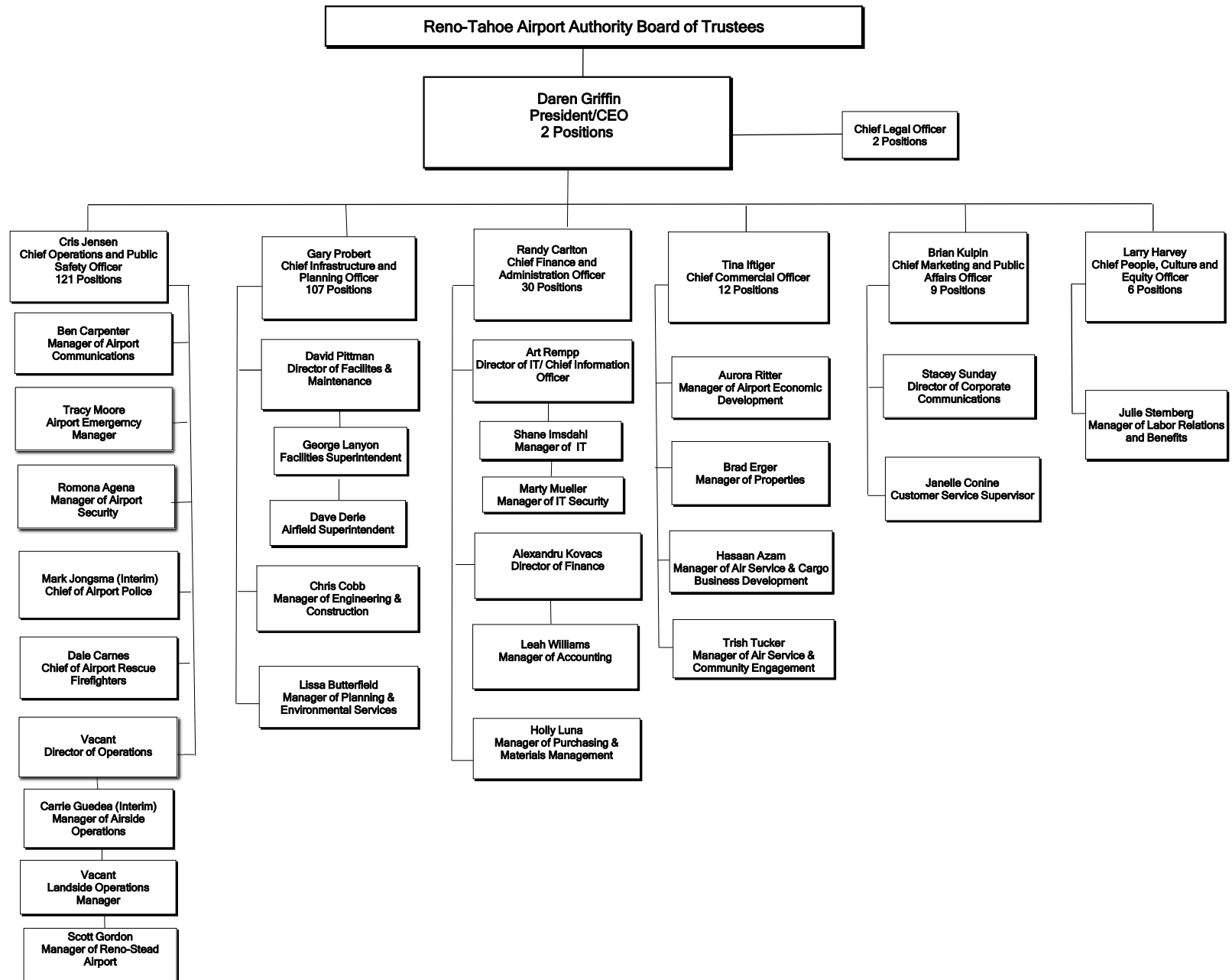
FY 2022-23

ANNUAL BUDGET

Operations and Maintenance Expenses by Department by Expense Category

Division/Department	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Forecast	FY 2022-23 Budget	Budget to Budget \$ Change	Budget % Change
Board of Trustees	\$ 137,994	\$ 132,130	\$ 132,130	\$ 176,520	\$ 44,390	33.6%
Internal Auditor	329,130	-	322,875	-	-	
General Counsel	468,355	553,625	553,625	738,120	184,495	33.3%
President/CEO	687,433	820,310	838,942	812,400	(7,910)	-1.0%
Air Service Business Develop	466,934	948,288	948,288	775,380	(172,908)	-18.2%
Marketing and Public Affairs	1,228,120	2,056,563	2,056,563	2,205,944	149,381	7.3%
Economic Development	1,089,890	1,411,395	1,411,395	1,828,015	416,620	29.5%
Outside Properties	981,999	1,259,766	1,324,871	1,372,817	113,051	9.0%
Executive Vice-President/COO	18,482	-	-	-	-	
People, Culture, & Equity	1,010,563	1,253,873	1,328,873	1,596,215	342,342	27.3%
Information Systems	3,314,982	3,910,969	3,910,969	5,278,898	1,367,929	35.0%
Reno Stead Airport	962,103	1,095,675	1,095,675	1,162,620	66,945	6.1%
Finance	1,117,762	2,020,614	1,323,499	2,150,700	130,086	6.4%
Purchasing & Materials Mgmt	691,820	714,014	714,014	753,435	39,421	5.5%
Finance & Budgeting	313,609	-	374,240	-	-	
Ops & Public Safety Admin	280,644	444,775	444,775	879,110	434,335	97.7%
Airside Operations	2,374,388	1,214,125	1,250,625	1,492,075	277,950	22.9%
Landside Operations	1,505,964	1,833,268	2,339,868	2,920,433	1,087,165	59.3%
Airport Fire	3,663,010	4,462,597	4,555,279	5,100,638	638,041	14.3%
Airport Police	3,901,205	3,976,358	3,976,358	4,162,191	185,833	4.7%
Airport Communications	-	1,406,233	1,406,233	1,578,171	171,938	12.2%
Airport Security	1,609,378	1,678,010	1,685,510	1,941,350	263,340	15.7%
Planning & Infrastructure Admin	386,171	369,215	372,037	725,316	356,101	96.4%
Planning & Environmental	820,368	1,103,295	1,103,295	1,191,740	88,445	8.0%
Engineering & Construction	901,640	1,236,469	1,358,528	1,730,436	493,967	39.9%
Facilities & Maintenance Admin	627,350	458,560	458,560	498,940	40,380	8.8%
Airfield Maintenance	3,346,097	3,927,384	3,945,484	4,370,516	443,132	11.3%
Building Maintenance	6,833,744	7,799,415	7,799,415	8,618,195	818,780	10.5%
Baggage Handling System	1,325,689	1,724,700	1,774,700	1,819,293	94,593	5.5%
Non Departmental	1,772,457	1,487,000	1,487,000	1,517,500	30,500	2.1%
Customs Border Protection	188,206	194,000	194,000	191,000	(3,000)	-1.5%
Fuel Tax Expenses	256,799	439,000	439,000	344,000	(95,000)	-21.6%
Carryover Prior Year	-	53,367	-	-	-	
Total Expense	42,612,297	49,931,626	50,926,626	57,931,967	8,000,340	16.0%

# FY 2022-23



**Reno-Tahoe Airport Authority**  
**FY 2022-23**  
**ANNUAL BUDGET**

	Budgeted and/or Authorized FY 2020-21	Budgeted and/or Authorized FY 2021-22	Budgeted and Authorized FY 2022-23
<b>Board of Trustees Division</b>			
Board of Trustees *	9.0	9.0	9.0
<b>Total Board of Trustees Division *</b>	9.0	9.0	9.0
<b>President/CEO Division</b>			
<b>President/CEO Section</b>			
President/CEO	1.0	1.0	1.0
Executive Assistant/Board Assistant	1.0	1.0	1.0
Total President/CEO	2.0	2.0	2.0
<b>Legal Section</b>			
Chief Legal Officer	0.0	0.0	1.0
Legal Secretary	0.0	0.0	1.0
Total Legal Section	0.0	0.0	2.0
<b>Executive Vice President/COO Section</b>			
Executive Vice-President/COO	1.0	0.0	0.0
Executive/ Clerk of the Board	1.0	0.0	0.0
Total Executive Vice President/COO	2.0	0.0	0.0
<b>Total President/CEO Division</b>	4.0	2.0	4.0
<b>Marketing &amp; Public Affairs Division</b>			
Chief Marketing and Public Affairs Officer	0.0	1.0	1.0
Vice-President of Marketing and Public Affairs	1.0	0.0	0.0
Director of Corporate Communications	0.0	1.0	1.0
Manager of Marketing	1.0	0.0	0.0
Government Affairs Manager	0.0	0.0	1.0
Marketing Coordinator	1.0	1.0	2.0
Manager of Community and Culture Engagement	0.0	0.0	1.0
Public Relations Coordinator	1.0	1.0	0.0
Customer Service Supervisor	1.0	1.0	1.0
Graphic Designer	1.0	1.0	0.0
Administrative Assistant III	1.0	1.0	1.0
Receptionist	1.0	1.0	1.0
Total Marketing and Public Affairs Section	8.0	8.0	9.0
<b>Total Marketing &amp; Public Affairs Division</b>	8.0	8.0	9.0
<b>Commercial Business Division</b>			
<b>Air Service Business Development Section</b>			
Vice-President of Air Service Development	1.0	0.0	0.0
Manager of Air Service & Cargo Business Development	1.0	1.0	1.0
Manager of Air Service Development & Community Engagement	1.0	1.0	1.0
Total Air Service Business Development Section	3.0	2.0	2.0

**Reno-Tahoe Airport Authority**  
**FY 2022-23**  
**ANNUAL BUDGET**

	Budgeted and/or Authorized FY 2020-21	Budgeted and/or Authorized FY 2021-22	Budgeted and Authorized FY 2022-23
<b>Airport Economic Development Section</b>			
Chief Commercial Officer	0.0	1.0	1.0
Vice-President of Airport Economic Development	1.0	0.0	0.0
Manager of Economic Development	1.0	1.0	1.0
Manager of Properties	1.0	1.0	1.0
Concessions Manager	0.0	0.0	1.0
Property Specialist II	3.0	3.0	2.0
Property Specialist I	1.0	1.0	1.0
Contract Manager	0.0	0.0	1.0
Contract Specialist II	1.0	1.0	0.0
Property Technician	2.5	2.5	2.0
Total Economic Development Section	10.5	10.5	10.0
<b>Total Commercial Business Division</b>	13.5	12.5	12.0
<b>People, Culture &amp; Equity Division</b>			
Chief People, Culture & Equity Officer	0.0	1.0	1.0
Vice-President of Human Resources	1.0	0.0	0.0
Manager of Labor Relations & Benefits	0.0	1.0	1.0
Senior Benefits Specialist	1.0	0.0	0.0
Senior Human Resource Specialist	1.0	0.0	0.0
Organizational Development Specialist	1.0	0.0	0.0
Senior People Business Partner	0.0	0.0	1.0
People Business Partner	0.0	2.0	2.0
People Coordinator	0.0	1.0	1.0
Administrative Assistant III	1.0	0.0	0.0
Total People, Culture, & Equity Section	5.0	5.0	6.0
<b>Total People, Culture &amp; Equity Division</b>	5.0	5.0	6.0
<b>Finance &amp; Administration Division</b>			
<b>Technology and Information Systems Section</b>			
Director of IT/ Chief Information Officer	0.0	0.0	1.0
Chief Information Officer	1.0	1.0	0.0
Manager of Information Technology	1.0	1.0	1.0
Manager of IT Security	0.0	0.0	1.0
Project Manager	2.0	2.0	2.0
Security Systems Technician	1.0	1.0	1.0
Security Systems Administrator	1.0	1.0	1.0
Network Administrator II	2.0	2.0	2.0
Database Administrator	1.0	1.0	1.0
Systems Analyst	0.0	0.0	1.0
Network Administrator I	0.0	1.0	1.0
Total Technology and Information Systems Section	9.0	10.0	12.0

**Reno-Tahoe Airport Authority**  
**FY 2022-23**  
**ANNUAL BUDGET**

	Budgeted and/or Authorized FY 2020-21	Budgeted and/or Authorized FY 2021-22	Budgeted and Authorized FY 2022-23
<b>Finance Section</b>			
Chief Finance & Administration Officer	0.0	1.0	1.0
Chief Financial Officer	1.0	0.0	0.0
Senior Internal Auditor	1.0	1.0	0.0
Internal Auditor	1.0	1.0	1.0
Director of Finance	0.0	0.0	1.0
Manager of Finance and Budgeting	1.0	1.0	0.0
Senior Financial Analyst	0.0	0.0	1.0
Financial Analyst	1.0	1.0	1.0
Manager of Accounting	1.0	1.0	1.0
Accountant	1.0	1.0	1.0
Payroll Administrator	1.0	1.0	1.0
Accounting Technician - AP	1.0	1.0	1.0
Accounting Technician - AR	1.0	2.0	2.0
Administrative Assistant III	1.0	1.0	1.0
Total Finance Section	11.0	12.0	12.0
<b>Purchasing &amp; Materials Management Section</b>			
Manager of Purchasing & Materials Management	1.0	1.0	1.0
Senior Buyer	1.0	1.0	1.0
Buyer	1.0	1.0	1.0
Materials Management Supervisor	1.0	1.0	1.0
Materials Control Technician	1.0	1.0	1.0
Warehouse Assistant/Driver	1.0	1.0	1.0
Total Purchasing & Materials Management Section	6.0	6.0	6.0
<b>Total Finance &amp; Administration Officer Division</b>	26.0	28.0	30.0
<b>Operations &amp; Public Safety Division</b>			
<b>Operations and Public Safety Administration Section</b>			
Chief Operations & Public Safety Officer	0.0	1.0	1.0
Vice-President of Operations and Public Safety	1.0	0.0	0.0
Director of Operations	0.0	0.0	1.0
Emergency Manager	0.0	0.0	1.0
Operations Specialist	1.0	1.0	1.0
Total Operations and Public Safety Administration	2.0	2.0	4.0
<b>Airside Operations Section</b>			
Manager of Airside Operations	1.0	1.0	1.0
Airport Duty Manager	7.0	7.0	7.0
Total Airside Operations Section	8.0	8.0	8.0
<b>Landside Operations Section</b>			
Manager of Landside Operations	1.0	1.0	1.0
Landside Supervisor	1.0	1.0	2.0
Administrative Assistant I/II	1.0	1.0	1.0
Parking Lot Attendant	9.0	8.0	13.0
Parking Shift Leader	4.0	4.0	6.0
Total Landside Operations Section	16.0	15.0	23.0



