



Fiscal Year 2020-2021
Annual Budget



**Reno-Tahoe
Airport
Authority**

Reno, Nevada

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
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Section 1 – Introduction and Summary

**Reno-Tahoe Airport Authority
FY 2020-21 Annual Budget
Section 1 – Introduction**



**Board of Trustees
Reno, Nevada**

Accompanying this introduction is the Reno-Tahoe Airport Authority (RTAA) annual budget for Fiscal Year (FY) 2020-21 as approved by the Board of Trustees on May 21, 2020. I commend the Board of Trustees and RTAA employees for their dedication, perseverance and team work as we together faced the impacts of the COVID-19 pandemic and developed this budget.

This budget represents the funding plan of revenues, expenses, and capital improvements to operate the Reno-Tahoe International Airport (RNO) commercial airport and Reno-Stead (RTS) general aviation airport for FY 2020-21. The approved budget is balanced; meaning revenues and other resources equal or exceed expenditures and other uses. A balanced budget is an integral part of maintaining RTAA’s financial sustainability. The overall objective from the budget is to provide essential resources for operating, maintaining and developing safe, convenient, and customer-focused facilities.

The budget is structured consistent with conventions and standards as an enterprise fund. As such, RTAA’s day-to-day operating and maintenance expenses are funded almost exclusively from revenues generated through cost recovery from the airlines, rents and concession fees paid by airport tenants, and customers of public parking facilities. No state or local property or sales tax dollars are used to meet RTAA’s obligations. RTAA is solely responsible to ensure its financial stability and viability. Despite the potential for volatility of the airline industry and the impacts due to the COVID-19 pandemic, RTAA continues its commitment to ensure financial stability, maintain liquidity and to position RTAA with the flexibility to strategically respond to challenges and opportunities.

Background

The initial budget discussion and outlook was conducted during the Board’s annual strategic retreat on November 4, 2019. The retreat provided a general assessment of current operational and fiscal conditions, capital improvement projects and a budget outlook of the upcoming fiscal year. The pre COVID-19 outlook envisioned continuation of passenger growth, increased revenues and economic expansion. The budget for FY 2020-21, at that point in time, anticipated increased funding to address priorities in our operating departments and needed improvements in our facilities. The sudden and broadly disruptive impacts of the COVID-19 pandemic would change all expectations.

On March 20, 2020, Governor Sisolak ordered all non-essential businesses to close their doors to the public. This order follows earlier advisories for shelter in place and other COVID-19 precautions. Impacts from the pandemic expanded. RTAA’s enplaned passenger forecast changed multiple times downward as the industry gravitated to a near complete shutdown not seen since the 911 terrorist attacks on our country. We struggled to establish a baseline forecast

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needed for the upcoming budget. Each day seemed to bring more troubling news. Circumstances were extremely volatile and evolving on a day-to-day basis. The flight schedule pipeline emptied and the number of flight cancellations far exceeding new bookings; a condition not seen before. The opportunities we envisioned in the budget of addressing priorities for public safety, new staffing, equipment, and capital projects would unfortunately be put on hold while all focused on the emergency at hand.

The pandemic timing occurred when we had about three months remaining in our prior fiscal year that ended on June 30, 2020. In mid-April, RTAA's operating revenues plummeted due to a decline in passenger traffic by as much as 97%. Airlines, concessionaires and tenants were all impacted. The overwhelming strategy became...put the brakes on, contain cost, improve safety and help our airport community get through these unprecedented times. The RTAA team stepped up. Departments tightened the belt and identified approximately \$4.9 million in savings by putting a hold on filling vacant positions, travel, training and other non-essential expenses or projects. Our airports partners were also impacted and the Board approved a payment deferral plan at a special meeting on April 10th. As a result, relief was made available for commercial airlines and in-terminal concession businesses during these struggling times. The approved plan deferred approximately \$3.9 million of RTAA landing fees, terminal rents and minimum annual guaranteed payments.

On April 17, 2020, the Board conducted its first budget workshop on RTAA's preliminary expenditure budget for FY 2020-21 totaling \$52.7 million. This budget was decreased by cost reduction measures, to include freezing 14 vacant positions, eliminating salary increases, cutting operating expenses and deferring capital improvement projects. Passenger forecasts and revenues were adjusted downward from 2.2 million enplaned passengers to 1.6 million, and then revised later in the budget process to 946,737 enplaned passengers, a severe decline of 56.8%, or 1.2 million annual passengers. These budget adjustments reduced the preliminary operating budget by approximately \$8.3 million to \$44.4 million, a budgetary decrease of 15% from where we started in the budget process.

During the budget workshop we also brought forward welcomed news that the Coronavirus Aid, Relief and Economic Security (CARES) Act passed Congress and was signed into law by President Trump on March 27, 2020. The CARES Act provided approximately \$10 billion of relief for airport sponsors, including allocations of \$30.9 million for RNO and \$30,000 for RTS. The CARES Act provides essential funding and the approved budget anticipates utilizing approximately \$12.9 million of CARES Act to fund RTAA payroll expenses, equipment and debt service payments. As a condition, RTAA must retain 90% of its workforce through December 31, 2020.

On May 8, 2020, the Board conducted a second budget workshop. The significant changes from this workshop included a revised (lower) passenger forecast and adding back \$252,300 of budgeted salary increases for positions within the police and fire collective bargaining units.

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With other adjustments and refinements to the budget, the proposed operating budget stood at \$44.6 million.

On May 21, 2020, the Board received the FY 2020-21 proposed budget and adopted it with amendments to include funding of \$250,000 for the purchase of a used fire truck and \$232,900 for budgeted salary increases for positions within the Teamsters collective bargaining unit. After more fine tuning and final tweaks, the budget of \$44.4 million was approved by the Board.

On June 5, 2020, the Board received a presentation to discuss a phased plan should additional budget reductions be required. Phase I became effective on June 1 with voluntary salary reductions by RTAA including a 15% reduction for the President/CEO and 5% reduction for employees with salaries greater than \$150,000 per year. Phase II would go into effect November 1, 2020, if actual revenues for the first quarter (July through September) are under budget by more than 1%. Phase II will extend the 5% salary reductions to all management employees. Phase III would go into effect on February 1, 2021, if revenues for the first six months (July through December) continue to be below budget by more than 1%. Phased salary reductions are to be restored if actual revenues achieve budget estimates. Phase IV, a fiscal emergency, would exist if revenues are 5% or more below budget for the first half of the year. Reduction measures for Phase IV would be based on the severity at the time, and can include but not be limited to layoffs and other significant cost reductions.

Shifting to recovery, in mid-June RTAA marketing realigned from a message of “book your flight” to a message of “we are here for you when you are ready to travel”. A new digital marketing campaign was launched on June 22nd that blended the “We Move You” brand with enhanced safety measures at RNO. Through Facebook and Instagram advertising, using digital ads, video and a billboard, we demonstrated to our customers that we are taking the necessary steps to maintain the highest standards of health, while connecting the traveling public with the people they love and the destinations they’ve missed. We call it, “We Move You, Safely”.

Our Structure and Business Model

RTAA is a quasi-municipal corporation that was created by the Nevada State Legislature in 1977 and began operation on July 1, 1978. The nine-member Board of Trustees that governs RTAA is appointed by the City of Reno (Four Trustees), City of Sparks (Two Trustees), Washoe County (Two Trustees) and the Reno Sparks Convention and Visitors Authority (One Trustee). RTAA is an independent entity that is not part of any other unit of any state or local government and does not use property or sales tax revenue to fund its operation. The geographical area served by RNO (the Catchment Area) primarily encompasses the seven Nevada counties of Churchill, Douglas, Humboldt, Lyon, Pershing, Storey, and Washoe, and the major cities of Reno, Sparks, and Carson City (the capital of the State of Nevada). The total catchment area for RNO also includes the Lake Tahoe area and several communities in northeastern California. This combined area represents a population of over 1.5 million.

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RTAA is the owner and operator of RNO and RTS. According to the Federal Aviation Administration (FAA), RNO is the 65th busiest airport in the nation based on the number of enplaned passengers in calendar year 2019. As defined by the FAA, RNO is a small hub airport which served over 4.5 million passengers in calendar year 2019. RNO has commercial airline services provided by Alaska Airlines, Allegiant, American Airlines, Delta Air Lines, Frontier Airlines, JetBlue, Southwest Airlines, United Airlines, and Volaris. Commercial cargo carriers include FedEx, United Parcel Service (UPS) and DHL. In calendar year 2019, more than 146 million pounds of air cargo was transported through RNO. Located north of Reno, RTS is a general aviation facility that is home to approximately 200 based aircraft and the famous Reno National Championship Air Races.

Airport business models are typically based on terms established within an airline-airport lease and use agreement between airlines and the airport operator. Such agreements establish the rights, privileges and obligation of each party. On June 26, 2020, the Board approved an amendment to RTAA's existing airline-airport agreement and extended the original 5-year agreement term by an additional three years through June 30, 2023. This agreement also establishes the methodology for airline rates and charges, and terms associated with the approval by airlines of certain capital investments at RNO. The extension term of the amended agreement will cover the planned timeframe when RTAA expects to design and construct the RNO ticketing hall improvement project. A detailed planning study is currently being prepared as a precursor to the design phase. A provision of the 3-year extension includes airline support for this project by way of preapproval to fund up to \$20 million through the rates and charges paid by the airlines. For more information on RTAA's airline-airport agreement, see Section 5 – Financial and Budgetary Policies.

Economic Outlook

The COVID-19 pandemic has had far-reaching consequences beyond the spread itself and efforts to quarantine it. As the virus spread around the globe, concerns shifted from supply-side manufacturing issues to decreased business in the services sector. The pandemic caused the largest global recession in history, with more than a third of the global population being placed on lockdown. Supply shortages are expected to affect a number of sectors due to panic buying, increased usage of goods to fight the pandemic, and disruption to factories and logistics abroad.

Global stock markets fell on February 24, 2020 due to a significant rise in the number of COVID-19 cases outside mainland China. By February 28, 2020, stock markets worldwide saw their largest single-week declines since the 2008 financial crisis. Global stock markets crashed in March 2020, with falls of several percent in the world's major indices. As the pandemic spread, global conferences and events across technology, fashion, and sports were cancelled or postponed. While the monetary impact on the travel, trade, hospitality, gaming and service industries is yet to be estimated, it is likely to be in the billions.

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The COVID-19 pandemic has had a significant impact on airline and tourism industries due to the resulting travel restrictions as well as slump in demand among travelers. The tourism industry has been massively affected by the spread of coronavirus, as many countries have introduced travel restrictions in an attempt to contain its spread. The United Nations World Tourism Organization estimated that global international tourist arrivals might decrease by 20% to 30% in 2020, leading to a potential loss of \$30 to \$50 billion. At times, conflicting and unilateral travel restrictions occurred regionally and many tourist attractions around the world, such as museums, amusement parks, and sports venues closed.

According to the Congressional Budget Office (CBO), in May 2020 the expected economic impact of COVID-19 on the economy was summarized as follows:

- The unemployment rate increased from 3.5% in February to 14.7% in April, representing a decline of more than 25 million people employed, plus another 8 million persons that exited the labor force.
- Job declines were focused on industries that rely on "in-person interactions" such as retail, education, health services, leisure and hospitality. For example, 8 of the 17 million leisure and hospitality jobs were lost in March and April.
- The economic impact was expected to hit smaller and newer businesses harder, as they typically have less financial cushion.
- Real (inflation-adjusted) consumer spending fell 17% from February to April, as social distancing reached its peak. In April, car and light truck sales were 49% below the late 2019 monthly average. Mortgage applications fell 30% in April 2020 versus April 2019.
- Real GDP was forecast to fall at a nearly 38% annual rate in the second quarter, or 11.2% versus the prior quarter, with a return to positive growth of 5.0% in Q3 and 2.5% in Q4 2020. However, real GDP was not expected to regain its Q4 2019 level until 2022 or later.
- The unemployment rate was forecast to average 11.5% in 2020 and 9.3% in 2021.^[1]

The CBO also forecast in April 2020 that the federal budget deficit in fiscal year 2020 would be \$3.7 trillion (17.9% of GDP), versus the January estimate of \$1 trillion (4.6% of GDP). This increase reflected relief legislation such as the CARES Act.