**Reno-Tahoe Airport Authority**  
**FY 2022-23**  
**ANNUAL BUDGET**

	Budgeted and/or Authorized FY 2020-21	Budgeted and/or Authorized FY 2021-22	Budgeted and Authorized FY 2022-23
<b>Airport Rescue and Fire Section</b>			
Chief of Airport Rescue Firefighters	1.0	1.0	1.0
Deputy Chief of Airport Firefighters	1.0	0.0	0.0
Battalion Chief	0.0	3.0	3.0
Fire Captain	3.0	3.0	3.0
Driver/Operator	9.0	9.0	9.0
Fire Fighter	6.0	6.0	6.0
Total Airport Rescue and Fire Section	20.0	22.0	22.0
<b>Airport Police Section</b>			
Chief of Airport Police	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0
Police Sergeant	4.0	4.0	4.0
Police Officer	18.0	18.0	18.0
Police Compliance Specialist	0.0	1.0	1.0
Administrative Assistant II	1.0	0.0	0.0
Total Airport Police Section	25.0	25.0	25.0
<b>Airport Communications Section</b>			
Manager of Airport Communications	1.0	1.0	1.0
Airport Communications Supervisor	1.0	1.0	1.0
Airport Communications Specialist	11.0	11.0	11.0
Total Airport Communications Section	13.0	13.0	13.0
<b>Airport Security Section</b>			
Manager of Airport Security	1.0	1.0	1.0
Security Supervisor	1.0	1.0	1.0
Lead Security Specialist	4.0	4.0	4.0
Airport Security Specialist	12.0	11.5	11.0
Security Compliance Specialist II	1.0	1.0	1.0
Security Compliance Specialist I	0.5	1.0	1.0
Total Airport Security Section	19.5	19.5	19.0
<b>Reno-Stead Airport Section</b>			
Manager of Reno-Stead Airport	1.0	1.0	1.0
Administrative Assistant III	1.0	1.0	1.0
Stead Technician I/II/III	3.0	3.0	3.0
Stead Technician IV	1.0	1.0	1.0
Stead Technician V	1.0	1.0	1.0
Total Reno Stead Airport Section	7.0	7.0	7.0
<b>Total Operations &amp; Public Safety Division</b>	110.5	111.5	121.0
<b>Infrastructure &amp; Planning Division</b>			
<b>Infrastructure &amp; Planning Section</b>			
Chief Infrastructure & Planning Officer	0.0	1.0	1.0
Vice-President of Planning, and Engineering	1.0	0.0	0.0
Director of Program Manager	0.0	0.0	1.0
Administrative Assistant III	1.0	1.0	1.0
Total Infrastructure & Planning Section	2.0	2.0	3.0

**Reno-Tahoe Airport Authority**  
**FY 2022-23**  
**ANNUAL BUDGET**

	Budgeted and/or Authorized FY 2020-21	Budgeted and/or Authorized FY 2021-22	Budgeted and Authorized FY 2022-23
<b>Planning and Environmental Services Section</b>			
Manager of Planning/Environmental Service	1.0	1.0	1.0
Environmental Program Manager	1.0	1.0	1.0
Airport Planner II	1.0	1.0	1.0
Airport Planner I	1.0	1.0	1.0
Airport Noise Analyst	1.0	1.0	1.0
Total Planning and Environmental Services Section	5.0	5.0	5.0
<b>Engineering and Construction Section</b>			
Manager of Engineering & Construction	1.0	1.0	1.0
Senior Airport Project Manager	2.0	2.0	2.0
Capital Improvements & Grant Coordinator	1.0	1.0	1.0
Senior Facilities Project Manager	0.0	1.0	1.0
Airport Project Manager II	2.0	2.0	2.0
Total Engineering and Construction	6.0	7.0	7.0
<b>Facilities and Maintenance Administration Section</b>			
Vice-President of Facilities and Maintenance	1.0	0.0	0.0
Director of Facilities and Maintenance	0.0	1.0	1.0
Senior Facilities Project Manager	1.0	0.0	0.0
Facilities Project Manager	1.0	1.0	1.0
Construction Manager	1.0	0.0	0.0
Facilities Projects Coordinator	1.0	0.0	0.0
Total Facilities and Maintenance Administration Section	5.0	2.0	2.0
<b>Airfield Maintenance Section</b>			
Airfield Maintenance Superintendent	1.0	1.0	1.0
Airfield Maintenance Supervisor	2.0	2.0	2.0
Airfield Technician V	3.0	3.0	3.0
Airfield Equipment Mechanic IV	3.0	3.0	3.0
Airfield Landscape Technician IV	1.0	1.0	1.0
Airfield Landscape Technician III	1.0	1.0	1.0
Airfield Electrician Technician IV	2.0	2.0	2.0
Airfield Technician I, II, III	11.0	10.0	11.0
Airfield Technician IV	2.0	2.0	2.0
Airfield Automotive Technician III	1.0	2.0	1.0
Administrative Assistant II	1.0	1.0	1.0
Total Airfield Maintenance Section	28.0	28.0	28.0

**Reno-Tahoe Airport Authority**  
**FY 2022-23**  
**ANNUAL BUDGET**

	Budgeted and/or Authorized FY 2020-21	Budgeted and/or Authorized FY 2021-22	Budgeted and Authorized FY 2022-23
<b>Building Maintenance and Services Section</b>			
Facilities Superintendent	1.0	1.0	1.0
Assistant Facilities Superintendent	1.0	1.0	1.0
Facilities Supervisor	5.0	5.0	5.0
Facilities Maintenance Technician I, II, III	6.0	6.0	6.0
Facilities Jet Bridge Technician IV	1.0	1.0	2.0
Facilities Maintenance Technician IV	1.0	2.0	2.0
Facilities Plumber Technician IV	1.0	1.0	1.0
Facilities Maintenance Technician V	3.0	2.0	3.0
Facilities HVAC Plant Operator V	1.0	1.0	1.0
Facilities HVAC Technician IV	4.0	4.0	2.0
Facilities Electrician Technician IV	3.0	3.0	3.0
Administrative Assistant	0.5	0.5	0.0
Maintenance Scheduler/Planner	1.0	1.0	1.0
Senior Airport Facilities Custodian	3.0	2.0	2.0
Airport Facilities Custodian	36.0	34.0	32.0
Total Building Maintenance and Services Section	67.5	64.5	62.0
<b>Total Infrastructure &amp; Planning Division</b>	113.5	108.5	107.0
<b>TOTAL AIRPORT (Does not include the appointed Board of Trustees)</b>	280.5	275.5	289.0

\* Appointed positions

# Board Memorandum

**To:** All Board Members

**Memo #:** 05/2022-29

**From:** Daren Griffin, President/CEO

**Subject:** Authorization for the President/CEO to sign an Amendment to the Exclusive Option To Ground Lease and Develop Real Estate with RNO Conrac LLC for a new Consolidated Rental Car and Ground Transportation Center located at the Reno-Tahoe International Airport and use \$2,555,781 of customer facility charge fees for design, development and pricing

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## STAFF RECOMMENDATION

Staff recommends approval to authorize the President/CEO to amend the Exclusive Option to Ground Lease and Develop Real Estate with RNO Conrac LLC for a new Consolidated Rental Car and Ground Transportation Center (the Project) located at the Reno-Tahoe International Airport (RNO). The Project scope has expanded from a Consolidated Rental Car Facility (ConRAC) to include the other RNO ground transportation pick up operations. In addition to an expanded scope, the Project has a new site location, schedule, budget and enabling projects list. To complete the Design, Development and Pricing (Phase 2), staff recommends the Board of Trustees (Board) authorize the President/CEO to use \$2,555,781 of additional Customer Facility Charge (CFC) fees.

## PURPOSE

The purpose of this action is to re-engage the original ConRAC process in the new site location with an expanded scope that includes ground transportation (GT) operations. Adding GT creates parity between all ground transportation operators, consolidates the pickup location for an improved customer experience and allows for future growth of rental car, ground transportation and public parking facilities at the Reno-Tahoe International Airport. Approval of an additional \$2,555,781 in CFC funding is necessary to re-engage with the expanded scope in the new site.

This action is in support of Reno-Tahoe Airport Authority (RTAA) Strategic Priority #3 – Facilities for the Future, as identified in the RTAA FY2019-2023 comprehensive Strategic Plan.

## BACKGROUND

At the February 14, 2019, Board Meeting, the Board authorized the President/CEO to enter into an Option Agreement (Option) with Hertz Corporation, Avis Budget Car Rental, LLC and Enterprise Leasing Company-West, LLC (RACs) as Optionee, to begin a multi-phased process, funded by Customer Facility Charges, with the end goal of constructing a Consolidated Rental Car

Facility. The Option contemplates three phases: Phase 1- Feasibility Work (Phase 1), Phase 2 – Design, Development and Pricing (Phase 2), and Phase 3 – Project Delivery (Phase 3). The Option allows the RTAA to terminate the Option during the process if the RTAA elects not to proceed from Phase 1 to Phase 2, from Phase 2 to Phase 3, or if there is an uncured breach of the Option. Upon RTAA approval to advance to Phase 2 the Option required the RACs to assign the Option to ConRAC Solutions.

Phase 1 allowed the RACs, through their consultant, ConRAC Solutions, to identify a feasible project scope and concept. The Phase 1 - Feasibility Work identified the components of a ConRAC at a level of detail that can be tested and fully-priced during Phase 2 – Design, Development and Pricing. Specific deliverables associated with Phase 1 - Feasibility Work were: conceptual ConRAC drawings, a preliminary project budget, a conceptual operations plan, Ground Lease/Sublease/Concession Lease term sheet, a plan of finance including multiple scenarios modeled at various CFC levels, a preliminary project schedule, identification of delivery team and a proposal to complete Phase 2 - Design, Development and Pricing.

At the June 14, 2019, Board Workshop, the Preliminary Phase 1 Study findings were presented by ConRAC Solutions, including the proposed ConRAC sites at the current QTA location and the additional location identified in the Board adopted RNO Master Plan. The Board requested staff bring the final Phase 1 Study to the August 2019 Board Meeting for discussion and possible direction.

Effective, July 1, 2019, the RTAA increased the CFC from \$3.50 to \$4.50 for each car rental per transaction day, as part of the Board-approved Fiscal Year 2019-2020 Master Fee Resolution.

At the August 8, 2019, Board Workshop, ConRAC Solutions presented an update on the progress of Phase 1 Study to the Board. The Board provided feedback on the design and requested staff begin design discussions with first responders.

At the September 12, 2019, Board Workshop, ConRAC Solutions and RTAA Staff presented an overview of the Phase 1 Feasibility Report to the Board.

At the October 10, 2019, Board Meeting, Trustees requested additional research by ConRAC Solutions and suggested the RTAA independently validate the outcomes from Phase 1, including validation of the market analysis, total project cost projections, traffic, site and circulation issues as well as a public safety assessment of the proposed design options. This additional work is considered Phase 1.1.

At the March 12, 2020, Board Meeting, RTAA Staff presented Phase 1.1 summary findings, with the key result from Phase 1.1 being a redesign of the loop road and a recommendation to select Option Site B5 as the preferred site. At the conclusion of the presentation, the Board approved the RACs to proceed to Phase II of the Option as well as the use \$9,670,000.00 in CFCs to fund Phase II.

Effective May 27, 2020, the RACs assigned the Option to ConRAC Solutions.

Effective, July 1, 2020, the RTAA increased the CFC from \$4.50 to \$5.50 for each car rental per transaction day, as part of the Board-approved Fiscal Year 2020-2021 Master Fee Resolution.

On October 22, 2020, the RTAA issued a notice to ConRAC Solutions to pause design and development at 100% schematic drawings for the ConRAC and enabling projects, and to not proceed until the Board approved proceeding to 30% design. This pause allowed for an RTAA independent validation to be performed.

On January 14, 2021, RTAA Staff and ConRAC Solutions conducted a Board Workshop to review 100% schematic drawings, the CFC balance and RAC demand.

At the February 11, 2021, Board Meeting, the Board approved InterVISTAS Consulting, Inc. (InterVISTAS) to conduct a Landside Operations Planning Study (Landside Study) to bring forward a recommended landside development plan for review and adoption by the Board. The scope of services for the Landside Study included an analysis of airport-owned land between National Guard Way and Vassar Street, an inventory of existing facilities, a re-examination of the Master Plan recommendations and current rental car facility proposal, a new landside operations forecast, a demand analysis, an alternates analysis, and a recommended landside development plan.

At the September 21, 2021, Board Workshop, InterVISTAS presented nine alternate Landside Development Plans for the Board's review and consideration. The Board selected four alternates for continued refinement and discussion.