In regards to the Reno regional area economy, we have learned a lesson from the Great Recession of relying too heavily on tourism and gaming. The greater Reno area has since become far more diversified and the growth in recent years has been significant. The Reno area has developed a strong reputation for where businesses can come to increase their bottom line and grow, enjoy Nevada's business friendly environment and be closer in proximity to customers, a skilled workforce and logistics. These basic fundamentals have not changed even in the midst of the COVID-19 pandemic. Companies like Tesla, Switch, Microsoft, Apple,

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Rackspace, Amazon, Zulily, Patagonia, Urban Outfitters, Thrive Market, Petco and Panasonic all call Northern Nevada home for critical business functions.

The diversity of industry in Northern Nevada is expected to provide a solid foundation for recovery and long term growth following the COVID-19 pandemic. In the meantime, and the foreseeable future, Nevada will be working through the economic impacts. In April employment levels dropped to 2012 levels and the unemployment rate reached 30.1% according to the Nevada Department of Employment, Training and Rehabilitation (DETR). This was the highest level of any state in any period for which data is available going back to 1976, according to DETR.

Prior to the start of the current COVID-19 recession, the U.S. was experiencing the longest expansion on record. Although Nevada was hit hard in the last recession, Nevada outpaced the nation in employment growth for 88 months straight by the end of 2019. The state also realized 107 consecutive months of employment growth. Consistent with these trends, RTAA experienced 57 consecutive months of growth in passenger traffic until March 2020.

In March 2020, this growth came to a halt as the effects of the COVID-19 pandemic started to set in around the country. States throughout the country responded to the pandemic with many, including Nevada, taking the step of shutting down non-essential business and requiring social distancing measures. According to DETR, these shutdowns resulted in nearly a third of Nevada's labor force falling inactive and making Nevada the hardest hit state in terms of labor force impacts.

Nevada's unique industry composition has contributed to the magnitude of the impacts the State is experiencing, particularly due to our exposure to service based industries such as leisure and hospitality. By April, Nevada had lost 287,300 jobs since the start of the pandemic (comparing February to April) or 21.1%. These impacts were felt through the economy resulting in nearly all industries in the state seeing job losses. However, the magnitude of those declines varied across industries. Service providing industries were hit hardest with losses of 22%, while goods producing industries experienced a decline of 3%. Service providing industries that saw the largest declines from February to April were accommodation and food services with a 45% decline.

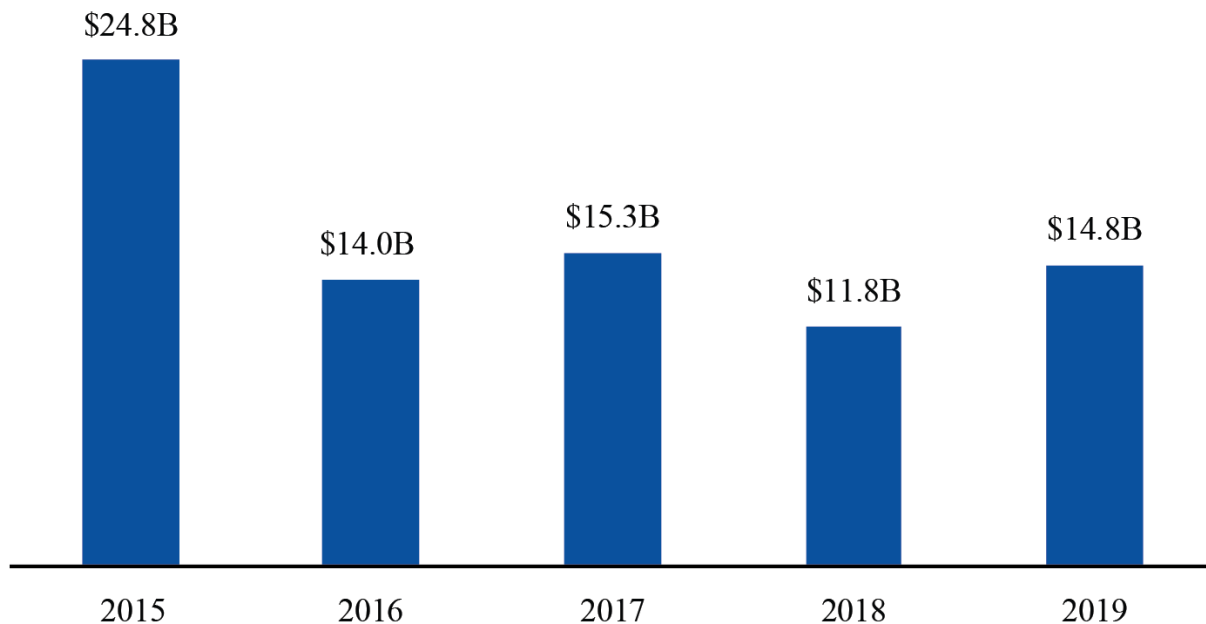
Nevada started to reopen in May as early signs of recovery became visible. May preliminary Current Employment Statistics (CES) estimates show that seasonally adjusted employment increased by 32,700 from April to May. Job growth was 2.9% and came in stronger than the US average of 1.9%. Nevada's seasonally adjusted employment total is at 1,173,900 jobs in May; on par with employment levels seen in the state back in 2012. Although employment increased from April to May, many of the state's industries are still down from the same time last year with varied magnitudes. Industries deemed non-essential continue to be the most affected. Data forthcoming in June may tell a different story as some reopening measures have been rescinded or modified facing recent spikes in COVID-19.

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Air Service Market Update

U.S. scheduled passenger airlines reported a 2019 after-tax net profit of \$14.8 billion, the 7th consecutive annual after-tax profit and a pre-tax operating profit of \$20.8 billion, the 11th consecutive annual pre-tax profit.

**Net Income 2015-2019, U.S. Scheduled Passenger Airlines
Billions of Dollars (\$)**



Source: Bureau of Transportation Statistics

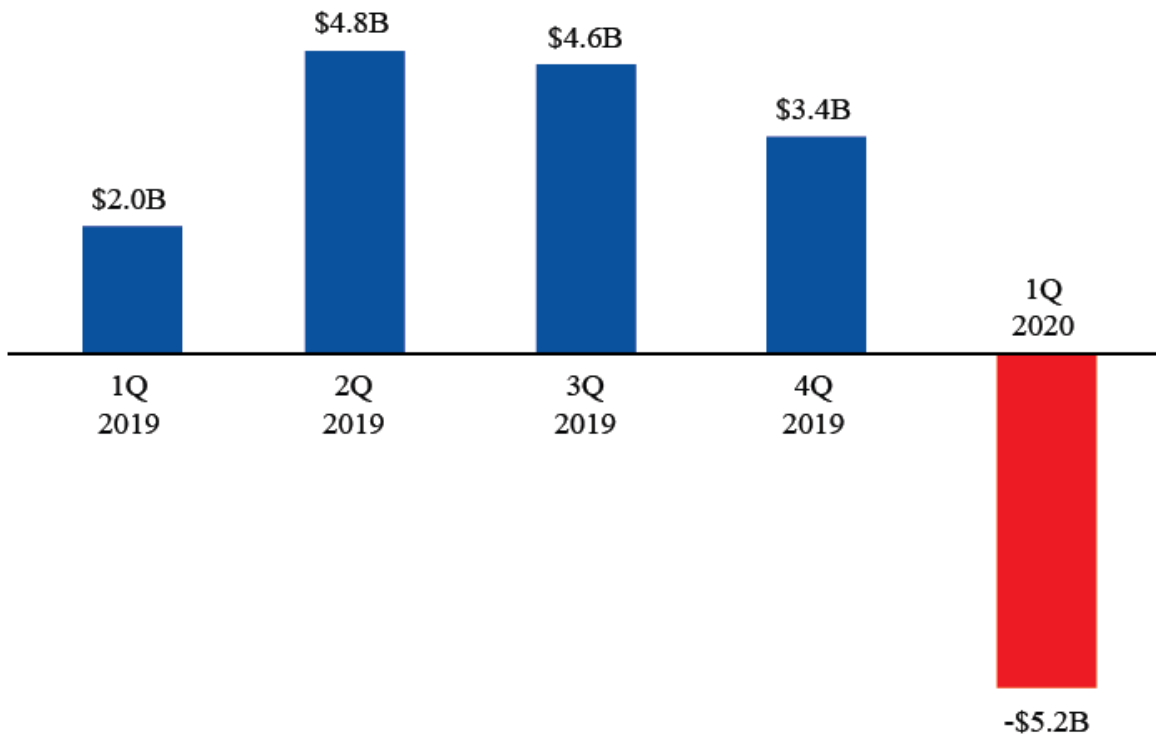
The airlines reported a \$20.8 billion pre-tax operating profit in 2019, up from \$17.6 billion in 2018. The airlines reported a pre-tax operating profit as a group for the 11th consecutive year. Total 2019 operating revenue was \$196.2 billion. The airlines collected \$145.2 billion from fares, 74.0 percent of total operating revenue. Total 2019 operating expenses were \$175.4 billion, of which fuel costs accounted for \$32.8 billion, or 18.7 percent, and labor costs accounted for \$60.3 billion, or 34.4 percent. The airlines collected \$5.8 billion in baggage fees, 2.9 percent of total operating revenue, and \$2.8 billion from reservation change fees, 1.4 percent of total operating revenue.

First Quarter 2020 U.S. Airline Financial Data

U.S. scheduled passenger airlines reported a first-quarter 2020 after-tax net loss of \$5.2 billion and a pre-tax operating loss of \$4.6 billion. The first-quarter losses follow 27 consecutive quarterly after-tax net profits and 35 consecutive quarterly pre-tax operating profits.

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Results for All 23 Scheduled U.S. Passenger Airlines (after-tax net income)



Passenger Activity

Since its emergence as a global pandemic in February of 2020, COVID-19 has been an unprecedented shock to the airline and travel industries. Travel demand has been decimated by restrictions on broad every-day activities as well as specifically on travel. Although, hard restrictions are in place for international travel, softer regulations and typically voluntary quarantines driven by local governments have allowed for some amount of domestic travel. The impact on demand, now well documented, was dramatic and immediate.

U.S. airlines carried 89% fewer scheduled service passengers in May 2020 than in May 2019, according to data filed with the Bureau of Transportation Statistics (BTS) by 20 airlines that carry more than 90% of the passengers. Despite the large drop from May 2019, U.S. airlines carried more than twice as many passengers in May 2020 than in April 2020. The 89% decline in the number of passengers would be the second largest year-to-year decrease following the 96% decline from April 2019 to April 2020.