At the November 2, 2021, Board Meeting, the Board approved the RTAA President/CEO's recommended preferred alternate landside development plan (Alternate 2), for continued refinement.

At the December 9, 2021, Board Meeting, the Board approved a comprehensive landside development plan for a variety of improvements, including a ConRAC.

On December 22, 2021, the RTAA issued a notice to ConRAC Solutions to re-engage with Phase 2.

On April 14, 2022, staff presented the expanded Project in the new location at 10% design to the RTAA Finance Committee.

## DISCUSSION

The original scope of the ConRAC was expanded to include a ground transportation center at the recommendation of InterVISTAS's comprehensive landside development plan, as approved by the Board on December 9, 2021. Based on the expanded programming, ConRAC Solutions revised their Proposal for Phase 2 – Design, Development and Pricing (Attached) to reflect the new site location, design, and programming (Exhibit A-1). The revised Phase 2 Proposal also includes an updated list of site considerations (Exhibit A-2), and updated budget, cash flow, and schedule (together Exhibit B).

Phase 2 will advance design of the new site from approximately 10% to 60% and result in a fixed lump sum price and date-certain delivery schedule to be provided by the design-builder for the Board's consideration of advancement to Phase 3- Project Delivery, anticipated in Spring 2023. A full list of Phase 2 deliverables is included in the Proposal.

As part of the Phase 2 process, Board updates will be provided, with a Board Workshop planned at 30% and 60% design, as well as at final design prior to the request for Board authorization to proceed into Phase 3-Project Delivery. A summary project schedule is outlined below. A detailed schedule is included in Exhibit B, attached.

<b><u>Activity</u></b>	<b><u>Estimated Date</u></b>
Notice to Proceed with Phase 2-Design, Development and Pricing	December 2021
Board Decision to Amend Option Agreement	May 2022
30% Design Documents and Pricing Published	September 2022
60% Design Documents and Pricing Published	December 2022
RTAA Board Workshop / Vote to Proceed to Phase 3-Project Delivery	May 2023
Close on Financing – Begin Phase 3-Project Delivery	July 2023
Start Enabling Work/Site Considerations List	Winter 2023
Construction	Through Fall 2025
ConRAC/GTC Open to Public – Operations	Spring 2026

In addition to ConRAC work previously funded and completed, Phase 2: Design, Development and Pricing is anticipated to take twelve (12) months, subject to FAA NEPA the process, and includes the commitment of an additional \$2,555,781 for a total Phase 2 budget of \$12,225,781. This budget is funded by CFCs.

The RACs are and will continue to be required by the RTAA to collect CFCs from their customers and deliver the funds to the RTAA to (a) pay for maintenance and repair of the current rental car facilities at RNO, (b) pay for the long-term capital costs to design and construct the ConRAC, (c) provide asset management for and provide on-going renewal for the ConRAC, (d) pay certain unknown and yet to be determined costs for day to day operation, (e) provide for maintenance and repair of the ConRAC, and (f) provide funding for expenses incidental to but necessary for the development of the ConRAC. These incidental yet necessary expenses include the relocation of existing RTAA tenants and subtenants, as well as demolition of existing RTAA-owned buildings, and the known site considerations (Exhibit A-2). The RACs support approval of the use of such CFCs for these enumerated purposes. CS and the RACs also agree that any construction of the Project pursuant to the Ground/Master Lease discussed above will require a future Ground/Master Lessee to comply with the prevailing wage law of NRS 338.020.

Another incremental increase from the current CFC rate is anticipated to be identified through further cost estimation and finance modeling as part of Phase 2 and presented to the Board as part of the FY 2023-2024 RTAA budget process, with final adjustment necessary for long-term financing to be identified for Board approval at the conclusion of Phase 2. The FY 2022-2023 budget anticipates a \$1.00 increase from \$5.50 to \$6.50 effective July 1, 2022.

## FISCAL IMPACT

This item has a total fiscal impact of \$2,555,781, which is included in the Fiscal Year 2022-2023 RTAA Capital Budget. The Board previously approved \$9,670,000 for the ConRAC Phase 2- Design, Development and Pricing, for a total of \$12,225,781 of funds allocated to this phase of the Project. The Project costs do not affect airline rates and charges, as CFCs are the sole funding source for the Project. For budgetary purposes, a revised comprehensive project budget and cash flow projections (Exhibit B) were included in the revised Phase 2 Proposal.

On March 31, 2022, available CFC funds were \$16,275,877. For the remainder of FY 2021-2022, an estimated \$246,126 is budgeted toward current rental car facility operating expenses, and \$1,408,542 of previously approved Phase 2 Project funding.

In FY, 2022-2023, RACs have requested RTAA budget \$739,816 of CFCs for replacement of existing equipment in the rental car quick turn area. Operating expenses for existing facilities are budgeted at \$467,006 for FY 2022-2023, and Phase 2 Project expenditures are budgeted at \$7,597,214. The current CFC balance is sufficient to cover the remainder of Phase 2 of the Project, as well as capital and operating expenses through the end of Fiscal Year 2022-2023.

Based on the current CFC collection trend and the budgeted increase in CFC from \$5.50 per transaction day to \$6.50 per transaction day, staff estimates that approximately \$7,500,000 in CFCs will be collected for FY 2022-2023.

CFC Balance March 31, 2022	\$16,275,877
Remaining Operating Expenses FY 2021-2022	(\$246,126)
Phase 2 – FY 2021-2022	(\$1,408,542)
Capital Project Expenses FY 2022-2023	(\$739,816)
Operating Expenses FY 2022-2023	(\$467,006)
Phase 2 – FY 2022-2023	(\$7,597,214)
Sub Total	\$5,817,173
Estimated CFC Collections – FY 2022-2023	\$7,500,000
<b>Estimated Total CFC Balance at end of Phase 2</b>	<b>\$13,317,173</b>

## COMMITTEE COORDINATION

Finance and Business Development Committee

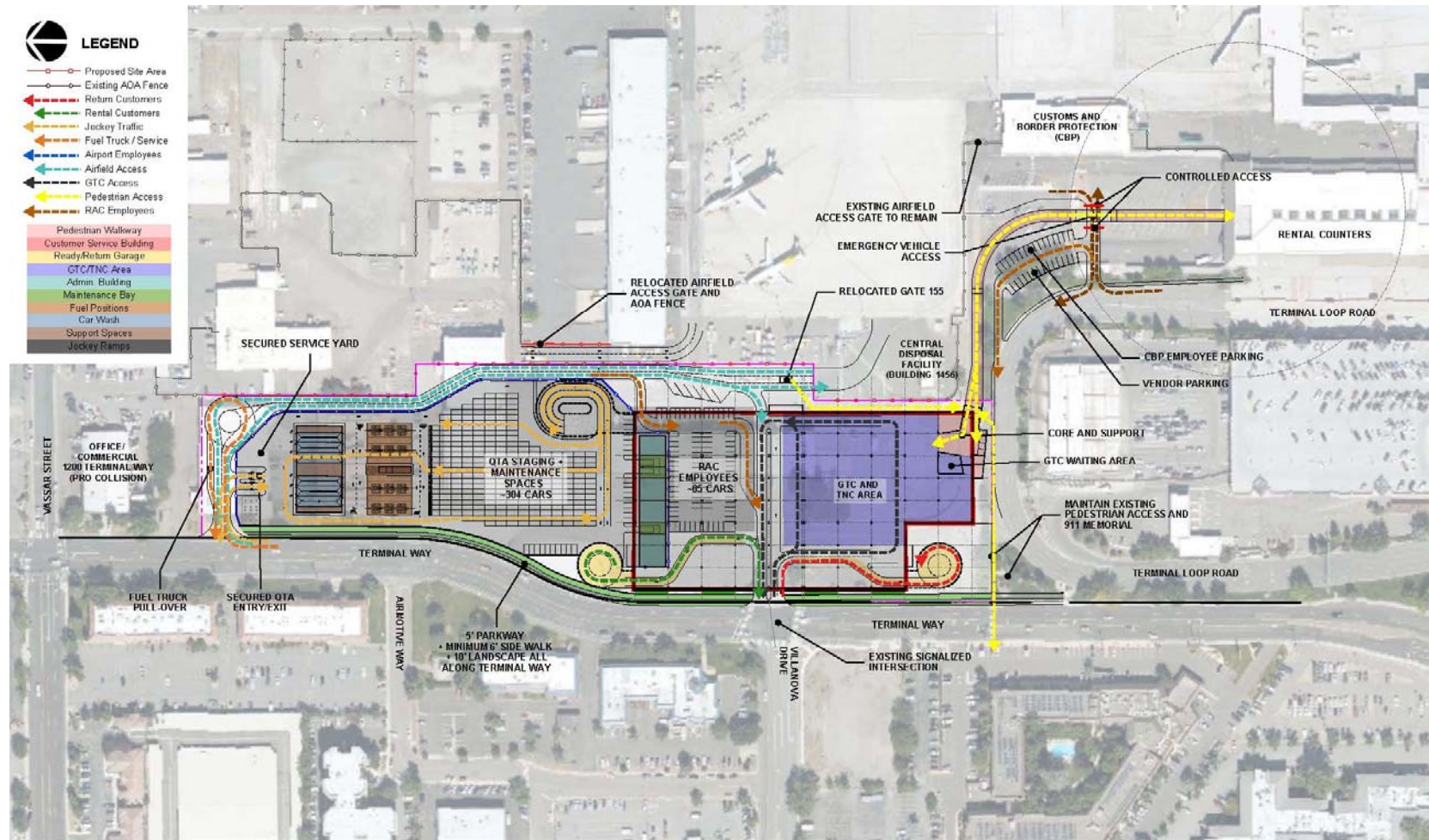
## RECOMMENDED MOTION

Staff recommends that the Board adopt the following motion:

“It is hereby moved to authorize the President/CEO to sign an amendment to the Exclusive Option to Ground Lease and Develop Real Estate with RNO Conrac LLC for a new Consolidated Rental Car and Ground Transportation Center at the Reno-Tahoe International Airport and use \$2,555,781 of Customer Facility Charges for Design, Development and Pricing.”



## EXHIBIT A-1 – PROJECT SITE



**RENO TAHOE INTERNATIONAL AIRPORT ConRAC AND GTC FACILITY**  
SITE OPERATION PLAN - OPTION B



03/24/2022

## EXHIBIT A-2 – SITE AND SCOPE CONSIDERATIONS

### RNO GTC/ConRAC Site Considerations

Site Consideration	Issue
1200 Terminal Way (Pro Collision auto body shop)	Not needed for GTC Development. RTAA/CS to talk with City. May be included in project if new Gate 155 too close to Vassar intersection.
1250 Terminal Way (Tug airline services)	Tenant will need new leasehold space with airside access prior to demo. 12,000 - 15,000 sq ft
1250 Terminal Way (Tug airline services)	(Net Loss) 12,000 - 15,000 sq ft
1250 Terminal Way (Tug airline services)	1 tenant (Tug needs relocation) 12,000 - 15,000 sq ft
1280 Terminal Way (Albita's)	
1280 Terminal Way (Albita's)	40 tenants (no relocation) Tenant notice to correspond with decision to go to Phase 3.
1395 Air Cargo (Prologis)	Lease amendment RE: ground lease dimensions. DHL cargo pod storage in land lease, not a building.
1500 Terminal Way Building (Old Air Cargo - ATS, STS)	4 aeronautical tenants need new leasehold space with airside access need to be relocated prior to demo. ATS: 4,000 sq ft, STS: 1,000 sq ft
1500 Terminal Way Building (Old Air Cargo - ATS, STS)	(Net Loss) ATS: 4,000 sq ft, STS: 1,000 sq ft
1500 Terminal Way Building (Old Air Cargo - ATS, STS)	4 tenants (all 4 need relocation) In proximity to terminal. ATS: 4,000 sq ft, STS: 1,000 sq ft
1500 Terminal Way Building (Old Air Cargo - ATS, STS)	Property Acquisition (Acquired). ATS: 4,000 sq ft, STS: 1,000 sq ft
911 Memorial	Near terminal crosswalk. Need to preserve access and protect memorial during construction.
Access Road to North Ground Transportation / Customs	For vendors, CBP, and any commercial vehicles not accommodated in new ConRAC
Ammunition Storage (near Hangar 12/13)	Police discussing a temporary relocation area. Long term relocation would be within new police facility. Per CJ-Can use Conex or similar for storage
Ammunition Storage (near Hangar 12/13)	Police discussing a temporary relocation area. Long term relocation would be within new police facility.
Copper & Fiber-Optic Lines to Cargo & AVA	Final Site requires investigation of location and replacement dependent on age or condition. Project to investigate
Customer Service Building	Include cost of moving counters out of baggage claim.
Emergency Vehicle Staging	Preferred location is off Air Cargo Way, existing paved area. Airside Access through UPS gate.
Existing QTA/New Public Parking	Prep for return to RTAA for parking.

# RNO GTC/ConRAC Site Considerations

Site Consideration	Issue
Existing QTA/New Public Parking	Prep for return to RTAA for parking.
Gate 155 Guard Shack	
Gate 155 Guard Shack	Replace Existing (includes fence realignment) for vendor queue
Hangar 12 (Landside Snow Equipment)	Landside snow removal equipment need relocation within interior road network. Preferred location no longer viable (SW corner of South Apron between Perimeter Road and Gate 170 Access Road). Nearest alternate location is within yellow parking lot. 9,000 - 12,000 sq ft
Hangar 12 (landside snow equipment)	Same size facility replacement required. 9,000 - 12,000 sq ft
Hangar 13 (Dry Storage)	Preferred location is near existing Purchasing Warehouse. 12,000 - 13,500 sq ft.
Hangar and 13 (dry storage)	Preferred location is near existing Purchasing Warehouse. 12,000 - 13,500 sq ft.
Propane Storage (near Ops Building)	No replacement structure needed
Public Parking Restoration (1st floor garage)	Prep for return to RTAA for parking.
Taxi Hold Lot	Consolidate within TNC staging area
Walkway from Baggage Claim to CSB	Meet ADA requirements, manage NGT/Customs accessibility, emergency vehicle access and consider RAC/GTC customer experience.
Dog Park	Relocate/replace dog park.