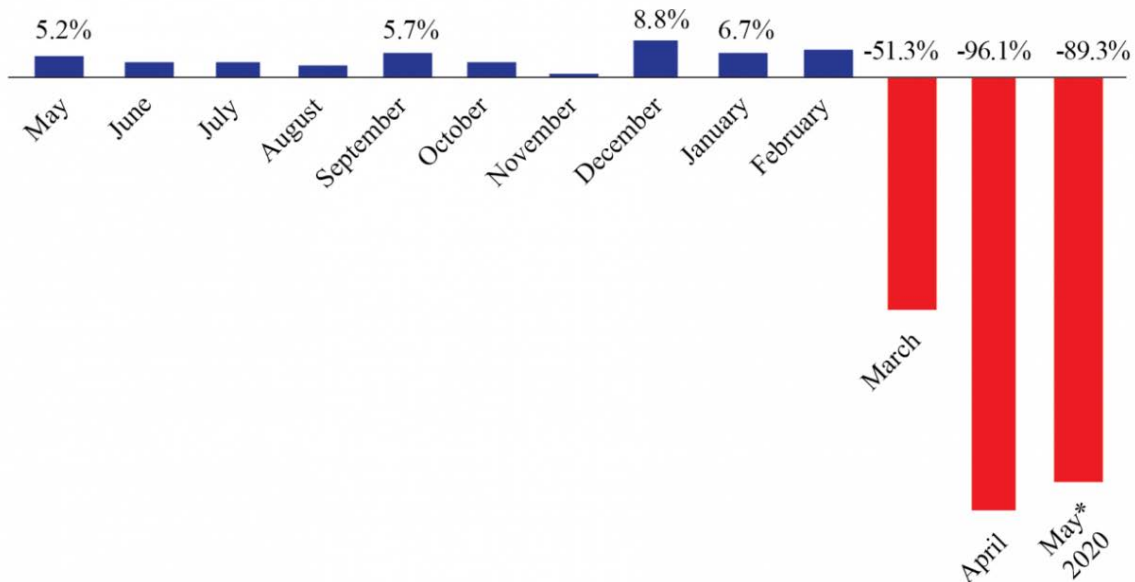
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The large airlines carried 7.9 million passengers in May 2020, up from 3.0 million passengers on all U.S. airlines in April, which was the lowest monthly total in BTS records dating back to 1974. The previous low was 14.6 million passengers in February 1975. The 7.9 million passenger estimate for May 2020 (20 carriers reporting) is down 89% from May 2019.

With the 89% drop in U.S. airlines passengers from May 2019 to May 2020 the number of passengers on U.S. airlines fell to the second lowest monthly level on record based on records since 1974. April 2020 was the lowest level. The decline beginning in March followed 29 consecutive months of increases from the same month of the previous year, dating back to October 2017. Domestic passengers on U.S. airlines declined 88% from May 2019 to May 2020, compared to a 96% decline from April 2019 to April 2020. The number of domestic passengers rose year-to-year for 29 consecutive months beginning in October 2017 before the 51% decline in March.

The number of U.S. airlines international passengers declined 98% from May 2019 to May 2020, after a 99% decrease from April 2019 to April 2020. In May 2020, the large airlines carried 182,000 passengers compared to 132,000 in April 2020. The declines beginning in March followed 22 consecutive months of increases from the same month of the previous year, dating back to May 2018.

U.S. Airlines Passengers
 Percent Change from the Previous Year

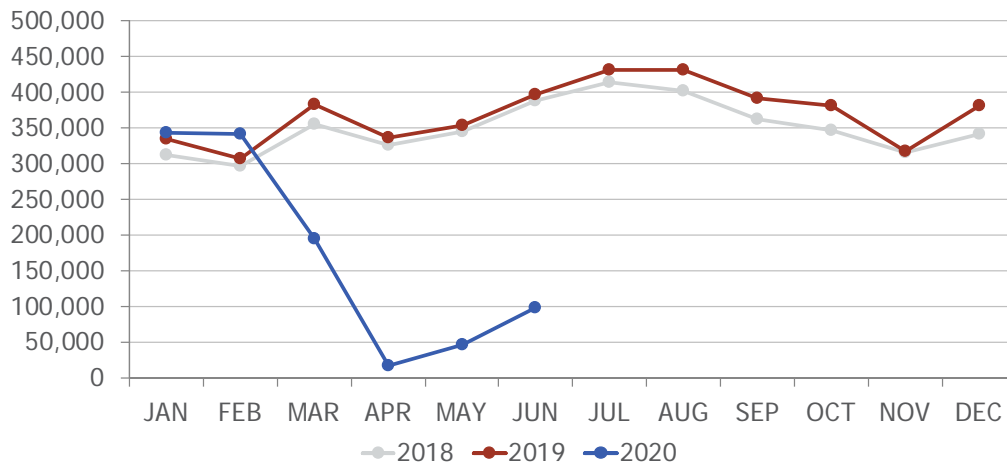


*May 2020 data is preliminary

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RNO Passengers

Consistent with passenger decline nationally, RNO’s passenger traffic declined sharply during the pandemic. RNO served 98,619 passengers in June 2020, a decrease of 75.2% versus the same period last year. During the first six months of 2020, RNO served 1,041,426 passengers, a decrease of 50.7% when compared to the same period last year. RNO served 3,378,405 passengers during Fiscal Year 2020 (12 months ending June 2020), a decrease of 21.4% when compared to Fiscal Year 2019. Up until February 2020, RNO posted 57 consecutive months of year-over-year passenger growth.



Total Passengers Jun-20					
	Passengers		% Diff.	Passengers	
	2018	2019		2020	% Diff.
JAN	312,125	335,095	7.4%	342,796	2.3%
FEB	296,726	306,800	3.4%	341,935	11.5%
MAR	356,112	383,215	7.6%	194,796	-49.2%
1st QTR	964,963	1,025,110	6.2%	879,527	-14.2%
APR	325,428	337,062	3.6%	17,265	-94.9%
MAY	345,740	354,311	2.5%	46,015	-87.0%
JUN	389,103	397,211	2.1%	98,619	-75.2%
2nd QTR	1,060,271	1,088,584	2.7%	161,899	-85.1%
JUL	414,529	432,188	4.3%		
AUG	402,794	431,640	7.2%		
SEP	362,831	392,353	8.1%		
3rd QTR	1,180,154	1,256,181	6.4%	0	
OCT	347,591	380,879	9.6%		
NOV	315,833	318,022	0.7%		
DEC	341,283	381,897	11.9%		
4th QTR	1,004,707	1,080,798	7.6%	0	
TOTAL	4,210,095	4,450,673	5.7%		
YTD		2,113,694		1,041,426	-50.7%

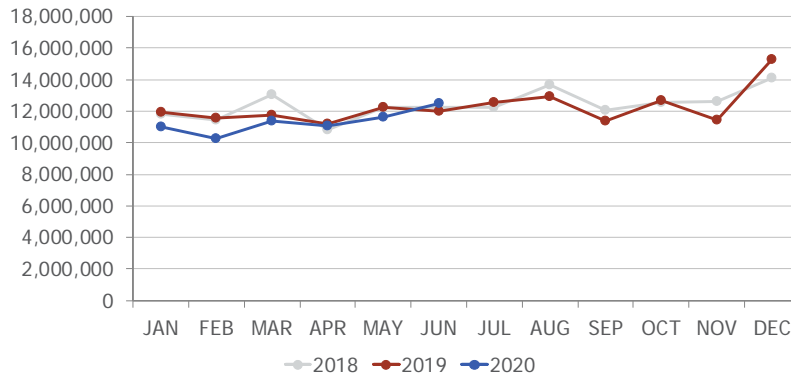
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Cargo Airlines

Nevada has become a major west coast distribution hub due to its strategic location with the Reno/Sparks area providing next-day ground service to almost every major U.S. city in the western United States. This sector of the region’s economy includes the presence of major warehousing, pharmaceutical, e-commerce and distribution facilities including such companies as Amazon, Walmart, Petco, Urban Outfitters, eBay, Zulily and 1-800-Flowers.com. This sector of the economy, along with growth in industrial development areas such as the Tahoe-Reno Industrial Center, has played a key role in cargo growth at RNO in recent years.

RNO handled 12,488,906 pounds of air cargo in June 2020, an increase of 4.2% when compared to June 2019. During the first six months of 2020, RNO handled 67,824,612 pounds of air cargo, a decrease of 4.1% when compared to the same period last year.

Total Cargo Volume in Pounds



Total Cargo Volume in Pounds						
Jun-20						
	2018	2019	% Diff.	2020		% Diff.
	Cargo in Pounds			Pounds	Metric Tons	
JAN	11,795,775	11,940,830	1.2%	11,008,444	4,992	-7.8%
FEB	11,417,480	11,559,065	1.2%	10,266,728	4,656	-11.2%
MAR	13,053,097	11,770,662	-9.8%	11,356,256	5,150	-3.5%
1st QTR	36,266,352	35,270,557	-2.7%	32,631,428	14,799	-7.5%
APR	10,826,085	11,208,216	3.5%	11,090,789	5,030	-1.0%
MAY	12,245,815	12,273,193	0.2%	11,613,489	5,267	-5.4%
JUN	12,225,509	11,988,693	-1.9%	12,488,906	5,664	4.2%
2nd QTR	35,297,409	35,470,102	0.5%	35,193,184	15,961	-0.8%
JUL	12,233,364	12,537,938	2.5%			
AUG	13,689,777	12,909,571	-5.7%			
SEP	12,052,727	11,350,614	-5.8%			
3rd QTR	37,975,868	36,798,123	-3.1%	0		
OCT	12,548,739	12,662,270	0.9%			
NOV	12,645,887	11,428,318	-9.6%			
DEC	14,128,422	15,270,324	8.1%			
4th QTR	39,323,048	39,360,912	0.1%	0		
TOTAL	148,862,677	146,899,694	-1.3%			
YTD		70,740,659		67,824,612	30,759	-4.1%

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RTAA Strategic Plan

On June 14, 2018, the Board of Trustees approved a Strategic Plan for the fiscal years 2018-19 through 2022-23, as amended December 12, 2019. The Strategic Plan reflects extensive input from the Board, RTAA employees, the public and interested stakeholders. The purpose and desired outcomes of the updated plan include the following:

- **Shared Vision:** A strategic vision for the organization that is shared by staff and the Board of Trustees.
- **Strategic Direction:** Core strategies that will help guide RTAA over the next 5 years.
- **Roadmap:** A high-level plan to guide priority setting and serve as a helpful road map for staff and the Board of Trustees.
- **Planning Structure:** Long-term goals and performance measures that support the strategic priorities and provide a planning structure for objectives setting and annual action plans.
- **Agility/Flexibility:** A living plan that provides direction, but is also flexible and broad enough to incorporate constant change in the aviation industry.

The Strategic Plan consists of the following components, beginning with the broadest, long-term elements to the more specific, short-range and tactical activities: (1) Vision Statement; (2) Mission Statement; (3) Strategic Priorities and Support Strategies; (4) Long-Term Goals; (5) Key Performance Indicators; and (6) Short-Term/Annual Objectives. The Vision Statement aims to provide modern, safe, convenient facilities and deliver customer satisfaction that is a source of community pride and serves as a significant contributor to regional economic health.

Our Mission Statement of *We Move You! We Bring the World to Reno-Tahoe and Reno-Tahoe to the World* is directed by the following eight (8) adopted Strategic Priorities:

1. Passenger and Air Cargo Service: Enhance air service by retaining and increasing passenger and air cargo service.
2. Safety and Security: Safety and security of all is our priority 24/7, 365.
3. General Aviation: Foster an atmosphere to encourage general aviation growth at both airports.
4. Customer Experience: Enhance services and provide a positive and convenient environment for all.
5. People: With our employees being the current and future strength of our organization, our focus is on development, succession planning and making RTAA the employer of choice.

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6. Financial Diversification and Growth: Grow and diversify non-airline revenues at both Airports.
7. Facilities for the Future: Optimize infrastructure to address market demand.
8. Sustainability: Operate and manage with a holistic approach reflecting sustainability and environmental stewardship.

On December 12, 2019, the Board approved an update to the Strategic Plan to incorporate input from the Board and RTAA staff and adjust direction of Facilities for the Future from “substantively” to “transformative” to accommodate the increasing demands and dynamics of the airport and customer experience. A second adjustment in this update elevated Safety & Security from “sustain” to “transformative” to address interests in upgrading public safety and security for all airport stakeholders.

Land Development – Reno Tahoe International Airport (RNO)

RTAA executed a ground lease with JMA Ventures, LLC under the special purpose vehicle of JMA Reno Holding, LLC (JMA) on February 28, 2017 for an Aloft Hotel at the Gateway Center located at the southwest corner of Plumb Lane and Terminal Way. The lease is for fifty (50) years for approximately 3.0 acres on the northern portion of the property and an exclusive three (3) year option to lease approximately 4.5 acres south of the Hyatt Place Hotel. The Aloft Hotel opened in May 2020.

Beyond the Aloft Hotel, JMA’s vision includes a “Master Planned Center” with a mixture of hotels, Class A office space, and the right mix of restaurant(s) that create energy and vitality. To achieve this vision, JMA retained CBRE to market the option site. JMA exercised their option to lease in March 2020. Due to change in Class A office market conditions and COVID-19, we anticipate an extended negotiating period to ensure we have the best product mix for a successful center.

Included in RTAA’s Master Plan program of projects, the new Consolidated Rental Car Facility (ConRAC) project is underway. The ConRAC project includes relocating the rental car ready/return operations from the first floor of the public parking garage and the quick turnaround facilities from the surface lot located immediately north of the garage. The relocations will address rental car demand for additional space and RNO’s need for additional public parking. The rental car companies requested RTAA address the relocation and new facilities as a tenant improvement project. The rental car tenants selected Conrac Solutions as their representative for design, build, finance, operations and maintenance partner on the ConRAC.

In February 2019, RTAA entered into an Exclusive Option to Ground Lease agreement with the rental car companies to conduct a Phase I Feasibility Study of the proposed Master Plan site. In

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March 2020, the RTAA Board approved a larger alternative site and authorized Phase II for Conrac Solutions to begin project scoping, design and developing a guaranteed maximum price to complete the ConRAC project. Phase II is underway and anticipated to take 18 months to complete. At its completion, the next step will be to seek Board consideration for Phase III of the project authorizing Conrac Solutions to move forward with private financing and construction. The construction period is expected to be completed within 18 to 24 months following Board approval of Phase III and fulfillment of any pending National Environmental Policy Act (NEPA) or other development requirements.

The funding source for the ConRAC project is exclusively from a Customer Facility Charge (CFC) rate collected from rental car customers. CFCs are also used to fund the maintenance and repair of existing rental car facilities and Phase II of the ConRAC project discussed previously. In the near future, CFC revenues are expected to be obligated as security and repayment of a financing plan proposed by the Conrac Solutions. This plan expects to fund and finance the total ConRAC project development costs through completion and final acceptance by RTAA. The financing structure calls for Conrac Solutions to raise 80% of the funding from privately issued bonds and the remaining funding coming from a private equity partnership offering and collected CFCs funds.

The ConRAC project financing plan proposed by Conrac Solutions is “off balance sheet” from RTAA’s perspective. RTAA general revenues are not to be pledged for this private financing structure of bonds and equity partnership. RTAA’s bonding capacity is not expected to be impeded by the Conrac Solutions private financing. The current CFC rate, effective July 1, 2020, was increased from \$4.50 to \$5.50 per rental car per transaction day.

The General Aviation (GA) facilities at RNO are located both on the west and east sides of the airfield. Consistent with the Board’s policy of consolidating GA facilities and increase investment to the east side, RTAA issued a Request for Proposal (RFP) on January 7, 2019, for the development and/or re-development of five parcels totaling 150 gross acres on the east side of the airfield. Four of the parcels are vacant land and one parcel contains existing structures. The RFP solicited proposals for the private investment and development of a second fixed based operator for maintenance services, hangars and other GA facilities.

The RFP resulted with the RTAA Board authorizing in December 2019, to negotiate and execute a 50-year ground lease with Stellar Aviation of Reno-Tahoe, LLC (Stellar). The proposed ground lease includes a nine acre portion of a parcel located on Rock Boulevard and Mill Street (Parcel A-1); a three-year development option on an eight acre parcel located at Rock Boulevard South of Mill Street (Parcel A-2); a four-year development option on a six acre portion of Parcel A-1; an interim three-year fixed based operator lease located at 485 South Rock Boulevard; and an interim five-year fuel storage facility license at 335 ½ South Rock Boulevard. In March 2020, Stellar Aviation began operations in their temporary facilities at GA East. Staff is currently negotiating the ground lease for the nine acre site.

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RTAA owns vacant land know as Home Gardens South. This 50-acre parcel is located at the southeast corner of McCarran Boulevard and Airway Drive and has been broadly advertised for commercial development by way of developer outreach, broker networks and RTAA’s website for roughly 10 years. There was also a competitive process initiated by RTAA in 2013. A plan came forward and was approved by RTAA, but was later nullified due to new building height restrictions issued by the Federal Aviation Administration. Alternatives to adjust to the lower heights were not viable at that time. While there has been interest in the property over the years, a viable project hasn’t come to fruition. Some of the property considerations that have hindered development are building height restrictions, a portion of the property being located in Flood Zone A, and limited ingress and egress points.

Recent news is that RTAA is once again in a position in which there are multiple expressions of interest in Home Gardens South and a competitive process is underway through a *best and final offer* (BAFO) request from each party. On June 16, 2020, a BAFO solicitation was distributed to the three parties expressing interest. The solicitation invited interested parties to submit a BAFO to RTAA no later than July 23, 2020. RTAA received one proposal to develop a Class-A, institutional grade mixed use industrial and commercial center. The developer envisions the center will be a mixture of industrial and commercial buildings and will have outside amenities that reflect a park-like atmosphere, such as a walking path, outdoor exercise equipment and two outdoor plazas with pergolas and benches and tables. The BAFO submission is currently being evaluated with Board consideration anticipated in the near future.

Land Development – Reno Stead Airport (RTS)

RTAA owns approximately 37% or 2,400 total acres of the vacant industrial lands in Washoe County and 60% of the City of Reno land zoned for industrial or mixed use. As such, RTAA has been focused on improving the utilization of vacant land at the airports to attract aeronautical and non-aeronautical companies. One example is the development of an airport centric business park on undeveloped RTS land.

A key piece of this vision was put into place in early 2016 when the Board of Trustees completed a competitive process and executed a Memorandum of Understanding (MOU) with Dermody Properties, operating under the special purpose vehicle of DP RTA Stead, LLC (DP). Dermody Properties is a national developer of industrial and commercial properties having been ranked among the 10 largest privately held industrial developers in the nation. Since 1960, the company has developed over 35 million square feet of industrial space including parks, speculative facilities, and build-to-suits for lease or purchase.

RTAA has also entered into a Master Development Agreement with DP for Phase 1 to develop the first 90 acres. This formal award names DP as the exclusive master real estate developer in a 50-year Phase 1 Ground Lease as approved by RTAA on December 8, 2016. The vision calls for a 1,700 acre master planned airport centric business park which includes the National

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Championship Air Races. The agreements anticipate the first critical step is for DP to obtain funding guarantees for Phase I estimated at \$7.5 million to construct the business park entrance and associated site improvements. On December 3, 2018, DP issued a letter of commitment to self-fund those improvements from Dermody internal sources. The agreements call for DP to complete construction of the Phase 1 improvements by December 31, 2020. DP has commenced with civil engineering, and other processes to ensure compliance with FAA and NEPA requirements of their development.

RTAA staff is also collaborating with the Washoe County Regional Transportation Commission, City of Reno, Truckee Meadows Water Authority, and Washoe County on a concept to integrate RTS with the North Valley community and improve utilities and roads in the region. These improvements will support the attraction of high-wage jobs as well as help address the current jobs/housing imbalance and related commuter traffic issues. The North Valleys is a fast growing region that is home to residential development as well as manufacturing and logistics. The planned RTS developments will further support economic vitality and diversification of the entire metro area by increasing opportunities for technological innovation, advanced manufacturing, and logistics industry advancement.

The North Valley concept will require permanent public easements which fall under the purview of the FAA and require an Airport Layout Plan (ALP) change, which in turn triggers a NEPA review. RTAA is currently requesting FAA's written determination that FAA no longer has the authority to take a position on the east-west Lemon Road utility corridor under the FAA Reauthorization Act of 2018 (the Act) signed into law (P.L. 115-254) in October 2018. The FAA will still require that RTAA obtain a Fair Market Value (FMV) appraisal and receive compensation or infrastructure equal to FMV to acquire the easements. Should the FAA agree, all discretionary FAA approvals would be eliminated and the improvement process would be substantially streamlined. Regardless of the FAA process, RTAA continues in collaboration with regional stakeholders to pursue the vision of creating a regional, transportation-oriented business park, including autonomous vehicles development (as RTS is an official FAA drone test site).

To accomplish this vision, the RTS region will need access to state-of-the art data transmission, transportation, clean energy, sustainable water, and other supporting infrastructure. A combination of Federal, State, local, and private funding is necessary to satisfy the upfront costs associated with this infrastructure. RTAA and regional partners have submitted letters to our legislative advocate, The Porter Group, to bring funding need awareness to our congressional delegation in hopes of receiving federal infrastructure stimulus funding (HR 2 or other Acts). The Porter Group has submitted letters of support on our behalf to our legislative delegation.

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Budget Process

RTAA, as a quasi-municipal corporation, complies with the Local Government Budget Act, Nevada Revised Statute (NRS) 354 as stipulated in the enabling legislation that created RTAA (Chapter 474, Statutes of Nevada, 1977, as amended (the "Authority Act"). The Act defines RTAA’s fiscal year as July 1 through June 30. The Act also requires a tentative budget to be filled with Nevada Department of Taxation by the 15th day of April and a final budget as adopted by the Board (following a noticed public hearing on the budget) on the Thursday following the third Monday each May. The final budget is filled with the Department no later than June 1. The budget becomes effective on July 1. RTAA has complied with all budget statutory requirements.

FY 2020-21 Budget Calendar

Date	Action/Description
November 4, 2019	Board Retreat – Discuss fiscal outlook and broad goals for the upcoming budget process.
April 17, 2020	Board Budget Workshop I – The Board received the preliminary RTAA budget for FY 2020-21.
April 14, 2020	RTAA files a tentative budget with the Nevada Department of Taxation
May 8, 2020	Board Budget Workshop II – A second workshop was conducted to address revised lower passenger forecast and other adjustments.
May 12, 2020	Notice of Budget Public Hearing is published calling for public comment on the proposed RTAA budget for FY 2020-21.
May 21, 2020	Board of Trustees - Following a noticed public hearing to receive public comment, the Board of Trustees votes to approve the RTAA budget for FY 2020-21.
July 1, 2020	The budget becomes effective for the Fiscal Year 2020-21.

The RTAA budget is prepared consistent with the reporting standards established by the Government Finance Officers Association of the United States and Canada (GFOA). Each year RTAA submits for consideration of the GFOA Distinguished Budget Presentation Award and has received this important designation each year beginning in 1997. In order to receive this award, a public agency or quasi-municipal organization must prepare a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. RTAA staff is dedicated to building on the long tradition of excellence in budget reporting and believes the FY 2020-21 annual budget also conforms to the GFOA standards pending their approval.

The budget was prepared with the assistance of a broad group of RTAA employees actively engage in analyzing the budget, assessing fiscal conditions, and prioritizing requirements for the upcoming fiscal year. The budget utilizes a zero-based budget process in which each expenditure line item is evaluated on its merit each year. The Finance & Budget Manager provides the budget

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calendar, forms and general directions for the budget submittal process. Individual department budgets were analyzed and considered for review by the President/CEO, Executive Vice President/COO and the Senior Leadership Team.

The budget sections to follow contain the executive summary, financial overviews and more details on specific allocations of resources to the strategic initiatives. The document then provides a section-by-section discussion on revenues, airline rates and charges, operation and maintenance budgets, personnel, equipment, capital and debt service requirements.

Conclusion

Against the backdrop of COVID-19 pandemic and uncertainty, I congratulate the Board of Trustees and RTAA employees on working through the difficult challenges and completing this budget. Through it all we never lost sight of our THRIVE values. As we now focus on recovery efforts, we remain committed to ensuring the wellbeing of our RTAA employees, the sustainability of business partnerships and meeting our critical operational responsibilities with safety being our first and foremost responsibility.