## EXHIBIT B – REVISED PHASE 2 SCHEDULE, BUDGET & CASH FLOW

		Budget Additions			
Cost Category	Phase 2	Landside Study Support	Design/Engineering Restart for Alternate Site	Phase 2	Pricing Method
	Original Budget			Updated Budget	
Design-Build				CFC Funded ConRAC Design	
Design Build Stipulated Sum (PGAL)	4,994,000	38,428	1,648,020	6,680,448	Fixed
Design Build Stipulated Sum (AC)	1,756,000	-	703,653	2,459,653	Fixed
Geotechnical	300,000	-	-	300,000	Allowance
Design-Build Costs	7,050,000	38,428	2,351,673	9,440,101	
Project Soft Costs					
NEPA - Other Environmental*	300,000	-	-	300,000	Allowance
Feasibility Consultant	100,000	-	-	100,000	Allowance
Phase I Environmental	10,000	-	-	10,000	Allowance
Phase II Environmental	130,000	-	-	130,000	Allowance
Contract Negotiation and Drafting - CSPD	130,000	25,000	-	155,000	Fixed
Contract Negotiation and Drafting - RTAA	250,000	-	100,000	350,000	Fixed
Contract Negotiation and Drafting - Outside Counsel	150,000	-	-	150,000	Allowance
Contract Negotiation and Drafting - RTAA Outside Counsel	150,000	-	-	150,000	Allowance
RAC Consolidated Project Counsel	375,000	-	-	375,000	Allowance
Development Impact Fees	150,000	-	-	150,000	Allowance
3rd Party Cost Estimation Services	150,000	-	-	150,000	Allowance
Owner's Representative - RTAA	350,000	-	-	350,000	Allowance
Financial Advisor - RTAA	75,000	-	-	75,000	Allowance
Environmental Consultant - RTAA	-	-	20,000	20,000	Allowance
Administrative/Printing - RTAA	-	-	2,500	2,500	Allowance
Direct Project Management	300,000	18,180	-	318,180	Fixed
Project Soft Costs	2,620,000	43,180	122,500	\$2,785,680	
Total Project Cost	9,670,000	81,608	2,474,173	\$12,225,781	

\*May be reduced dependent on FAA Section 163 decision

	<b>Forecasted/Anticipated</b>
	<b>Phase 2 Design Draw Schedule</b>
	<b>CFC Funded ConRAC Design</b>
Budget	<b>\$12,225,781</b>

6/30/2020	463,684
7/31/2020	192,555
8/31/2020	170,414
9/30/2020	212,280
10/31/2020	1,048,494
11/30/2020	458,381
12/31/2020	101,408
1/31/2021	62,882
2/28/2021	-
3/31/2021	-
4/30/2021	-
5/31/2021	-
6/30/2021	-
7/31/2021	-
8/31/2021	-
9/30/2021	14,545
10/31/2021	12,545
11/30/2021	40,920
12/31/2021	13,598
1/31/2022	195,468
2/28/2022	238,854
3/31/2022	326,270
4/30/2022	311,226
5/31/2022	310,503
6/30/2022	460,543
7/31/2022	542,360
8/31/2022	621,254
9/30/2022	548,618
10/31/2022	739,779
11/30/2022	784,114
12/31/2022	808,388
1/31/2023	649,405
2/28/2023	796,380
3/31/2023	759,727
4/30/2023	704,949
5/31/2023	636,240
6/30/2023	-
7/31/2023	-
8/31/2023	-

**RNO ConRAC/GTC Schedule**  
***Updated 4/22/22***

<b><u>Activity</u></b>	<b><u>Date</u></b>
Notice to Proceed for Phase II	December 22, 2021
New Site / Design Concept for RAC and RTAA Approval	April 2022
Section 163 FAA Jurisdiction Letter Submitted	April 2022
Board Approval of Redefined Project	May 2022
Targeted FAA jurisdiction/NEPA Response	June 2022
Design Review and Consensus Meetings with RTAA & RACs	July 2022
[Begin any NEPA Review Required for FAA Approval	July 2022]
Master Lease Substantially Negotiated	July 2022
Draft 30% Pricing Documents Publishing for D-B and 3 <sup>rd</sup> Party Cost Estimates	August 31, 2022
30% Pricing Documents and Cost Estimates Published	September 30, 2022
Design and Pricing Review and Consensus Meetings with RTAA & RACs	October 2022
Core Contract Documents Substantially Negotiated	October 2022
[Targeted NEPA Draft Submittal of any NEPA Review Required by FAA	December 2022*]
60% Pricing Documents Design Review	December 2022
Final Drafts of Legal Documents	January 2023
Ground/Master Lease	
Project Delivery Agreement	
Design-Build Agreement	
Subleases	
Concession Leases	
Facility Operator Agreement	
95% Pricing Documents Published	March 2023
D-B Drawing and Scope Review with A/E and Independent Estimator	March 2023
[FAA Comments Received on any Required NEPA Document	April 2023*]
[Targeted Final Submittal of any Required NEPA Document	May 2023*]
Final Design and Pricing	May 2023
Design Review Complete RTAA & RACS	
Final Construction Pricing	
Price Proposal and Independent Estimates Complete	
Updated Total Development Budget	
<b>RTAA Board Workshop / Vote to Proceed to Phase 3</b>	<b>May 2023</b>

CS Delivers Written Notice it will Exercise Option

Execute Legal Documents\*\*\*:

Ground/Master Lease

Project Delivery Agreement

Design-Build Agreement

Subleases

Concession Agreements

Facility Operator Agreement

[Any Required NEPA Process Complete (FAA Record of Decision) \*\*

July 2023]

**Close on Financing – Begin Phase 3**

**July 2023**

Complete Design and Obtain Building Permits

Summer 2023 – Winter 2023

Enabling Work/Site Considerations

Winter 2023 – Spring 2024

ConRAC/GTC Construction

Spring 2024 – Spring 2026

RAC Tenant Improvements & Burn in

Fall 2025 – Spring 2026

**ConRAC & GTC Open to Public/Operations**

**Spring 2026**

*\*If NEPA analysis is not required (Section 163 exemption), NEPA process milestones can be dropped*

*\*\*\*All conditioned on—or lapsing without—timely financial close*



# Board Memorandum

**To:** All Board Members

**Memo #:** 05/2022-30

**From:** Daren Griffin, President/CEO

**Subject:** Authorization for the President/CEO to execute a one-year contract for the Reno-Tahoe Airport Authority employee workers' compensation insurance coverage for Fiscal Year 2022-2023, with AIG Aviation, in the amount of \$217,717

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## STAFF RECOMMENDATION

Staff recommends that the Board authorize the President/CEO to execute a one-year contract for the Reno-Tahoe Airport Authority (RTAA) employee workers' compensation insurance coverage for Fiscal Year 2022-2023, with AIG Aviation, in the amount of \$217,717.

## PURPOSE

The purpose of this action is to provide workers' compensation insurance for the RTAA which provides coverage for on-the-job injuries as required by State Law. This action is in support of the Reno-Tahoe Airport Authority (RTAA) Strategic Priority #7: People, as adopted in the Fiscal Year 2019-2023 Comprehensive Strategic Plan.

## BACKGROUND

State law requires that each employer provide insurance coverage for on-the-job injuries. The RTAA's current fully insured workers' compensation insurance policy provided through QBE Insurance Group will expire on June 30, 2022.

The RTAA, through a competitive request for proposal process, has retained Arthur J. Gallagher Risk Management Services, Inc. (Gallagher) as the Broker of Record. The original agreement with AJG was signed in January 2014, for FY 2014-2015 through FY 2018-2019. A no-increase five-year extension was approved by the Board in October 2018, for services through FY 2023-2024.

Arthur J. Gallagher provides the following insurance broker services: (1) Obtain workers' compensation insurance coverage bids from insurance carriers authorized to do business in the State of Nevada; (2) receive and analyze the received proposals; (3) evaluate the commitment and financial stability of the proposers; (4) review proposals for accuracy and conformity to specified coverages; (5) compare proposed policy language to the prior year and advise the Authority of changes in policy form or coverage; (6) recommend policy coverage or language changes as necessary; and (7) request modifications from the insurers upon RTAA concurrence.



## DISCUSSION

In March 2022, the RTAA's insurance Broker of Record, Arthur J. Gallagher Risk Management Services, placed the RTAA's employee workers' compensation insurance coverage out to bid.

In May 2022, Gallagher completed its bid process and provided the RTAA with the bid information. The following are the responses received:

<b>FY 2022-2023 Workers' Compensation Insurance Bid Responses</b>			
<b>Carrier</b>	<b>FY 2021-2022 Premium</b>	<b>FY 2022-2023 Premium Quote</b>	<b>Annual Dollar / Percentage Difference</b>
QBE Insurance Group	\$370,073	\$327,709	-\$42,364 / -11.4%
AIG Aviation	N/A	\$217,717	-\$152,356 / -41.2%
Starr Aviation	N/A	\$302,909	-\$67,164 / -18.1%
Old Republic	N/A	\$311,195	-\$58,878 / -15.9%
Beacon Aviation	N/A	Declined to quote	N/A
Global Aerospace	N/A	Declined to quote	N/A

As indicated in the chart above, Gallagher received four quotes, including the one from our current carrier, QBE Insurance Group. The other two carriers declined to submit quotes based on the potential for high police and fire claim exposures due to Nevada's generous heart & lung statutes.

As AIG Aviation provided a substantially lower quote, staff is recommending switching the RTAA's fully insured worker's compensation insurance to AIG Aviation.

## COMPANY BACKGROUND

AIG was founded in 1919 and is a leading global insurance organization with operations in approximately 80 countries and jurisdictions. They are headquartered in New York and pride themselves on offering expertise to help their clients better manage risk. AIGs' worker's compensation programs combine insurance with expert loss control, safety engineering and claims management to improve loss experience, resulting in lower claim costs.

## FISCAL IMPACT

The premium quote from AIG Aviation in the amount of \$217,717 represents a decrease of \$152,356 (-41.2%) compared to the current annual premium of \$370,073 for FY 2021-2022. A portion of this decrease is due to the RTAA's significantly lower experience modification (e-mod) factor (1.38 to 1.05). This reduction indicates that the RTAA's on-the-job injury claim costs are trending lower than previous fiscal years when compared to organizations of similar size and function to the RTAA. This lower experience modification factor also reflects the on-going efforts of the management team to keep claims costs down through safe work practices, and by involving injured workers in the RTAA's modified duty return to work program.

In addition to reduction based on the lower e-mod, AIG Aviation also provided over \$93,000 in scheduled credits and premium discounts, which reduced the premium even further and helped to offset the RTAA's higher payroll for the upcoming fiscal year as premiums are calculated as a percentage of salaries.

The proposed FY 2022-2023 budget has been decreased to reflect this lower premium.

## **COMMITTEE COORDINATION**

Finance and Business Development Committee.

## **RECOMMENDED MOTION**

Staff recommends that the Board adopt the following motion:

“It is hereby moved that the Board of Trustees authorizes the President/CEO to execute a one-year contract for the Reno-Tahoe Airport Authority employee workers’ compensation insurance coverage for Fiscal Year 2022-2023, with AIG Aviation, in the amount of \$217,717.”

# Administrative Report

**Date:** May 17, 2022  
**To:** All Board Members  
**From:** Daren Griffin, President/CEO  
**Subject:** Budget Transfers

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The following is a list of unbudgeted fixed asset, capital project and/or O&M transfers:

Department	Amount	From	To	Purpose
Airfield Maintenance	\$21,000	Capital Project	Equipment, Fixed Assets	Purchase of a Roadhog Roadsaw
Economic Development	\$9,981	Operating and Maintenance Budget	Capital Project	HVAC unit replacement for Stellar Aviation FBO office.
Engineering	\$950,980	Capital Project	Capital Project	To provide additional funding to various projects with insufficient budget.

A total of \$950,980 is transferred between capital projects to provide required funding from available budget identified by the Engineering department as follows:

- \$809,297 to the Blue Lot Pavement Reconstruction Project
  - \$444,202 from the Landside Pavement Management Project
  - \$265,095 from the Airside Pavement Management Project
  - \$100,000 from the Workspace Project
- \$70,463 to the Air Cargo Way Lift Station Relocation and Replacement Project
  - \$37,126 from the Hangar 2 Demolish Mezzanines Project
  - \$33,337 from the Clerestory Wall Repair Project
- \$62,220 to the Airport Terminal Lift Station Project
  - \$29,958 from the GA West Box Hangar Siding Repair Project
  - \$23,262 from the Clerestory Wall Repair Project
  - \$9,000 from the GA East Box Hangar Siding Repair Project
- \$9,000 to the Fire Administrative Office Remodel from the GA East Box Hangar Siding Repair Project

# Administrative Report

**Date:** May 17, 2022  
**To:** All Board Members  
**From:** Daren Griffin, President/CEO  
**Subject:** Administrative Award of Contracts (Expenditures) Pursuant to Resolution No. 550 for the Month of April 2022

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## BACKGROUND

At the March 11, 2021, Board of Trustees' Meeting of the Reno-Tahoe Airport Authority, the Board approved Resolution No. 550 authorizing the President/CEO to award contracts for:

- budgeted professional services when the estimated amount to perform the work is \$50,000 or less, and approve amendments to professional services agreements where the sum of the total net of amendments per professional services agreement does not to exceed \$50,000; and
- budgeted goods, materials, supplies, equipment, technical services, and maintenance contracts when the estimated amount to perform the contract, including all change orders, is \$100,000 or less; and
- budgeted construction contracts when the estimated amount to perform the work is \$250,000 or less, and approve change orders to construction contracts where the sum of the total net of change orders per contract does not exceed \$100,000; and
- all construction contracts exceeding \$250,000 must be approved by the Board of Trustees along with an Owner's Contingency; additionally, if the Board of Trustees originally approved the construction contract, any construction change order exceeding the sum of the total of the contract and Owner's Contingency must also be approved by the Board.

## DISCUSSION

Resolution No. 550 requires that the President/CEO provide the Board of Trustees with a monthly administrative report setting forth a list of goods, materials, supplies, equipment, technical services, maintenance contracts, construction contracts, and professional services agreements in excess of \$25,000 and approved administratively as a result of this Resolution. Further, all construction change orders, and professional services agreements amendments approved administratively as a result of this Resolution shall be included in a separate administrative report regardless of value.

### April 2022 – Agreements and POs in Excess of \$25,000

Date	Name of Company	Dollar Amount	Description	Funding Source	Department / Division
04/07/22	Maise Group LLC	\$37,103.49	A PO was issued for Microsoft Power BI Pro 365 Subscriptions Agreement for FY22.	FY22 O&M	Technology Information Systems
04/14/22	Sierra Electronics	\$71,361.20	A PO was issued for 4 Police Car Equipment Build Ups to include emergency lights, sirens, radios, etc.	FY22 O&M	Airport Police
04/19/22	Nevada Security Company	\$45,751.32	A PO was issued for surveillance camera replacements.	FY22 O&M	Technology Information Systems
04/25/22	Sierra Computers Ltd.	Multi-Year, Time & Materials	A multi-year contract beginning 05/01/22 and ending 06/30/24 for 24/7/365 technical helpdesk assistance with AirCom. Amount will vary month to month dependent on service needs, but minimum charge of \$1,350/month (\$16,200 annually).	FY22 O&M	Technology Information Systems
05/02/22	King's Ford	\$60,043.00 + \$60,043.00	Two POs were issued for transit vans for Landside Operations (separately issued for each vehicle).	FY22 O&M	Landside Operations

### April 2022 – Change Orders and Amendments

Date	Name of Company	Dollar Amount	Description	Funding Source	Department / Division
04/12/22	Hutchinson & Steffen PLLC	\$50,000.00	People Ops issued amendment to base contract to assist in on-going labor negotiations. Total contract amount including amendment = \$80,000.	FY22 O&M	People Operations
04/25/22	KONE, Inc.	\$4,161.54	Owner's Contingency CO#2 to the base contract for Terminal Skybridge Escalators bring existing electrical for Escalators #5 & #6 up to code. Total OCCO#2 + contract/prior CO of \$925,300 = \$929,461.54.	FY 22 CIP	Engineering & Construction

**Key to abbreviations:**

AIP = Airport Improvement Project  
 CIP = Capital Improvement Program  
 CFC = Customer Facility Charge

CO = Change Order  
 NTE = Not to Exceed  
 PFC = Passenger Facility Charge

PO = Purchase Order  
 PSA = Professional Service Agreement

# Administrative Report

**Date:** May 17, 2022  
**To:** All Board Members  
**From:** Daren Griffin, President/CEO  
**Subject:** Administrative Award of Contracts (Revenues) Pursuant to Resolution No. 550 for the Month of April 2022

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## Background

At the March 11, 2021 meeting of the Board of Trustees of the Reno-Tahoe Airport Authority, the Board approved Resolution No. 550, recognizing the inherent authority of the President/CEO, or authorized representative to award revenue contracts except those that are, in combination, more than 5 years in Term, including options, and generate aggregate revenues of \$100,000 or more.

## Discussion

Resolution No. 550 requires that the President/CEO provide the Board of Trustees with an administrative report setting forth a list of revenue contracts and associated options to extend approved administratively as a result of the resolution to be given to the Board on a monthly basis.

### April 2022

Date	Lessee	Property Address	Agreement Term	Contract Value	Portfolio
4/1/22	6 New Tenants	Mini Warehouse Storage	Month to Month	\$690.00	Outside Properties
4/1/22	2 New Tenants	Mini Warehouse Park to Travel	Month to Month	\$170.00	Outside Properties

# Administrative Report

**Date:** May 17, 2022  
**To:** All Board Members  
**From:** Daren Griffin, President/CEO  
**Subject:** Financial Reporting Package - March 2022

## EXECUTIVE SUMMARY

Attached is the Financial Reporting Package for the nine-month period ending March 31, 2022, of Fiscal Year (FY) 2021-22. The package includes a high-level summary of total revenues and expenses followed by a more detailed discussion of key metrics.

With continued progress of US vaccinations, ending travel restrictions, and the public's increased desire to travel, the Reno-Tahoe International Airport (RNO) is seeing very encouraging signs of passenger traffic recovery despite some of the new reported COVID 19 variants. Total passenger traffic volume in March 2022 was 45.9% higher when compared to March in the prior year. Total passenger traffic for the first nine months of FY 2021-22 is 102.7% above the same period in FY 2020-21.

Federal stimulus (CARES, CRRSA, ARPA) funding of \$11.7 million is budgeted in FY 2021-22 to balance the budget without increasing signatory airline rates and charges from the prior fiscal year. These funds are budgeted and recognized as non-operating revenues.

	YEAR TO DATE as of March 31, 2022 (In Thousands)						
	Actual Results				66.7% Of Fiscal Year		
	CURRENT YEAR	PRIOR YEAR	VARIANCE		Y-T-D BUDGET	VARIANCE	
			\$	%		\$	%
<b>Operating Revenue</b>							
Airline	\$ 14,142	\$ 11,469	\$ 2,673	23.3%	\$ 12,705	\$ 1,437	11.3%
Non-Airline	31,246	20,146	11,099	55.1%	22,984	8,261	35.9%
<b>Total Operating Revenue</b>	<b>45,387</b>	<b>31,616</b>	<b>13,772</b>	<b>43.6%</b>	<b>35,689</b>	<b>9,698</b>	<b>27.2%</b>
<b>Operating Expenses</b>	(35,138)	(29,578)	(5,560)	18.8%	(38,324)	3,186	-8.3%
<b>Net Operating Income</b>	10,249	2,037	8,212	403.1%	(2,635)	12,884	489.0%
<b>Non-Operating Income (Expense)*</b>	23,803	13,628	10,176	74.7%	17,697	6,107	34.5%
<b>Net Income Before Depreciation</b>	<b>34,053</b>	<b>15,665</b>	<b>18,388</b>	<b>117.4%</b>	<b>15,062</b>	<b>18,991</b>	<b>126.1%</b>

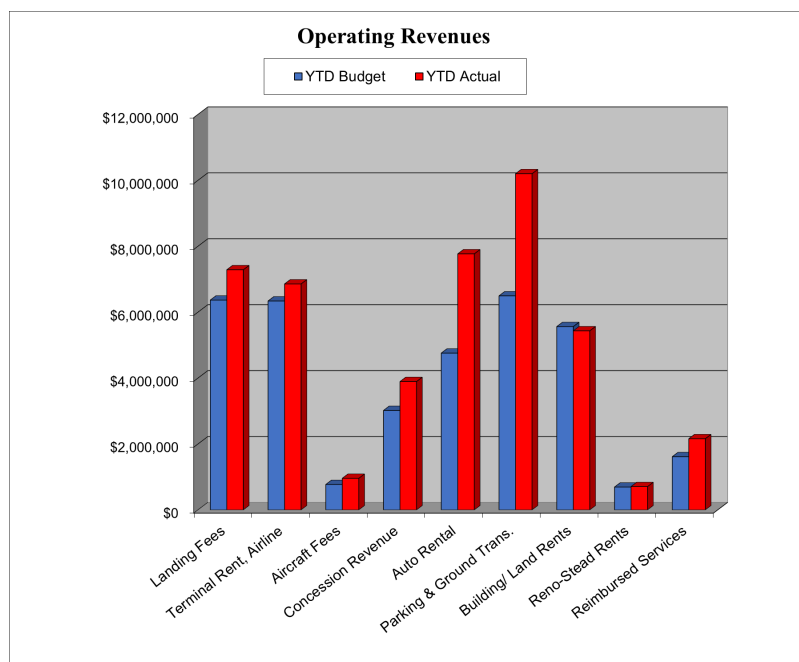
\* Includes CARES Act funds

To enhance tracking of actual results as compared to budget, the budget for revenues and expenditures includes seasonal adjustments related to passenger and aircraft activity. The higher activity months are factored into revenues, including landing fees, public parking, and concessions. Other seasonal adjustments include certain utility costs and special events. The balance of budgeted operating expenses assumes one twelfth of the operating expense budget will be spent each month.

Based on actual results through March 31, 2022, net income before depreciation is approximately \$34.053 million, an increase of \$18.991 million or 126.1% from the budget forecast. Compared to prior year actual results, net available income before depreciation is an increase of \$18.388 million. Non-operating revenues include \$12.958 million of federal stimulus funds (CARES, CRRSA, ARPA) received as of March 31, 2022. These funds are disbursed by the Federal Aviation Administration (FAA) based on reimbursement requests of qualifying expenses submitted by the RTAA. On December 9, 2021, the Board approved paying off RTAA's outstanding debt of \$10.380 million incurred building the parking garage. RTAA received a total of \$10.780 million federal stimulus funds in the current fiscal year as reimbursement of its principal and interest payments as of March 31, 2022.

## TOTAL OPERATING REVENUE

RTAA's total Operating Revenues of \$45.387 million are approximately \$9.698 million or 27.2% above budget and \$13.772 million or 43.6% above actual results for the same period in the prior fiscal year. The increase from the adopted budget is mainly due to higher non-airline revenues of \$8.261 million, and higher airline revenues of \$1.437 million. Non-airline revenues include parking and ground transportation, auto rental, retail, food and beverage concessions, gaming revenues, advertising, and terminal and other building rents. The chart below reflects actual operating revenues for the fiscal year as compared to the budget amount.





## AIRLINE REVENUES

Airline revenues are collected in accordance with rates and charges as specified by the formula in the RTAA's Airline-Airport Use and Lease Agreement with the signatory airlines effective July 1, 2015, through June 30, 2023.

### Landing Fees

The formula for calculating landing fees consists mostly of cost recovery of Airfield related operating and capital improvement expenses offset by other Airfield derived revenues. Landing fees were budgeted and collected at \$3.23 per 1,000 lbs. of landed weight through December 31, 2021. Due to the higher than forecasted landed weight recorded in the first six months and lower than budgeted operating expenses, the landing fee was reduced to \$2.85 per 1,000 lbs. for signatory airlines effective January 1, 2022. For the nine-month period ending March 31, 2022, landing fee revenues registered \$7.286 million, approximately \$919,500 or 14.4% above the adopted budget. The increase is due to higher landed weight carried by Aha!, Alaska, American, Delta, Frontier, JetBlue, Southwest, United, Volaris, FedEx, and UPS, partially offset by lower landed weight reported by Allegiant. Overall, landed weight by all airlines is 43% above the same period in FY 2021, and 16.0% above the budget forecast. The costs allocated to the Airfield cost center are 9.6% below budget based on actual results through March 31, 2022.

### Airline Terminal Rents

Airline terminal rents reflect cost recovery of Terminal costs allocated to airline occupied facilities with total facility costs divided by rentable terminal square footage. The budgeted average signatory rental rate is \$55.31 per sq. ft. per annum. For the nine-month period ending March 31, 2022, airline terminal rental revenue registered \$6.886 million, approximately \$517,400 or 8.2% above budget. The costs allocated to the Terminal Building cost center are 6.7% below the adopted budget based on actual results through March 31, 2022. The airlines' portion of net revenue share of \$4.918 million applied as a credit or rent reduction to terminal rents, is approximately \$2.737 million, or 126.0% above the adopted budget.

## NON-AIRLINE REVENUES

With airline revenues derived from cost recovery formulas directly from their operations, non-airline revenues are critical for RTAA to meet other operating costs and to generate internal funds for equipment and capital projects that do not directly benefit the airlines. Non-airline operating revenues are primarily comprised of terminal and rental car concession revenues, public parking revenue, building/land rents, and reimbursement of RTAA provided services. Based on actual results for the nine-month period ending March 31, 2022, non-airline operating revenues registered \$31.246 million, an increase of approximately \$8.261 million or 35.9% above budget. The increase is primarily due to \$3.706 million or 57.1% higher revenues from Parking and Ground Transportation, \$3.011 million or 63.3% from Auto Rental, \$544,400 or 33.7% from Reimbursed Services, \$436,800 or 85.2% from Gaming, \$184,100 or 45.7% from Advertising, \$176,300 or 64.0% from FBO and Ground Handlers, \$159,500 or 21.8% from Reno Aircraft Fees, \$90,500 or 8.8% from Food and Beverage, \$52,200 or 74.2% from Miscellaneous

Revenue, \$50,800 or 53.9% from Other Concessions, \$28,000 or 69.7% from Stead Aircraft Fees, \$26,600 or 1.1% from Reno-Tahoe Land Rents, and \$13,500 or 1.9% from Reno-Stead Rents. These increases are partially offset by declines of \$123,400 or 5.0% in Reno-Tahoe Building Rents, \$58,200 or 8.5% in Retail, \$32,200 or 4.9% in Other Terminal Rents, and \$4,300 or 23.1% in Stead Concessions.