The timing of when airline and non-airline revenues will trend positively is unclear. In the meantime, we will continue to administer RTAA with our best efforts and concern for our employees and the traveling public. We have also committed to keep the Board apprised of our fiscal and budget performance should we need to adjust to changing conditions. Each month, at the Board's request, the status of the budget is being discussed with Board Finance and Business Development Committee and on the Board's agenda should an action be warranted.

Finally, the FY 2020-21 budget represents the final budget approved by the Board as RTAA's President/CEO. I am grateful for the support shown me by the Boards I have served and the extraordinary and resilient employees I have known on this incredible journey with RTAA.

Respectively submitted,



Marilyn M. Mora, A.A.E
President/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Budget Presentation
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PRESENTED TO

**Reno-Tahoe International Airport
Nevada**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morrill

Executive Director

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To help guide the future of the Reno-Tahoe Airport Authority (RTAA), the Board of Trustees (Trustees) in June 2018 approved a completely updated and revised Strategic Plan for FY 2018-19 through FY 2022-23. This five-year plan serves as a guide to staff as it faces an ever-changing aviation industry and economic cycles. The plan was created through a public process that invited participation from airport committees, user groups, Trustees, staff and the public.

The FY 2020-21 Budget summarized below is focused on the achievement of the following strategic initiatives:

1. PASSENGER AND CARGO AIR SERVICE: Expand air service and cargo development.
2. SAFETY & SECURITY: Safety and security of all is our priority 24/7, 365.
3. GENERAL AVIATION: Foster an atmosphere to encourage general aviation growth at both airports.
4. CUSTOMER EXPERIENCE: Enhance services and provide a positive and convenient environment for all.
5. PEOPLE: Our employees are the current and future strength of our organization.
6. FINANCIAL DIVERSIFICATION AND GROWTH: Grow and diversify non-airline revenues at both Airports.
7. FACILITIES FOR FUTURE: Optimize infrastructure to address market demand.
8. SUSTAINABILITY: Operate and manage with a holistic approach reflecting sustainability and environmental stewardship.

A detail discussion of the Strategic Plan is provided in Section 3 of this report.

The budget also takes into account requirements of the Revenue Bond Resolution, various contractual agreements including the Airline Use and Lease Agreement, and the RTAA's obligations under state and federal law. In addition, the adoption of the new RNO Master Plan and the implementation of the capital projects identified as needed in the short-term significantly impact the work plan of multiple departments.

The following summary provides a financial overview of the RTAA's budget for the 2020-21 fiscal year, which begins on July 1, 2020 and ends June 30, 2021.

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Airline Activity Forecast

Developing the airline activity forecast for FY 2020-21 was extremely challenging in light of the devastating effects of the COVID-19 pandemic on the airline industry. Passenger airlines were hit the hardest, with the number of enplaned passengers dropping by as much as 95% in April, 2020 from the same period in the prior year. On March 20, 2020, Nevada’s Governor Sisolak ordered all non-essential businesses to close their doors to the public. This order follows earlier advisories for shelter in place and other COVID-19 precautions. Cargo airlines did not see a similar negative impact, in some cases traffic improved with most of the population using online shopping for groceries and other essential items.

Initially, as staff started developing the FY 2020-21 Budget in January, 2020, RTAA based its traffic forecast on actual results reflecting solid growth of airline activity at RNO throughout FY 2019-20. In February, 2020 RNO registered the 57th month-over-month increases in passenger traffic as compared to the prior year. With the onset of COVID-19 pandemic in March 2020, passenger airlines operating at RNO reported a decrease of 49.2% in enplaned passengers from the same period last year.

In April, 2020, RTAA staff in collaboration with our airline partners developed a new FY 2020-21 airline traffic forecast, significantly lower than prior versions. Airline scheduling is still clouded by a lot of uncertainty as airlines work to adapt to lower passenger demand, and implement measures to ensure the safety of passengers. The FY 2020-21 final budget of 946,737 passenger enplanements (passengers boarding an aircraft) is a 56.8% decline from the FY 2019-20 adopted budget and 43.9% as compared to the actual results.

The following table compares the enplaned passenger traffic used to develop the FY 2020-21 Budget as compared to FY 2018-19 actual and FY 2019-20 actual results.

Reno-Tahoe International Airport
Enplaned Passenger Forecast
FY 2020-21 Adopted Budget

	FY 2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Variance to Prior Year	% Change
FY 2018-19	2,149,759 Actual	2,149,759 Actual		
FY 2019-20	2,191,960 Budget	1,690,171 Actual	(459,588)	(21.4%)
FY 2020-21		946,737 Budget	(743,434)	(43.9%)

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Typically, in order to forecast passenger traffic and air carrier landed weight for the upcoming fiscal year, staff obtains each carrier's flight schedules for the next six months, including aircraft type and available seats. Using this data, a projection for the remainder of the next fiscal year is developed, which includes likely seasonal adjustments. In addition, staff estimates each carrier's load factor based on recent actual results.

In FY 2020-21, due to the COVID-19 pandemic, staff had to take a different approach. A baseline schedule was developed for the month of July, 2020 for all passenger and cargo airlines. Relying on historical seasonality factors for the remaining months of the year, and adjusting for expected service additions and possible cuts, staff developed the FY 2020-21 traffic forecast. It was then socialized with the airlines operating at RNO, and adjustments were made to arrive at the final budget. This is expected to be a highly volatile year, with significant changes likely by all airlines operating at RNO. July, 2020 actual results are encouraging as they outperformed the baseline budget forecast.

Aircraft Landed Weight Forecast

The RTAA recovers almost 100% of its net airfield costs through the landing fees paid by commercial airlines operating at RNO. Landing fees are charged to passenger and cargo carriers for each aircraft landing based on the aircraft's Maximum Gross Landed Weight. Therefore, the higher the overall landed weight at RNO, the lower the unit cost for each aircraft landing.

The FY 2020-21 landed weight forecast of 2,040,504 thousand pounds is a 33.7% decline from the FY 2019-20 Budget and a 26.9% decline from the FY 2019-20 actual results. The decrease as compared to prior year budget reflects the significant decline in landed weight by most carriers. A noteworthy exception is cargo carrier UPS, with an estimated increase of 16.3% or 41,868 thousand pounds from the FY 2019-20 adopted budget. The COVID-19 pandemic's impact on cargo airlines operating at RNO has not been as dramatic as on passenger airlines.

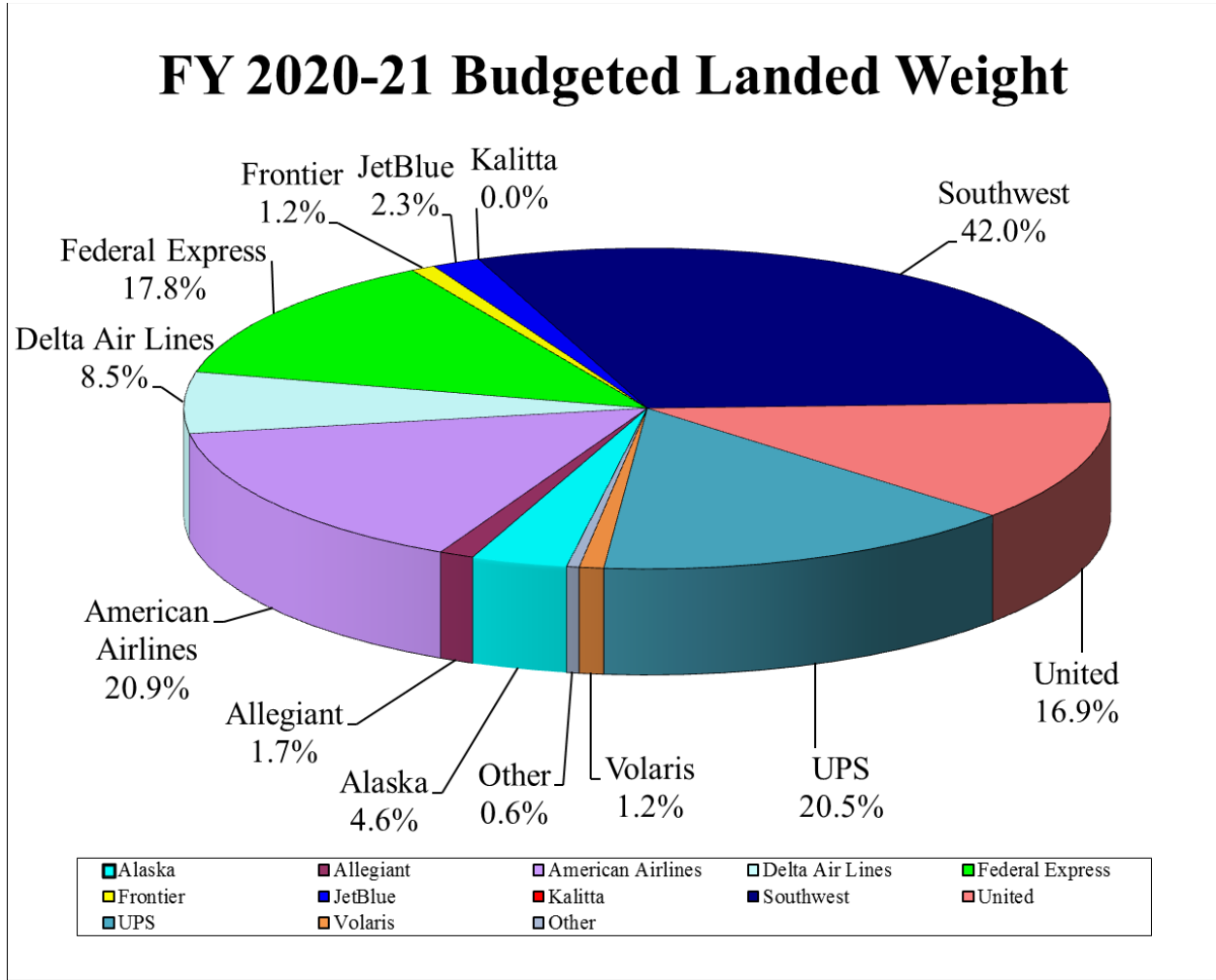
The table and graph below outlines RNO actual passenger and cargo aircraft landed weight, in thousand pounds, along with the forecast incorporated into the FY 2020-21 Budget:

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LANDED WEIGHT BY CARRIER (000 Lbs. Units)

Landed Weight by Airline	FY 2018-19 Actual	FY 2019-20 Actual	Variance	FY 2020-21 Budget	Variance from FY 2019-20 Actual
Signatory Airlines					
Alaska	237,323	220,316	(17,007)	67,461	(152,855)
American	418,385	412,245	(6,140)	303,884	(108,361)
Delta	180,568	166,235	(14,333)	124,095	(42,140)
Jet Blue	89,585	70,163	(19,422)	-	(70,163)
Southwest	1,052,732	883,824	(168,908)	610,080	(273,744)
United	353,941	317,803	(36,138)	245,520	(72,283)
Other	-	-	-	-	-
	2,332,532	2,070,586	(261,946)	1,351,040	(719,546)
Federal Express					
Federal Express	279,851	273,322	(6,529)	258,793	(14,529)
UPS	287,723	316,735	29,012	298,281	(18,454)
Other Cargo	41,066	39,365	(1,701)	39,929	564
	608,640	629,422	20,782	597,003	(32,419)
	2,941,171	2,700,008	(241,163)	1,948,043	(751,965)
Non-Signatory Carrier					
Allegiant	43,831	40,800	(3,031)	24,206	(16,594)
Frontier	25,565	20,019	(5,546)	17,063	(2,956)
Jet Blue	-	-	-	34,128	34,128
Volaris	20,807	21,948	1,141	17,064	(4,884)
Other	7,899	7,212	(687)	-	(7,212)
	98,102	89,979	(8,123)	92,461	2,482
	3,039,273	2,789,987	(249,286)	2,040,504	(749,483)
Percent Change			-8.2%		-26.9%

**Reno-Tahoe Airport Authority
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Financial Summary

The FY 2020-21 Budget forecasts \$4.263 million in net revenue or discretionary funding to the RTAA generated by the airport system, a decrease of \$3.548 million or 45.4% as compared to the prior year budget.