Passenger traffic through RNO has significantly increased in the current fiscal year, and as a result, non-airline revenues generated by the travelling public have also increased. Non-airline revenues generated in the first nine months of FY 2021-22 are \$11.100 million higher when compared to the same period in prior year. Parking and Ground Transportation revenues have increased by \$5.799 million or 131.7% compared to prior year. Gross revenues per enplaned passenger generated by the rental car companies at RNO have also increased due to a change in passenger behavior. Some passengers continue to prefer rental cars to other means of transportation, such as rideshare or shuttles. This is an industry wide trend due to the pandemic. With passenger traffic increasing, rental car companies continue to struggle to keep up with demand due to a reduction of fleets, supply chain challenges of new vehicles, and increased cost of vehicles, causing rental prices to increase. Rental Car concession revenues are \$3.130 million higher in FY 2021-22 than last fiscal year, and \$3.011 million above the budget forecast. Most rental companies are operating significantly above Minimum Annual Guarantee (MAG) levels.

MAG relief has been approved for all concessionaires with the exception of rental car companies for FY 2021-22. When the MAG is waived, the concession fee is converted to percentage of gross revenues. Although Retail gross revenues have increased by 154.7% compared to prior fiscal year, airport revenues through March 31, 2022, are 8.5% below budget, due to concessionaires paying percentage of gross instead of MAG.

## NON-OPERATING REVENUES

Non-Operating revenues are approximately \$23.803 million for the first nine months of the fiscal year, approximately \$6.107 million or 34.5% above budget. This revenue category is primarily comprised of Customer Facility Charges (CFCs) associated with the rental car activity, Passenger Facility Charges (PFCs), federal stimulus funds (CARES, CRRSA, ARPA), interest income, and aviation fuel tax. Federal stimulus funds are recognized as non-operating revenues when funds are received from the FAA. In the current fiscal year RTAA received \$12.958 million of federal stimulus funds through March 31, 2022. Of the total funds received \$10.780 million was for the early payoff of debt, unplanned in the current year budget.

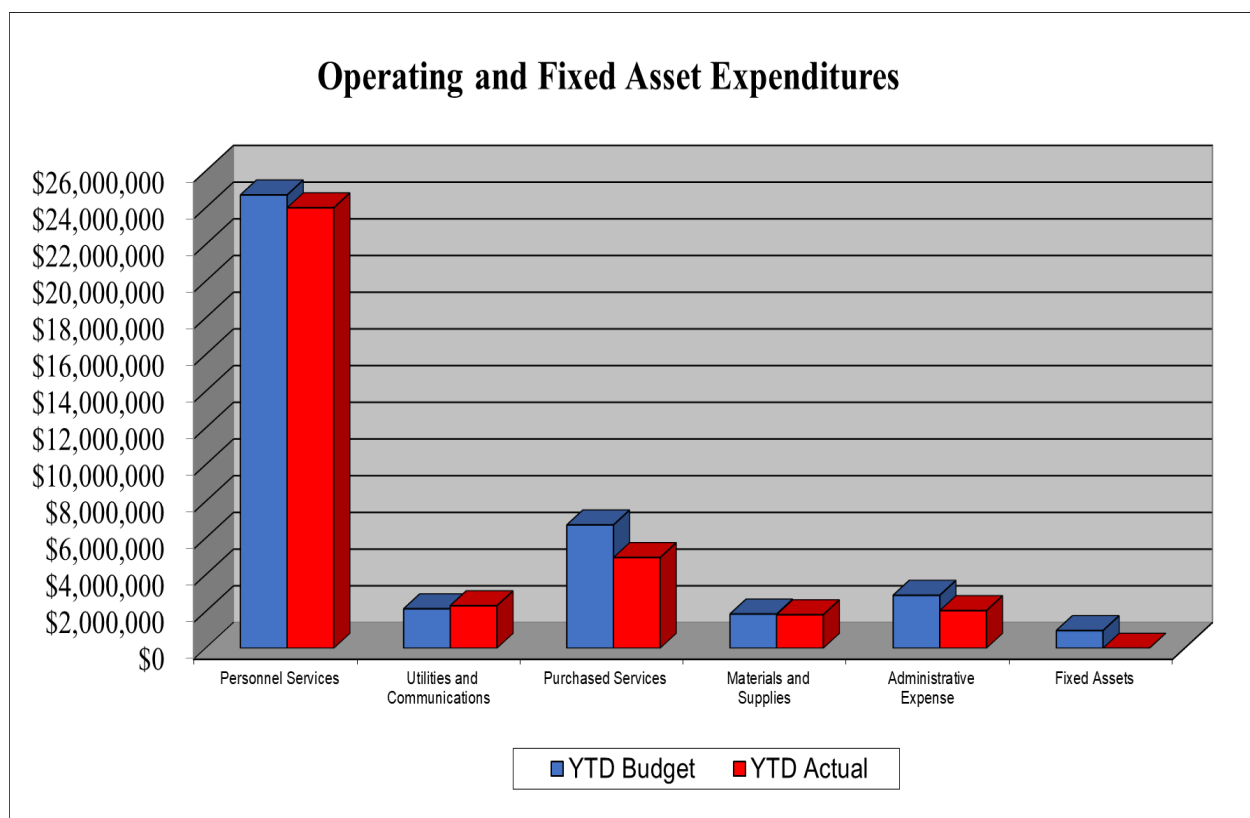
CFC revenues are \$558,700 or 13.4% over budget through March 31, 2022, primarily due to higher than budget passenger traffic, and higher than expected car rental transactions per enplaned passenger. One of the impacts of the COVID-19 pandemic is passengers continuing to utilize rental cars as a preferred method of transportation in detriment of shuttles and transportation network companies (TNCs).

PFC revenues are collected at \$4.50 (\$4.39 net to the RTAA) per enplaned passenger. PFC revenues, including PFC fees and interest income on PFC cash balances were \$1.718 million or 40.5% above budget. The increase in PFC revenues is primarily due to the significantly higher number of enplaned passengers out of RNO.

Fuel tax income is \$55,800 higher than budget, and interest income is \$200,800 below the adopted budget through March 31, 2022.

## OPERATING EXPENSES

For the nine-month period ending March 31, 2022, operating expenses were \$35.138 million, \$3.186 million or 8.3% below budget, and \$5.560 million or 18.8% higher than prior year actual results. The savings as compared to budget include approximately \$702,600 in lower personnel costs, \$1.778 million in lower purchased services, \$39,000 in lower materials and supplies, and \$836,400 in lower administrative expenses, partially offset by \$169,700 in higher utilities and communications.



## DEBT SERVICE

The RTAA is debt free. On December 1<sup>st</sup>, 2021, RTAA had approximately \$10.4 million of outstanding airport revenue bonds issued in 2015, with a fixed interest rate of 2.75%. The bonds were originally issued in 1996 to finance the construction of the parking garage, and pedestrian skyway. On December 9, 2021, the Board of Trustees approved the prepayment of the 2015 Bonds in the amount of \$10,779,856.84, which includes the balance of principal, interest, and a prepayment fee. RTAA has received federal stimulus funds as reimbursement of the debt payoff amount in January 2022.

## KEY BENCHMARKS

The following are key benchmarks and ratios used to measure financial activities and monitor the financial health and condition of RTAA:

Key Statistics / Benchmarks	YEAR TO DATE (March 31, 2022)						
					75.0% Of Fiscal Year		
	CURRENT YEAR	PRIOR YEAR	VARIANCE	%	Y-T-D BUDGET	VARIANCE	%
Enplaned Passengers	1,550,113	759,860	790,253	104.0%	1,105,150	444,963	40.3%
Airline Cost Per Enplaned Passenger	\$ 5.26	\$ 8.29	\$ (3.03)	-36.5%	\$ 9.73	(4.47)	-45.9%
Non-Airline Revenues per EPAX (a)	\$ 18.76	\$ 24.76	\$ (5.99)	-24.2%	\$ 19.34	(0.57)	-3.0%
Operating Ratio	77.4%	93.6%	-16.1%	-17.2%	107.4%	-30.0%	-27.9%
Days Cash On Hand	518.3	538.8	(20.5)	-3.8%	426.14	92.2	21.6%
CARES Act	\$ 12,957,955	\$ 7,114,061	\$ 5,843,894	82.1%	\$ 8,809,463	4,148,492	47.1%

(a) Excludes cost reimbursement for the Baggage Handling System (BHS) paid by the airlines.

### Enplaned Passengers

Passenger activity is a significant factor driving non-airline revenues such as public parking, terminal and rental car concessions. Based on actual results for the first nine months of FY 2021-22, enplaned passengers were 1,550,113, a 40.3% increase compared to the budgeted passenger traffic of 1,105,150, and 104.0% increase as compared to the same period last year.

RNO is seeing very encouraging signs of recovery. Airlines reported 790,253 more enplaned passengers in the current fiscal year than the same period last year. Passenger numbers in July 2021 and November 2021 surpassed the pre-pandemic levels. A table and chart enclosed in this package provides a comparison of enplaned passenger traffic and market share by airline for FY 2021-22 as compared to the previous year.

### Airline Cost per Enplaned Passenger (CPE)

This ratio represents airline payments for use of airport facilities (landing fees and terminal rents) in accordance with the adopted rates and charges methodology as outlined in the airline lease agreement. RTAA targets to maintain a reasonable cost structure for the airlines to attract and maintain air service to our community. Due to the significantly higher passenger traffic, operating revenues outperforming budget by 27.2%, operating expenses being 8.3% below budget, and higher than anticipated revenue sharing credit, the signatory airline cost per enplaned passenger is estimated to be \$5.26 as compared to the FY 2021-22 seasonally adjusted budget of \$9.73.

### Non-Airline Revenue per Enplaned Passenger

This ratio represents operating revenues derived from sources other than the airlines, divided by enplaned passengers for the fiscal year. This financial ratio measures operating revenue capacity for terminal rents rental car concession fees, public parking, and land and building rents from

non-airline facilities at both airports. Based on the first nine months of FY 2021-22, non-airline revenue per enplaned passenger is \$18.76 as compared to the adopted budget of \$19.34, and \$24.76 recorded in the prior year. Non-airline revenues have increased in the current year by 55.1% compared to prior year; however, enplaned passenger traffic increased by 104.0%, resulting in lower non-airline revenue per enplaned passenger compared to the prior year.

Parking revenue per enplaned passenger has increased significantly from \$5.30 in FY2021 to \$6.27 in FY2022. This is in line with the reports from Landside Operations of passenger demand exceeding the available parking capacity, especially on weekends.

### Operating Ratio

The Operating Ratio is calculated by taking operating and maintenance expenses and dividing by total operating revenues. This ratio indicates whether that level of operating expense as a proportion of operating revenues are consistent and tracking with the approved expenditures and revenues adopted in the budget. Generally, a lower ratio of expenses to revenues is positive since it reflects an improvement in the net operating revenue available to pay debt service and generate additional cash flow.

Based on the first nine months in FY 2021-22, the operating ratio registered 77.4% as compared to the higher ratio in the prior year of 93.6%, and higher ratio in the adopted budget of 107.4%. This result as compared to budget reflects the lower operating expenses and higher revenues for the current fiscal year.

### Days Cash on Hand (DCOH)

Days Cash on Hand is calculated by identifying unrestricted cash and investments divided by the daily operating and maintenance expenditure budget (annual operating and maintenance budget divided by 365 days). As of March 31, 2022, RTAA's DCOH was approximately 518 days, positively impacted by federal stimulus funds received through March 2022.

RTAA's policy is a desired target of 365 days. The 2019 median average, as compiled by Moody's Investor Services, is 652 for all airports and 595 for small hub airports. The current RTAA DCOH is below this industry average for all airports and similarly sized airports. In general, rating agencies view this indicator negatively when less than 300 days and may result in a rating downgrade for the reporting airport.