The table below provides a summary level comparison of the FY 2018-19 actual results, the FY 2019-20 Budget, and the FY 2020-21 Budget.

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Budget Category	FY 2018-19	FY 2019-20	FY 2020-21	Budget to Budget	
	Actual	Budget	Budget	\$ Change	% Change
Operating Budget:					
Revenues	\$ 52,549,737	\$ 56,107,335	\$ 37,593,828	\$ (18,513,507)	-33.0%
Expenses	(42,320,503)	(46,741,674)	(44,392,102)	2,349,571	-5.0%
Revenues over Expenses	10,229,234	9,365,662	(6,798,274)	(16,163,936)	-172.6%
Other Sources (Uses):					
Property, Plant and Equipment	(716,561)	(676,175)	(449,861)	226,314	-33.5%
Debt Service	(2,248,892)	(2,249,125)	(2,247,975)	1,150	-0.1%
CARES Act			12,857,475	12,857,475	
Interest Income	2,168,829	1,039,800	642,000	(397,800)	-38.3%
Other Non-Operating Revenue	331,105	330,900	260,100	(70,800)	-21.4%
Total Other Sources (Uses)	(465,519)	(1,554,600)	11,061,739	12,616,339	
Net Sources over Uses	9,763,715	7,811,062	4,263,465	(3,547,597)	-45.4%
Other Revenues:					
Passenger Facility Charges	8,443,673	7,914,700	3,532,700	(4,382,000)	-55.4%
Customer Facility Charges	4,613,478	5,966,100	3,061,700	(2,904,400)	-48.7%
Total Other Sources	13,057,151	13,880,800	6,594,400	(7,286,400)	-52.5%
Capital Budget	8,712,764	5,904,823	7,439,500	1,534,677	26.0%

Description	FY 2018-19	FY 2019-20	FY 2020-21	Budget to Budget	
	Actual	Budget	Budget	\$ Change	% Change
Enplaned Passengers	2,149,759	2,191,960	946,737	(1,245,223)	-56.8%
Cost Per Enplanement	\$5.57	\$7.01	\$12.76	\$5.75	82.0%
Landed Weights (000's)	3,039,273	3,077,897	2,040,504	(1,037,393)	-33.7%
Landing Fees	\$2.84	\$3.23	\$3.23	\$0.00	0.0%
Terminal Rental Rate (avg)	\$38.49	\$55.31	\$55.31	\$0.00	0.0%
Debt Service Coverage	675%	610%	412%	-198%	-32.5%
CARES Act	\$0	\$0	\$12,857,475	\$12,857,475	
Workforce (FTEs)	277.5	280.5	280.5	-	0.0%

One of the measures enacted by the Federal Government to help airports affected by the COVID-19 pandemic was the Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress and signed into law by President Trump on March 27, 2020. The CARES Act provided approximately \$10 billion of relief for airport sponsors, including the allocation of \$30.9 million for RNO and \$30,000 for RTS.

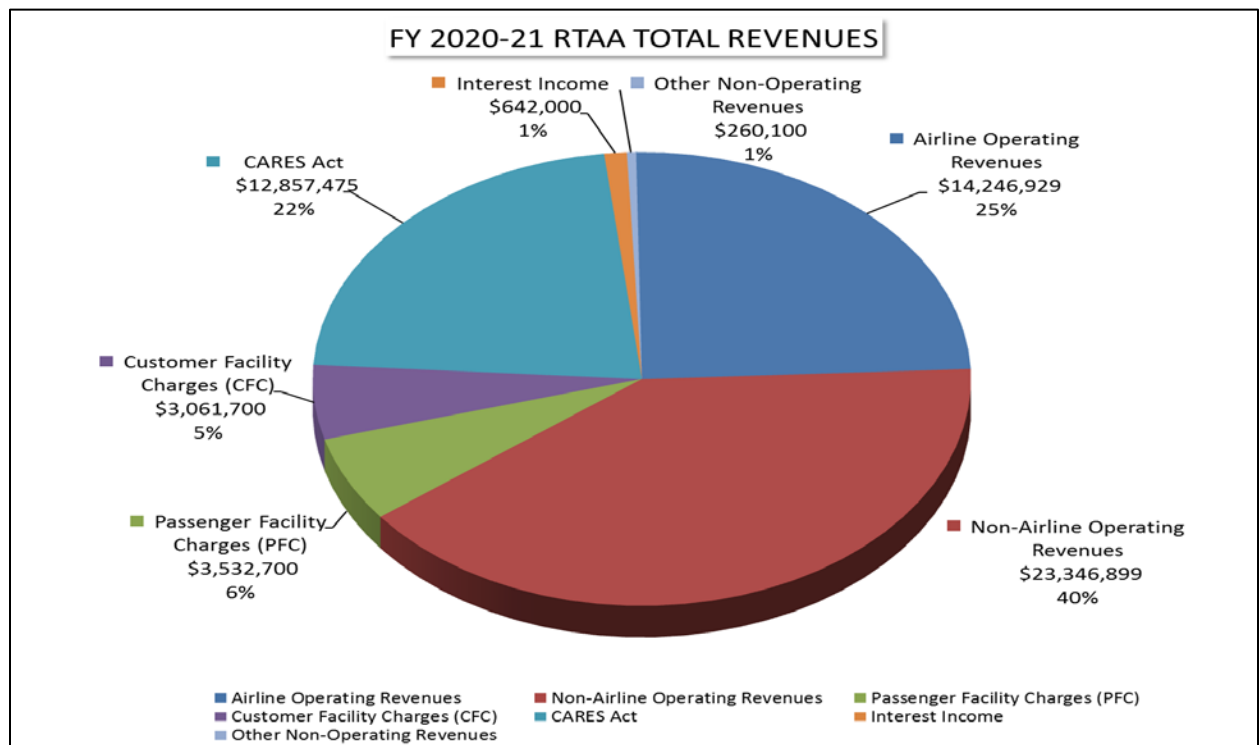
The impact of the COVID-19 pandemic on airlines has been tremendous. For a number of months, the number of trip cancellations has substantially outweighed new bookings of air travel. RTAA has adopted aggressive measures to cut operating costs and pledged utilizing up to approximately \$12.9 million of CARES Act funding to maintain airline rates and charges at current levels, no increase in landing fees and terminal rents from the FY 2019-20 Budget.

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Revenue Forecast

Total Revenues are composed of Operating Revenues (Airline and Non-Airline Revenues), and Non-Operating Revenues. In the FY 2020-21 Budget, Total Revenues are forecasted to be \$57.948 million, a decrease of \$13.411 million or 18.8% from the FY 2019-20 Budget. The table below provides a comparison of the FY 2018-19 actual results, the FY 2019-20 Budget, and the FY 2020-21 adopted Budget:

Budget Category	FY 2018-19	FY 2019-20	FY 2020-21	Budget to Budget	
	Actual	Budget	Budget	\$ Change	% Change
Operating Revenues:					
Airline Revenues	\$ 14,690,648	\$ 17,710,007	\$ 14,246,929	\$ (3,463,078)	-19.6%
Non-Airline Revenues	37,859,089	38,397,328	23,346,899	(15,050,429)	-39.2%
Total Operating Revenues	52,549,737	56,107,335	37,593,828	(18,513,507)	-33.0%
Non-Operating Revenues:					
Passenger Facility Charges	\$ 8,443,673	\$ 7,914,700	\$ 3,532,700	\$ (4,382,000)	-55.4%
Customer Facility Charges	4,613,478	5,966,100	3,061,700	(2,904,400)	-48.7%
CARES Act			12,857,475	12,857,475	
Interest Income	2,168,829	1,039,800	642,000	(397,800)	-38.3%
Other Non-Operating	331,105	330,900	260,100	(70,800)	-21.4%
Total Non-Operating Revenues	15,557,085	15,251,500	20,353,975	5,102,475	33.5%
Total Revenues	\$ 68,106,822	\$ 71,358,835	\$ 57,947,803	\$ (13,411,032)	-18.8%



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The Total Operating Revenue budget for FY 2020-21 is \$37.594 million. This represents an \$18.514 million or 33.0% decrease from the FY 2019-20 Budget. Operating Revenues are summarized in two major categories:

- Airline related revenues, which for FY 2020-21, are anticipated to be \$14.247 million or approximately 37.9% of the Total Operating Revenues. Revenues attributed to the passenger and cargo airlines are in the form of landing fees and terminal building rents. The passenger airline derived revenue per enplaned passenger is forecasted to increase from \$7.01 in the FY 2019-20 Budget to \$12.76 in the FY 2020-21 Budget.
- Non-Airline Revenues represent \$23.347 million or approximately 62.1% of the FY 2020-21 Total Operating Revenues. The major non-airline revenue sources are the following: (1) Terminal Concessions including Car Rental, Gaming, News and Gift, and Food and Beverage; (2) Public Parking and Ground Transportation Revenues; (3) various Building, Hangar, and Land rents; (4) Reimbursed Services associated with cost recovery of maintenance of the Baggage Handling System (BHS), and (5) other non-airline revenues.

The table below provides a comparison of operating revenues between the FY 2018-19 actual results, the FY 2019-20 Budget, and the FY 2020-21 adopted Budget:

Budget Category	FY 2018-19	FY 2019-20	FY 2020-21	Budget to Budget	
	Actual	Budget	Budget	\$ Change	% Change
Airline Revenues:					
Landing Fees	\$ 8,665,365	\$ 9,741,607	\$ 6,390,829	\$ (3,350,778)	-34.4%
Terminal Building Rents	6,025,282	7,968,400	7,856,100	(112,300)	-1.4%
Total Airline Revenues	14,690,647	17,710,007	14,246,929	(3,463,078)	-19.6%
Non-Airline Revenues					
Concession Fees	13,086,886	13,367,100	6,080,587	(7,286,513)	-54.5%
Parking/Ground Transport	12,817,675	12,761,100	5,746,700	(7,014,400)	-55.0%
Building, Hangar and Land	6,570,135	6,747,000	6,508,649	(238,351)	-3.5%
Reimbursed Services	2,671,072	2,840,928	1,789,364	(1,051,564)	-37.0%
Other Revenues	2,713,320	2,681,200	3,221,600	540,400	20.2%
Total Non-Airline Revenues	37,859,089	38,397,328	23,346,899	(15,050,429)	-39.2%
Total Operating Revenues	\$ 52,549,736	\$ 56,107,335	\$ 37,593,828	\$ (18,513,507)	-33.0%

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Airline Revenues

The airline agreement, discussed in further detail in Section 5 Financial Plan, sets forth the rate setting formula by which airlines pay for the facilities and services they use. RTAA is currently operating under a three (3) year airline agreement as an extension of the five (5) year airline agreement and business arrangement that went into effect July 1, 2015. The current agreement ends on June 30, 2023. The FY 2020-21 Annual Budget was developed based on the business arrangement specified under this agreement.

The total FY 2020-21 Airline Revenues are forecasted to be \$14.247 million, a decrease of \$3.463 million or 19.6% from the FY 2019-20 Budget. This reflects lower cost recovery in the airline cost centers due to operating cost cuts, and the RTAA utilizing its CARES Act funds to limit airline cost increases.

Landing Fee

Pursuant to the airline agreement, landing fees are determined by the cost recovery requirements in the Airfield Cost Center. Landing fees are charged to passenger and cargo carriers for each aircraft landing based on the aircraft's Maximum Gross Landed Weight.

Landing Fee revenues of \$6.391 million budgeted for FY 2020-21 represent a decrease of approximately \$3.351 million or 34.4% as compared to the FY 2019-20 Budget.