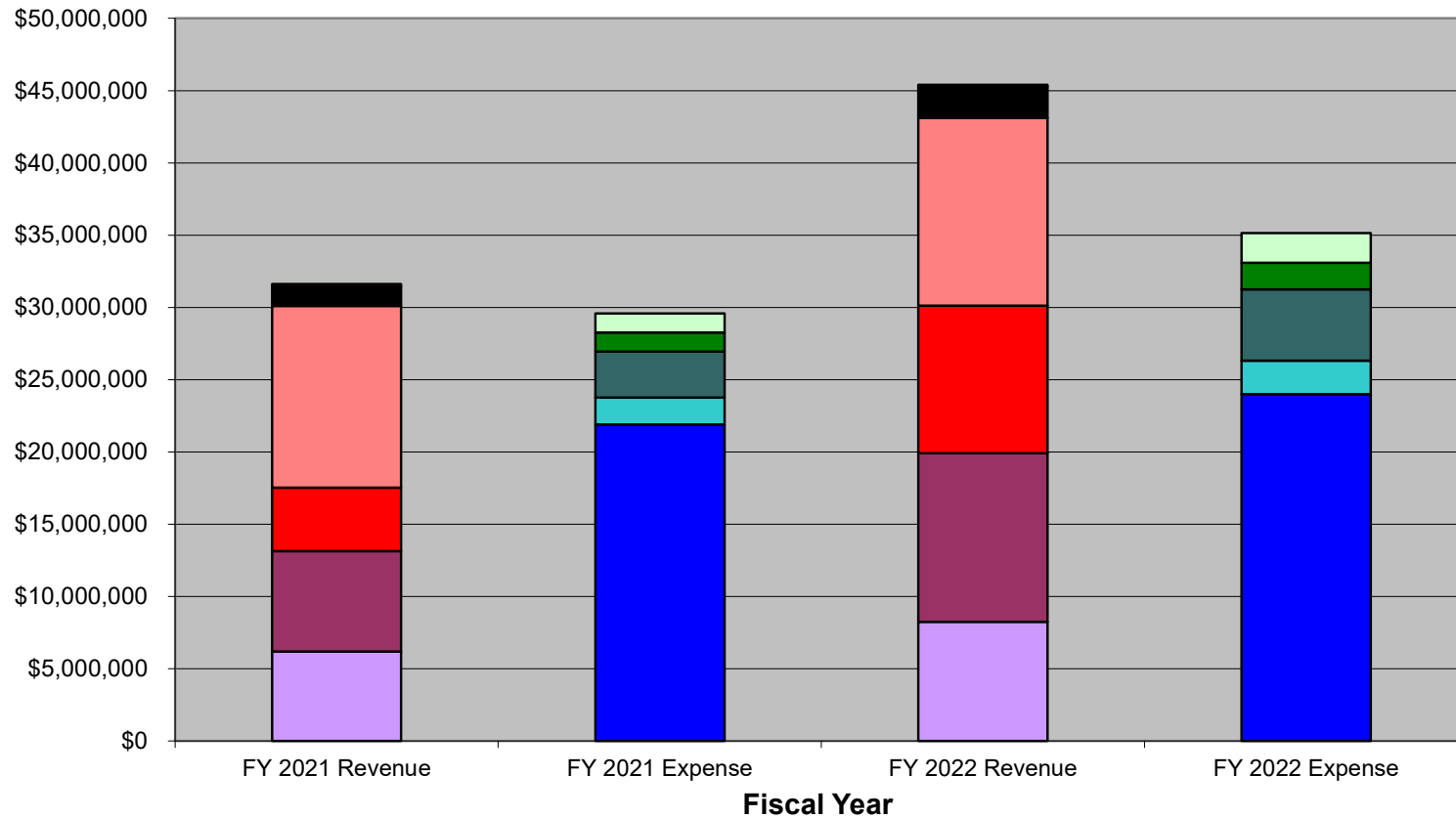
**OPERATING STATEMENT**  
**RENO-TAHOE AIRPORT AUTHORITY**  
For the Nine Months Ending March 31, 2022

	<i>CURRENT MONTH</i>				<i>For the Nine Months Ending March 31, 2022</i>						
	CURRENT YEAR	PRIOR YEAR	VARIANCE	%	CURRENT YEAR	PRIOR YEAR	VARIANCE	%	75.00% Y-T-D BUDGET	OF FISCAL YEAR VARIANCE	%
<b>REVENUES</b>											
Landing Fees	\$ 710,868	\$ 740,336	\$ (29,468)	-4.0%	\$ 7,285,930	\$ 5,364,117	\$ 1,921,814	35.8%	\$ 6,366,403	\$ 919,527	14.4%
Terminal Rent, Airline	727,160	704,959	22,200	3.1%	6,855,922	6,104,967	750,955	12.3%	6,338,550	517,372	8.2%
Aircraft Fees	95,480	92,841	2,639	2.8%	958,611	810,845	147,766	18.2%	771,120	187,491	24.3%
Concession Revenue	494,276	375,709	118,567	31.6%	3,894,667	2,314,075	1,580,592	68.3%	3,018,534	876,134	29.0%
Auto Rental	979,167	575,045	404,122	70.3%	7,769,049	4,638,857	3,130,192	67.5%	4,758,144	3,010,905	63.3%
Parking & Ground Transportation	1,144,411	707,371	437,040	61.8%	10,200,687	4,401,357	5,799,330	131.8%	6,495,122	3,705,565	57.1%
Reno-Tahoe Building/ Land Rents	619,443	490,211	129,232	26.4%	5,433,643	5,545,729	(112,087)	-2.0%	5,562,559	(128,917)	-2.3%
Reno-Stead Rents	73,117	82,507	(9,390)	-11.4%	706,966	910,117	(203,152)	-22.3%	693,488	13,478	1.9%
Reimbursed Services	326,783	224,736	102,047	45.4%	2,159,263	1,335,899	823,364	61.6%	1,614,819	544,444	33.7%
Miscellaneous	5,119	47,466	(42,348)	-89.2%	122,662	189,577	(66,915)	-35.3%	70,425	52,237	74.2%
<b>OPERATING REVENUE</b>	<b>\$ 5,175,824</b>	<b>\$ 4,041,183</b>	<b>\$ 1,134,641</b>	<b>28.1%</b>	<b>\$ 45,387,399</b>	<b>\$ 31,615,540</b>	<b>\$ 13,771,859</b>	<b>43.6%</b>	<b>\$ 35,689,163</b>	<b>\$ 9,698,236</b>	<b>27.2%</b>
<b>EXPENSES</b>											
Personnel Services	\$ 2,744,752	\$ 2,411,482	\$ 333,270	13.8%	\$ 24,002,125	\$ 21,887,540	\$ 2,114,585	9.7%	\$ 24,704,726	\$ (702,602)	-2.8%
Utilities and Communications	244,927	177,826	67,100	37.7%	2,318,247	1,868,638	449,609	24.1%	2,148,578	169,669	7.9%
Purchased Services	592,180	394,418	197,762	50.1%	4,942,188	3,176,216	1,765,972	55.6%	6,719,863	(1,777,675)	-26.5%
Materials and Supplies	318,007	201,747	116,261	57.6%	1,824,382	1,331,096	493,286	37.1%	1,863,340	(38,959)	-2.1%
Administrative Expense	274,786	150,677	124,109	82.4%	2,051,032	1,314,764	736,268	56.0%	2,887,408	(836,377)	-29.0%
<b>OPERATING EXPENSES</b>	<b>\$ 4,174,652</b>	<b>\$ 3,336,150</b>	<b>\$ 838,502</b>	<b>25.1%</b>	<b>\$ 35,137,972</b>	<b>\$ 29,578,253</b>	<b>\$ 5,559,719</b>	<b>18.8%</b>	<b>\$ 38,323,916</b>	<b>\$ (3,185,943)</b>	<b>-8.3%</b>
<b>NET OPERATING INC. BEFORE DEPR.</b>	<b>\$ 1,001,172</b>	<b>\$ 705,033</b>	<b>\$ 296,139</b>	<b>42.0%</b>	<b>\$ 10,249,427</b>	<b>\$ 2,037,287</b>	<b>\$ 8,212,140</b>	<b>403.1%</b>	<b>\$ (2,634,752)</b>	<b>\$ 12,884,179</b>	<b>-489.0%</b>
Depreciation and Amortization	2,077,629	2,245,708	(168,079)	-7.5%	18,806,387	20,097,325	(1,290,938)	-6.4%	22,500,000	(3,693,613)	-16.4%
<b>OPERATING INCOME</b>	<b>\$ (1,076,457)</b>	<b>\$ (1,540,675)</b>	<b>\$ 464,218</b>	<b>30.1%</b>	<b>\$ (8,556,960)</b>	<b>\$ (18,060,037)</b>	<b>\$ 9,503,078</b>	<b>52.6%</b>	<b>\$ (25,134,752)</b>	<b>\$ 16,577,792</b>	<b>66.0%</b>
<b>NON-OPERATING INCOME (EXPENSE)</b>											
Interest Income	\$ 26,143	\$ 55,164	\$ (29,022)	-52.6%	\$ 330,238	\$ 757,658	\$ (427,420)	-56.4%	\$ 531,000	(200,762)	-37.8%
Passenger Facility Charge	298,459	389,569	(91,111)	-23.4%	5,957,991	2,588,638	3,369,353	130.2%	4,240,425	1,717,566	40.5%
Customer Facility Charge	575,172	463,826	111,347	24.0%	4,728,448	3,453,391	1,275,057	36.9%	4,169,711	558,736	13.4%
Jet Fuel Tax Revenue	16,388	19,255	(2,868)	-14.9%	216,124	129,705	86,420	66.6%	160,275	55,849	34.8%
CARES Act	0	2,407,979	(2,407,979)	n.a.	12,957,955	7,114,061	5,843,894	82.1%	8,809,463	4,148,492	47.1%
G/L on Sale of Capital Assets	0	0	0	n.a.	12,519	1,547	10,973	709.5%	0	12,519	n.a.
Other Non-Operating Revenue (Expense)	0	0	0	n.a.	0	5,065	(5,065)	-100.0%	0	0	n.a.
Interest Expense	0	(28,165)	28,165	-100.0%	(399,857)	(422,469)	22,612	-5.4%	(214,088)	(185,769)	86.8%
<b>Total</b>	<b>\$ 916,161</b>	<b>\$ 3,307,628</b>	<b>\$ (2,391,467)</b>	<b>-72.3%</b>	<b>\$ 23,803,418</b>	<b>\$ 13,627,595</b>	<b>\$ 10,175,822</b>	<b>74.7%</b>	<b>\$ 17,696,786</b>	<b>\$ 6,106,632</b>	<b>34.5%</b>
<b>Net Income Before Capital Contributions</b>	<b>\$ (160,296)</b>	<b>\$ 1,766,953</b>	<b>\$ (1,927,249)</b>	<b>-109.1%</b>	<b>\$ 15,246,458</b>	<b>\$ (4,432,442)</b>	<b>\$ 19,678,900</b>	<b>444.0%</b>	<b>\$ (7,437,966)</b>	<b>\$ 22,684,424</b>	<b>305.0%</b>

**OPERATING STATEMENT**  
**RENO-TAHOE AIRPORT AUTHORITY**  
For the Nine Months Ending March 31, 2022

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET	
	ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		TOTAL	ANNUAL BUDGET % TO DATE
			\$	%			\$	%		
<b>REVENUES</b>										
Landing Fees	\$ 710,868	\$ 742,599	\$ (31,730)	-4.3%	\$ 7,285,930	\$ 6,366,403	\$ 919,527	14.4%	\$ 8,527,353	85%
Terminal Rent, Airline	727,160	704,283	22,876	3.2%	\$ 6,855,922	6,338,550	517,372	8.2%	8,451,400	81%
Aircraft Fees	95,480	83,600	11,880	14.2%	\$ 958,611	771,120	187,491	24.3%	1,026,600	93%
Concession Revenue	494,276	346,528	147,748	42.6%	\$ 3,894,667	3,018,534	876,134	29.0%	4,095,943	95%
Auto Rental	979,167	552,477	426,690	77.2%	\$ 7,769,049	4,758,144	3,010,905	63.3%	6,496,400	120%
Parking & Ground Transportation	1,144,411	751,873	392,539	52.2%	\$ 10,200,687	6,495,122	3,705,565	57.1%	8,853,300	115%
Reno-Tahoe Building/ Land Rents	619,443	618,062	1,380	0.2%	\$ 5,433,643	5,562,559	(128,917)	-2.3%	7,416,746	73%
Reno-Stead Rents	73,117	77,054	(3,937)	-5.1%	\$ 706,966	693,488	13,478	1.9%	924,650	76%
Reimbursed Services	326,783	207,501	119,282	57.5%	\$ 2,159,263	1,614,819	544,444	33.7%	2,194,932	98%
Miscellaneous	5,119	7,825	(2,706)	-34.6%	\$ 122,662	70,425	52,237	74.2%	93,900	0%
<b>OPERATING REVENUE</b>	<b>\$ 5,175,824</b>	<b>\$ 4,091,801</b>	<b>\$ 1,084,022</b>	<b>26.5%</b>	<b>\$ 45,387,399</b>	<b>\$ 35,689,163</b>	<b>\$ 9,698,236</b>	<b>27.2%</b>	<b>\$ 48,081,224</b>	<b>94%</b>
<b>EXPENSES</b>										
Personnel Services	\$ 2,744,752	\$ 2,744,970	\$ (218)	0.0%	\$ 24,002,125	\$ 24,704,726	\$ (702,602)	-2.8%	\$ 32,939,635	73%
Utilities and Communications	244,927	220,928	23,998	10.9%	\$ 2,318,247	2,148,578	169,669	7.9%	2,848,730	81%
Purchased Services	592,180	739,083	(146,903)	-19.9%	\$ 4,942,188	6,719,863	(1,777,675)	-26.5%	8,759,612	56%
Materials and Supplies	318,007	195,982	122,025	62.3%	\$ 1,824,382	1,863,340	(38,959)	-2.1%	2,451,286	74%
Administrative Expense	274,786	304,070	(29,284)	-9.6%	\$ 2,051,032	2,887,408	(836,377)	-29.0%	3,860,117	53%
<b>OPERATING EXPENSES</b>	<b>\$ 4,174,652</b>	<b>\$ 4,205,033</b>	<b>\$ (30,381)</b>	<b>-0.7%</b>	<b>\$ 35,137,972</b>	<b>\$ 38,323,916</b>	<b>\$ (3,185,943)</b>	<b>-8.3%</b>	<b>\$ 50,859,380</b>	<b>69%</b>
<b>NET OPERATING INC. BEFORE DEPR.</b>	<b>\$ 1,001,172</b>	<b>\$ (113,232)</b>	<b>\$ 1,114,404</b>	<b>-984.2%</b>	<b>\$ 10,249,427</b>	<b>\$ (2,634,752)</b>	<b>\$ 12,884,179</b>	<b>-489.0%</b>	<b>\$ (2,778,156)</b>	<b>-369%</b>
Depreciation and Amortization	2,077,629	2,500,000	(422,371)	-16.9%	18,806,387	22,500,000	(3,693,613)	-16.4%	30,000,000	63%
<b>OPERATING INCOME</b>	<b>\$ (1,076,457)</b>	<b>\$ (2,613,232)</b>	<b>\$ 1,536,775</b>	<b>58.8%</b>	<b>\$ (8,556,960)</b>	<b>\$ (25,134,752)</b>	<b>\$ 16,577,792</b>	<b>66.0%</b>	<b>\$ (32,778,156)</b>	<b>26%</b>
<b>NON-OPERATING INCOME (EXPENSE)</b>										
Interest Income	\$ 26,143	\$ 59,000	\$ (32,857)	-55.7%	\$ 330,238	\$ 531,000	\$ (200,762)	-37.8%	708,000	47%
Passenger Facility Charge	298,459	471,158	(172,700)	-36.7%	\$ 5,957,991	4,240,425	1,717,566	40.5%	5,653,900	105%
Customer Facility Charge	575,172	484,153	91,019	18.8%	\$ 4,728,448	4,169,711	558,736	13.4%	5,693,000	83%
Jet Fuel Tax Revenue	16,388	17,808	(1,421)	-8.0%	\$ 216,124	160,275	55,849	34.8%	213,700	101%
CARES Act	0	\$978,829	(978,829)	-100.0%	\$ 12,957,955	8,809,463	4,148,492	47.1%	11,745,950	110%
G/L on Sale of Capital Assets	0	0	0	n.a.	\$ 12,519.10	0	12,519	n.a.	0	n.a.
Other Non-Operating Revenue (Expense)	0	0	0	n.a.	0	0	0	n.a.	0	n.a.
Interest Expense	0	(23,788)	23,788	-100.0%	\$ (399,857)	(214,088)	(185,769)	86.8%	(285,450)	140%
<b>Total</b>	<b>\$ 916,161</b>	<b>\$ 1,987,161</b>	<b>\$ (1,071,000)</b>	<b>-53.9%</b>	<b>\$ 23,803,418</b>	<b>\$ 17,696,786</b>	<b>\$ 6,106,632</b>	<b>34.5%</b>	<b>\$ 23,729,100</b>	<b>100%</b>
<b>Net Income Before Capital Contributions</b>	<b>\$ (160,296)</b>	<b>\$ (626,070)</b>	<b>\$ 465,774</b>	<b>74.4%</b>	<b>\$ 15,246,458</b>	<b>\$ (7,437,966)</b>	<b>\$ 22,684,424</b>	<b>305.0%</b>	<b>\$ (9,049,056)</b>	<b>-168%</b>