The landing fee rate of \$3.23 per thousand pounds of landed weight budgeted for FY 2020-21 remains flat from FY 2019-20. With the significant decline in landed weight forecasted at RNO, the fee was projected to increase, however, the RTAA allocated a portion of its CARES Act funding to maintain rates flat and avoid adding a strain to the already struggling airline industry.

The following are factors impacting the requirements in the Airfield Cost Center and the calculation of the landing fee in the FY 2020-21 Budget:

- Landed weight of 2,040,504 thousand pound units forecasted at RNO represents a decrease of 33.7% from the FY 2019-20 Budget and a 26.9% decline from the FY 2019-20 actual results. The decrease as compared to prior year budget reflects the significant decline in landed weight by most carriers. A noteworthy exception is cargo carrier UPS, with an estimated increase of 16.3% or 41,868 thousand pounds from the FY 2019-20 adopted budget.
- The operation and maintenance costs allocated to the Airfield Cost Center are decreasing by \$259,600 or 2.5% from the FY 2019-20 Budget. In light of the pandemic caused by COVID-19, RTAA has undertaken significant budget cuts to limit the cost increases passed on to its airline partners, and maintain its cash reserves. This decrease is due to both the overall

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decrease in direct costs and the allocation of indirect operating budget assigned to the Airfield cost center.

- Fixed assets and capital project cost recovery of \$308,900 represents a decrease of a combined \$257,200 from the FY 2019-20 Budget and \$231,200 below the current year updated forecast. The FY 2020-21 Budget primarily reflects an investment in purchasing two (2) fire engines, and one ecologic mobile test system. A detailed presentation of the FY 2020-21 fixed assets and capital projects program is in Section 8 – Capital Budget.
- RTAA has allocated an estimated \$2.8 million of its CARES Act funding as a credit against the total cost recovery requirement in the Airfield Cost Center.

Indirect or administrative cost allocations are assigned under the airline agreement based on actual or budgeted costs identified to the six direct cost centers (Airfield, Terminal, BHS, Ground Transportation, Other and Reno Stead Airport).

The detailed landing fee rate calculation and variance analysis appears in Section 6 – Revenues.

Terminal Rental Rate

Terminal rentals reflect cost recovery of terminal costs allocated to airline occupied facilities (compensatory basis) with total facility costs divided by rentable terminal square footage. The average terminal rental rate is calculated as the difference between the Total Requirement, composed of operation and maintenance (O&M) expenses, debt service requirements and capital expenditures, the airline reimbursements and the airlines' portion of the revenue sharing, divided by rentable terminal space.

The Revenue Sharing Credit is calculated as 50% of the gross revenues less O&M expenses, debt service requirements, bond ordinance reserve requirements, repayment of loans to the capital account, special fund and amortization requirements. The remaining 50% of the airport system net revenues is transferred to the RTAA's general purpose fund.

Rentable Terminal Space is the total area of the terminal building available for lease and dedicated to the sole use of the airlines, rental car companies, concessions, aviation service providers, various government agencies, and the RTAA for purposes of generating revenue and supporting operations. This rentable terminal space square footage is divided into the net terminal cost to calculate the rental rate in the airline agreement.

Total airline (signatory and non-signatory) terminal space rental revenue is estimated to be \$7.856 million in FY 2020-21, a decrease of \$112,300 or 1.4% from the FY 2019-20 Budget.

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An average terminal building rental rate is set pursuant to the airline agreement, based on the requirements of the Terminal Building Cost Center. The following are significant factors impacting the requirements in the Terminal Building Cost Center and the calculation of the terminal rental rate in the FY 2020-21 Budget:

- The operation and maintenance budget allocated to the Terminal Building is decreasing \$1.149 million, or 5.6% below the FY 2019-20 Budget. In light of travel restrictions, significant reduction in passenger traffic through the terminal building, the RTAA has reevaluated the budget needs of the airport and adopted a “bare bones” approach for FY 2020-21. All non-essential expenses were trimmed from the budget. In addition, a number of full time positions were frozen for the 2020-21 fiscal year. A detailed discussion on all personnel-related additions and changes is in Section 4 – Organization Guide.
- Fixed asset and capital project related expenditures of \$148,400 represent a decrease of a combined \$678,900 or 82.1% below the FY 2019-20 Budget and \$291,700 or 66.3% from the current year updated forecast. A detailed presentation of the FY 2020-21 fixed assets and capital projects program is in Section 8 – Capital Budget.
- The estimated airline’s portion of net revenue sharing for FY 2020-21 is \$2.064 million, a decrease of \$1.105 million or 34.9% below the prior year budget.
- CARES Act funding of up to \$168,000 is used as a direct offset of cost reimbursement requirement in the Terminal cost center.

The average signatory rental rate for FY 2020-21 is \$55.31 per square foot per year, no increase from FY 2019-20. This is due to RTAA allocating CARES Act funding to the Terminal and other cost centers to maintain signatory rental rates flat. Non-signatory airlines typically pay higher rental rates than signatory airlines, as they don’t commit to the signatory airline use and lease agreement.

The detailed terminal building rental rate calculation and variance analysis appears in Section 6 – Revenues.

Non-Airline Revenues

Total Non-Airline Operating Revenues are forecasted to be \$23.347 million in FY 2020-21 Budget. This represents a decrease of \$15.050 million or approximately 39.2% from the FY 2019-20 Budget.

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The decrease in non-airline revenues is driven by the significant decline in passenger traffic. FY 2020-21 forecasted enplaned passengers of 946,737 are a 56.8% decline as compared to the 2.192 million in the prior year budget.

Concession revenues of \$6.081 million are forecasted for FY 2020-21, a decrease of \$7.287 million or 54.5% as compared to the prior year budget. Concession revenues represent 26.0% of total non-airline operating revenues, and consist of gaming, food and beverage, specialty retail/travel essentials, advertising, rental cars, and other concession revenues.

Auto parking and ground transportation revenues of \$5.747 million are forecasted to decline \$7.014 million or 55.0% from the FY 2019-20. Auto parking and ground transportation represent 24.6% of the FY 2020-21 non-airline operating revenue budget.

A detailed breakdown of the FY 2020-21 Non-Airline Revenues appears in the Section 6 – Revenues.

Non-Operating Revenues

The FY 2020-21 revenue budget also includes non-operating revenues of \$20.354 million, an increase of \$5.102 million or 33.5% from the FY 2019-20 Budget. This category primarily consists of Passenger Facility Charge (PFC) revenues, Customer Facility Charge (CFC) revenues, aviation fuel taxes and interest earnings on funds RTAA has available for investment. New to this category are grant reimbursements from the CARES Act federal funds allocated to RNO and RTS.

A detailed breakdown of Non-Operating Revenues appears in Section 6 – Revenues.

Operation and Maintenance (O&M) Budget

In light of the significant decline in passenger traffic as a result of the COVID-19 pandemic, the FY 2020-21 budget process included a number of cost cutting measures to offset declining airline and non-airline operating revenues at RNO. RTAA's Board of Trustees approved the Operations and Maintenance budget of \$44.392 million on May 21st, 2020. The approved budget represents a decrease of \$2.350 million or 5.0% from the FY 2019-20 Budget.

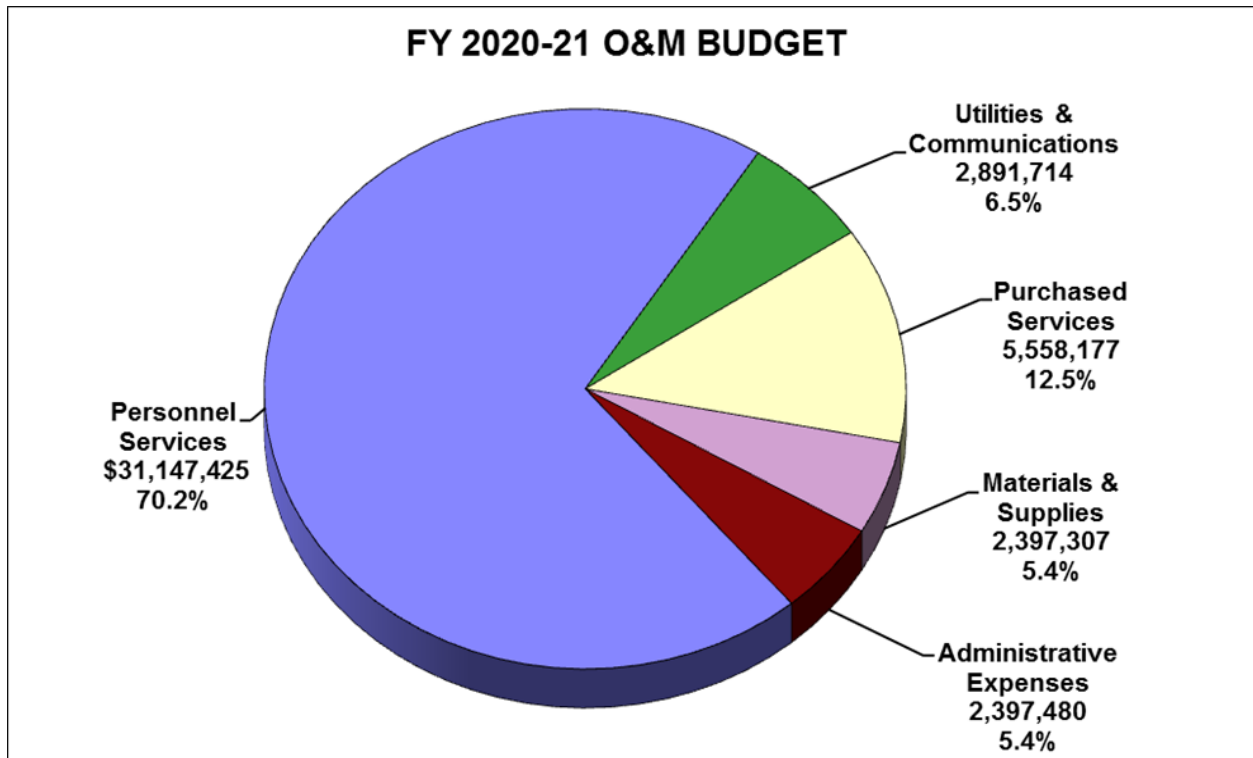
The FY 2020-21 Budget cost cutting measures included:

- Freezing 14 vacant full time positions (unfunded in the budget);
- Removed funding for salary increases and gain share incentives for Management and Civil Service Plan employees. Funding is included for salary increases of represented employees as required by collective bargaining units;
- Removed funding for non-essential travel, supplies and services.

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The following table provides an overview of the FY 2020-21 adopted budget as compared to the FY 2018-19 actual results, and FY 2019-20 Budget:

Budget Category	FY 2018-19	FY 2019-20	FY 2020-21	Budget to Budget	
	Actual	Budget	Budget	\$ Change	% Change
Operating Expenses:					
Personnel Services	\$ 29,334,325	\$ 32,247,216	\$ 31,147,425	\$ (1,099,791)	-3.4%
Utilities and Communications	2,772,620	2,891,009	2,891,714	705	0.0%
Purchased Services	5,521,530	5,705,526	5,558,177	(147,349)	-2.6%
Materials and Supplies	2,045,295	2,434,638	2,397,307	(37,332)	-1.5%
Administrative Expenses	2,646,733	3,463,286	2,397,480	(1,065,806)	-30.8%
Total Expenses	42,320,501	46,741,675	44,392,102	(2,349,571)	-5.0%



The following are key drivers and significant changes incorporated into the FY 2020-21 Operating and Maintenance Budget:

Personnel Services

The Personnel Services budget of \$31.147 million includes the salaries, wages and benefits cost for RTAA’s employees. The FY 2020-21 Budget for personnel services is approximately \$1.010

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million or 3.4% lower than the FY 2019-20 Budget and \$64,900 or 0.2% lower than the projected expenditures for FY 2019-20.