## Operating Revenue and Expense YTD through March 31, 2022





# SUMMARY OF NON-AIRLINE REVENUES

Reno-Tahoe Airport Authority

	3/31/2022 YTD Actual	3/31/2021 YTD Actual	Over (Under) Prior Year	% Variance	3/31/2022 Year to Date Budget	Over (Under) Budget	% Variance	2021-22 Annual Budget	% of Annual Budget
Aircraft Fees - Reno	\$ 890,423	\$ 761,739	\$ 128,684	16.9%	730,950	\$ 159,473	21.8%	974,600	91.4%
Aircraft Fees - Stead	68,188	49,106	19,082	38.9%	40,170	28,018	69.7%	52,000	131.1%
Gaming Concession	949,815	369,627	580,188	157.0%	512,992	436,823	85.2%	700,400	135.6%
Food & Beverage	1,121,533	503,824	617,709	122.6%	1,031,031	90,502	8.8%	1,407,689	79.7%
Retail/Merchandise	624,555	547,589	76,966	14.1%	682,729	(58,174)	-8.5%	932,145	67.0%
Advertising	587,504	465,654	121,851	26.2%	403,357	184,147	45.7%	537,809	109.2%
Other Concessions	145,007	121,969	23,037	18.9%	94,200	50,807	53.9%	125,600	115.5%
FBO and Ground Handlers	451,941	289,449	162,492	56.1%	275,625	176,316	64.0%	367,500	123.0%
Stead Concessions	14,312	15,963	(1,651)	-10.3%	18,600	(4,288)	-23.1%	24,800	57.7%
Auto Rental	7,769,049	4,638,857	3,130,192	67.5%	4,758,144	3,010,905	63.3%	6,496,400	119.6%
Ground Transportation	235,733	135,658	100,075	73.8%	199,050	36,683	18.4%	265,400	88.8%
Auto Parking	9,964,954	4,265,699	5,699,255	133.6%	6,296,072	3,668,882	58.3%	8,587,900	116.0%
Other Terminal Rents	624,769	600,403	24,367	4.1%	656,925	(32,156)	-4.9%	875,900	71.3%
Reno-Tahoe Building Rents	2,326,410	2,384,118	(57,709)	-2.4%	2,449,775	(123,365)	-5.0%	3,266,367	71.2%
Reno-Tahoe Land Rents	2,482,463	2,561,208	(78,745)	-3.1%	2,455,859	26,604	1.1%	3,274,479	75.8%
Reno-Stead Rents	706,966	910,117	(203,152)	-22.3%	693,488	13,478	1.9%	924,650	76.5%
Reimbursed Services	2,159,263	1,335,899	823,364	61.6%	1,614,819	544,444	33.7%	2,194,932	98.4%
Miscellaneous	122,662	189,737	(67,076)	-35.4%	70,425	52,237	74.2%	93,900	130.6%
Total Non-Airline Operating Revenue	31,245,547	20,146,617	11,098,930	55.1%	22,984,210	8,261,337	35.9%	31,102,471	100.5%
Non Operating Revenue (a)	558,881	888,909	(330,028)	-37.1%	460,850	98,031	21.3%	921,700	60.6%
<b>TOTAL NON-AIRLINE REVENUE</b>	<b>\$ 31,804,428</b>	<b>\$ 21,035,526</b>	<b>\$ 10,768,902</b>	<b>51.2%</b>	<b>\$ 23,445,060</b>	<b>\$ 8,359,368</b>	<b>35.7%</b>	<b>\$ 32,024,171</b>	<b>99.3%</b>
Year to Date Enplaned Passengers	1,550,113	759,860			1,105,150			1,508,886	
Non-Airline Revenue Per EPAX (b)	<b>\$ 18.76</b>	<b>\$ 24.76</b>			<b>\$ 19.34</b>			<b>\$ 19.16</b>	
Non-Airline Revenue Per EPAX (c)	<b>\$ 11.49</b>	<b>\$ 17.65</b>			<b>\$ 12.70</b>			<b>\$ 12.55</b>	

(a) Excludes PFC and CFC revenues

(b) Total Non-Airline Revenue less Reimbursed Services divided by enplaned passengers

(c) Non-Airline Revenue (Concessions, Rental Car, Other Rents) Per Enplaned Passenger (Strategic Plan Measure)

## NET REVENUE SHARING - YEAR TO DATE

Reno-Tahoe Airport Authority  
For the Nine Months Ending March 31, 2022

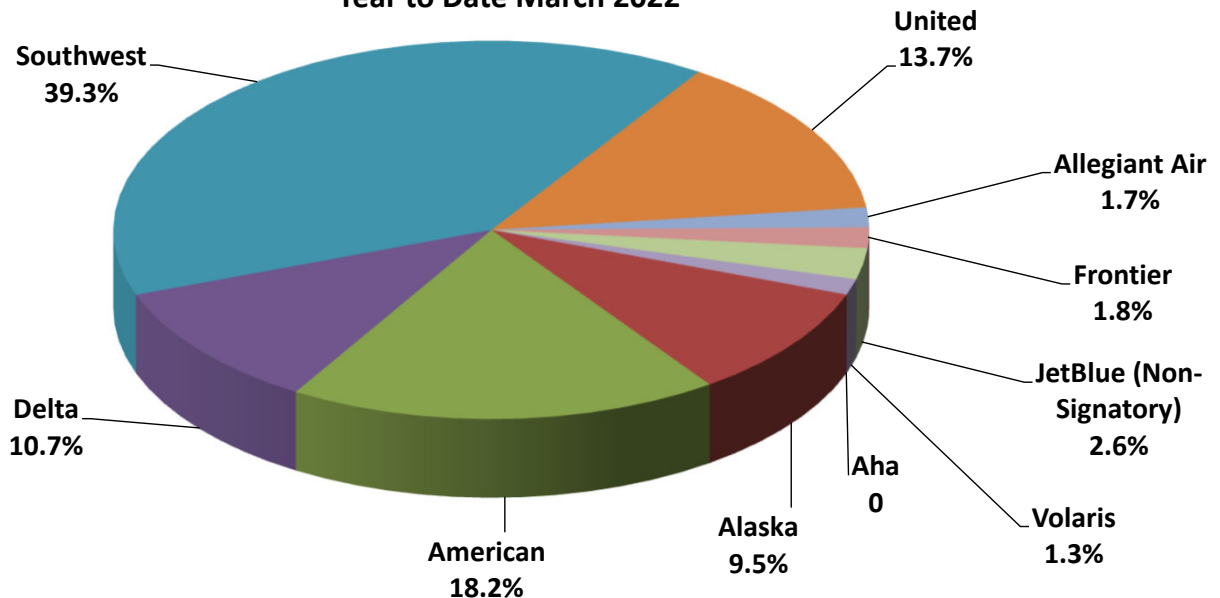
	<u>Airfield</u>	<u>Terminal</u>	<u>Baggage System</u>	<u>Landside</u>	<u>Other</u>	<u>Reno Stead</u>	<u>Total</u>
Revenue Sharing							
Airline Revenue	7,460,513	8,659,261	-	-	-	-	16,119,775
Non Airline Revenue	911,301	4,906,001	1,306,446	17,969,735	5,845,005	789,465	31,727,953
<b>Total Revenue</b>	<b>8,371,814</b>	<b>13,565,262</b>	<b>1,306,446</b>	<b>17,969,735</b>	<b>5,845,005</b>	<b>789,465</b>	<b>47,847,728</b>
<b>Budgeted Revenue</b>	<b>7,276,465</b>	<b>12,666,407</b>	<b>920,199</b>	<b>11,599,425</b>	<b>5,692,909</b>	<b>751,088</b>	<b>38,906,493</b>
O&M Expense	\$ 7,886,360	\$ 14,570,564	\$ 1,299,722	\$ 6,328,673	\$ 3,059,151	\$ 1,481,032	\$ 34,625,502
Debt Service	-	-	-	10,779,857	-	-	10,779,857
Pre Bond Loan	-	-	-	-	-	-	-
O&M Reserve	113,340	201,988	16,674	81,387	46,996	22,351	482,736
Fixed Asset	244,487	270,731	-	113,857	83,981	41,475	754,531
Capital Project	306,750	377,580	-	89,206	460,134	45,000	1,278,670
Amort. Capital Items	706,311	226,929	-	685,163	601,201	182,810	2,402,414
Special Fund	-	183,855	-	-	-	-	183,855
CARES ACT	(200,000)	-	-	(11,779,857)	(500,000)	(15,000)	(12,494,857)
<b>Total Requirement</b>	<b>9,057,248</b>	<b>15,831,647</b>	<b>1,316,396</b>	<b>6,298,286</b>	<b>3,751,463</b>	<b>1,757,668</b>	<b>38,012,708</b>
<b>Budgeted Requirement</b>	<b>7,988,317</b>	<b>16,143,017</b>	<b>920,199</b>	<b>4,616,777</b>	<b>2,863,350</b>	<b>2,014,272</b>	<b>34,545,932</b>
<b>Net Revenues</b>	<b>(685,434)</b>	<b>(2,266,385)</b>	<b>(9,950)</b>	<b>11,671,449</b>	<b>2,093,542</b>	<b>(968,203)</b>	<b>9,835,019</b>
<b>Budgeted Net Revenues</b>	<b>(711,852)</b>	<b>(3,476,610)</b>	<b>-</b>	<b>6,982,648</b>	<b>2,829,559</b>	<b>(1,263,184)</b>	<b>4,360,561</b>
<b>Months</b>	9						Airport Share \$ 4,917,509 Airline Share \$ 4,917,510

# SUMMARY OF ENPLANED PASSENGERS BY AIRLINE

Reno-Tahoe International Airport

Enplaned passengers by Airline	Month			Year-to-date		
	Mar-22	Mar-21	Percent change	YTD 2021-22	YTD 2020-21	Percent change
<b>Major/national carriers (Signatory)</b>						
Aha	2,749	0	n.a.	10,989	0	n.a.
Alaska	16,983	12,972	30.9%	147,848	74,554	98.3%
American	28,800	24,575	17.2%	282,301	148,366	90.3%
Delta	18,811	13,007	44.6%	165,136	77,194	113.9%
Southwest	74,618	48,653	53.4%	609,950	280,795	117.2%
United	28,367	18,508	53.3%	211,897	119,000	78.1%
<b>Total</b>	<b>170,328</b>	<b>117,715</b>	<b>44.7%</b>	<b>1,428,121</b>	<b>699,909</b>	<b>104.0%</b>
<b>Non-Signatory and Charter</b>						
Allegiant Air	2,534	2,709	-6.5%	25,697	19,317	33.0%
Frontier	2,611	1,879	39.0%	27,323	16,153	69.2%
JetBlue	6,566	1,353	385.3%	40,713	8,428	383.1%
Volaris	2,641	1,345	96.4%	20,564	12,319	66.9%
Other Charters	991	1,358	-27.0%	7,695	3,734	106.1%
<b>Total</b>	<b>15,343</b>	<b>8,644</b>	<b>77.5%</b>	<b>121,992</b>	<b>59,951</b>	<b>103.5%</b>
<b>Total enplaned passengers</b>	<b>185,671</b>	<b>126,359</b>	<b>46.9%</b>	<b>1,550,113</b>	<b>759,860</b>	<b>104.0%</b>

Enplaned Passenger Market Share  
Year to Date March 2022



# RTAA Liquidity Position