Due to COVID-19 pandemic related budget reductions, the personnel budget does not include funding of salary increases or gain share incentives for employees within the Management and Civil Service Plan groups. Salary increases are included for employees per collective bargaining agreements with the International Brotherhood of Teamsters (Teamsters), Reno Airport Fire Fighters Association (RAFFA), and the Airport Authority Police Officers' Protective Association (AAPOPA). On June 11th RTAA entered into a new contract with the Teamsters bargaining unit effective July 1, 2020 through June 30, 2021. RAFFA and AAPOPA bargaining units entered into a new contract with RTAA effective July 1, 2017 through June 30, 2021.

Employee benefits, comprised primarily of health, dental, vision insurance and workers' compensation but excluding retirement contributions, are projected to increase by \$85,300 or 1.9% due primarily to estimated increases in health insurance, and workers' compensation rates.

Retirement contributions are projected to decrease by \$146,700 or 2.4%. Current contribution rates under the Employer-Paid Contribution Plan are 29.25% for regular employees and 42.50% for Police/Fire members. These rates are set by the Public Employees' Retirement System (PERS) based on an actuarial valuation report adopted by the Retirement Board and formally established by the Nevada Legislature during its biennial session that occurs during odd number years. The rates are unchanged for FY 2020-21.

Utilities and Communication

The Utilities and Communications budget includes the RTAA's electricity, water, and natural gas. The cost of telephone and data communication services is also budgeted in this section. The FY 2020-21 Budget for this category is \$2,891,700, approximately the same as the prior budget year FY 2019-20.

Purchased Services

The Purchased Services budget represents funds to obtain legal and professional services necessary to cover expertise not available within the RTAA as well as maintenance and repair services for specialized systems and equipment. Equipment rental is also included in this budget category.

The FY 2020-21 Budget for this category includes expenses estimated at \$5.558 million, a decrease approximately \$147,300 or 2.6% from the FY 2019-20 Budget. Approximately \$514,800 of the funding for this category is from CFCs collected from rental car customers in

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support of property management and repair and maintenance of rental car facilities owned by RTAA.

Materials and Supplies

Materials and Supplies are used primarily for the items needed by the Facilities and Maintenance staff to maintain both airports, as well as the office supplies used by administrative staff. The FY 2020-21 Budget for Materials and Supplies of \$2.397 million is decreasing \$37,300 or 1.5% from the FY 2019-20 Budget and increasing \$151,100 or 6.7% over the FY 2019-20 updated forecast.

Budgeted allocations for office supplies, general supplies, and equipment have been reduced in response to the COVID-19 pandemic and efforts to reduce cost. There is a budget increase for small tools and equipment related to purchasing computer equipment.

Administrative Expenses

Administrative Expenses are used for staff training, conference sponsorship and registration fees, travel, air service development and route maintenance, airport economic development, conference sponsorship and airport community relations. Also in this section are the RTAA's property and liability insurance premiums and credit card processing fees.

The FY 2020-21 Budget for Administrative Expenses is decreasing \$1.066 million or 301.8% from the FY 2019-20 Budget, and \$343,500 or 12.5% from the projected expenditures for FY 2019-20. Expenses associated with professional development, travel, and training were significantly reduced due to COVID-19 cost reduction measures. Only essential travel is budgeted in FY 2020-21 and must be approved by the President/CEO or designee.

A detailed analysis of the FY 2020-21 Operating and Maintenance Expense budget can be found in Section 7 – Expenditures.

Personnel Complement

The total budgeted and/or authorized positions for FY 2020-21 is 280.5 positions, no increase from the adopted FY 2019-20 Budget. A total of 14 positions are frozen and unfunded in the FY 2020-21 Budget. A specific explanation of changes, any frozen positions and the personnel complement by division is provided in Section 4 – Organizational Guide.

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Debt Service

Total debt service for FY 2020-21 is budgeted to be \$2.248 million, a decrease of \$1,150 from the FY 2019-20 Budget.

As of July 1, 2020, the RTAA has \$12,290,000 of debt outstanding. RTAA does not anticipate issuing any new bond debt in FY 2020-21. The current amount of debt represents \$12.98 of debt outstanding per budgeted FY 2020-21 enplaned passengers. This compares to the 2018 average median debt outstanding per enplaned passenger for U.S. Airports of \$76.89 as reported by Moody’s Investor Services in 2018. With the airline passenger traffic decline due to the COVID-19 pandemic, this ratio is likely to significantly increase for all airports.

The 2015 Bond reflects the remaining outstanding debt from the 1996 bonds issued to construct the RTAA’s three story, 2,400 space parking garage, a new terminal access roadway system to accommodate the parking garage, and a passenger skyway to connect the parking garage to the terminal.

RTAA debt is limited by the outstanding bond resolution requirement that Net Pledged Revenues (gross revenues of the Airport System less operating expenses) pledged to pay debt service must exceed 125% of annual senior lien debt service.

The following table outlines the estimated debt service coverage that meets the requirements outlined above:

DEBT SERVICE COVERAGE		FY 2019-20 Budget	FY 2019-20 Forecast	FY 2020-21 Budget
Total Revenue Before Revenue Sharing	A	\$60,424,135	\$55,279,508	\$53,307,903
O & M Expenses	B	(46,302,174)	(43,874,463)	(43,935,002)
Transfers ^(a)	C	(406,805)	(228,480)	(119,280)
Net Pledged Revenue	A+B+C=D	\$ 13,715,157	\$11,176,565	\$ 9,253,621
Debt Service (Senior Debt)	E	\$ 2,249,125	\$ 2,249,125	\$ 2,247,975
Debt Service Coverage (Senior Debt)	D/E	610%	497%	412%

(a) Per the Bond Resolutions, the following transfers are provided prior to debt service coverage: (i) 35% of Gaming Revenue and (ii) Gain or Loss on Sale of Capital Assets.

If the minimum senior lien coverage requirement is not met, the airline landing fee and rental rates will need to be increased until net revenues equal 125% of the senior bond debt service or 100% of all debt service, whichever is greater.

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A complete explanation of the outstanding senior lien bond is provided under Section 9 – Debt.

Property, Plant and Equipment (PP&E)

A PP&E item is an asset with a useful life exceeding one year and a cost greater than \$5,000. Any equipment purchase greater than \$300,000 is reported as a Capital Project and amortized in the airline rates and charges over its estimated useful life.

The total PP&E budget for FY 2020-21 is \$449,900, a decrease of \$1.348 million, or 75.0% from the FY 2019-20 PP&E Budget. This significant decline is due to the effect of the COVID-19 pandemic on air travel. In light of travel restrictions imposed by most states, the decline in air travel demand by the travelling public, RTAA has made aggressive cuts to the FY 2020-21 Budget in all expense categories, including PP&E. Initial requests for PP&E in the FY 2020-21 Budget totaled \$1.835 million. Only items deemed mission critical or related to safety and security were approved.

The specific items approved in the FY 2020-21 Budget are presented in Section 8 – Capital Budget.

Capital Projects

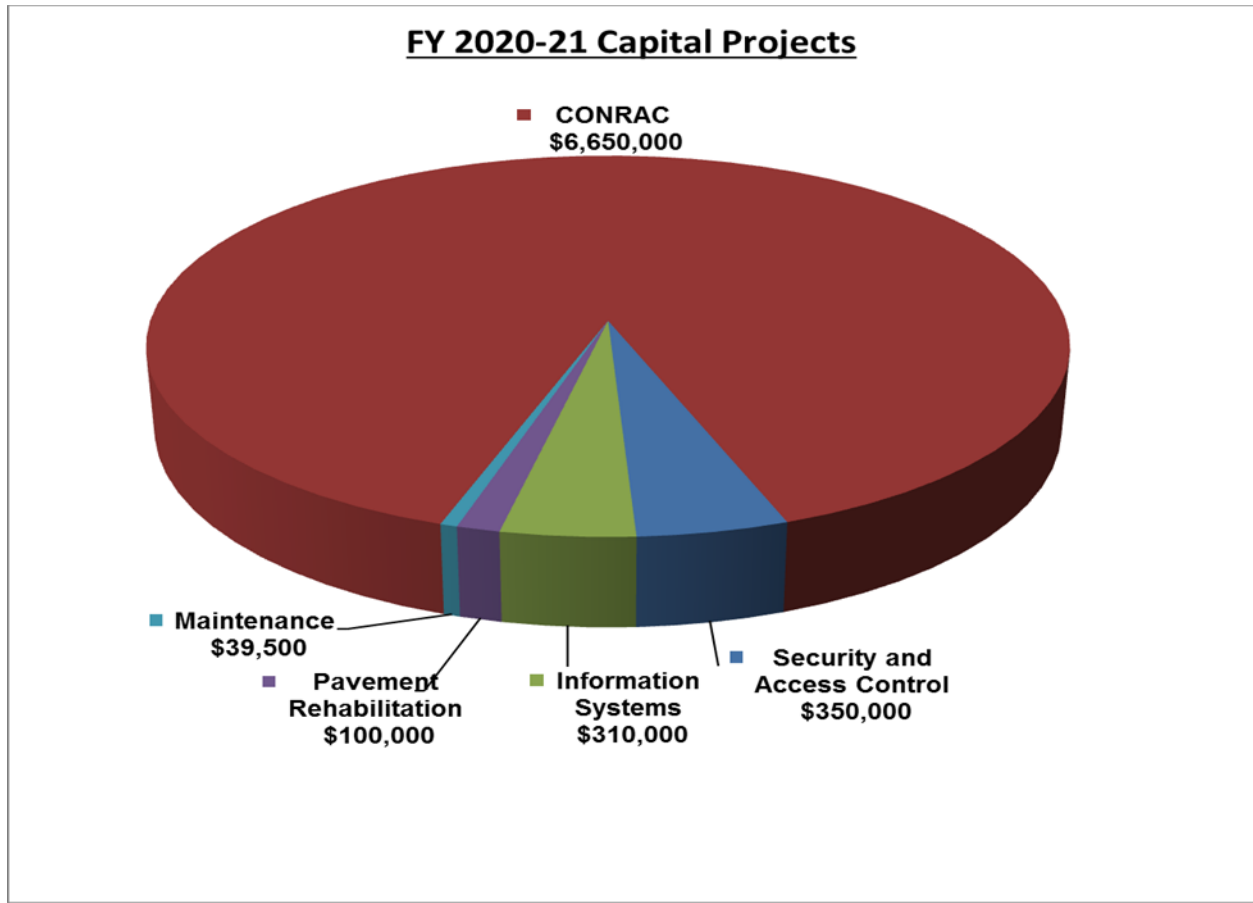
Capital Projects for RNO and RTS in FY 2020-21 funded from RTAA internally generated revenues, and other local funds (primarily the general purpose account, the special account and the CFC account), are estimated to be \$7.450 million. This budget represents an increase of \$1.545 million or 26.2% above the FY 2019-20 Budget.

During the budget process all capital projects were prioritized and evaluated based on the following three criteria:

1. High Priority – Life safety, security or regulatory requirement;
2. Moderate Priority – Preventative maintenance and customer service enhancement;
3. Low Priority – Not Urgent; could be deferred to a future budget year.

The following chart shows the classification of the FY 2020-21 capital projects using internal RTAA and CFC funding:

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A detailed list and discussion of the capital projects is provided under the Section 8 – Capital Budget.

Revenue Sharing Credit

All revenues are assigned to a cost center (Airfield, Terminal, Baggage Handling, Ground Transportation, Other and Reno Stead Airport) with expenses netted against revenues for the cost center. In the airline agreement, fifty percent of the RTAA’s net revenues (pledged revenues less operating expenses, debt service, and other requirements) for the Fiscal Year are applied to reduce signatory airlines terminal rental rate in the current fiscal year. The remaining 50% of the RTAA’s net revenues for the year are transferred to the General Purpose Fund.

Prior to calculation of the net revenue sharing credit, 35% of gaming revenues in each fiscal year are retained by the RTAA and not available as part of the reduction in the signatory airline terminal rental rate.

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The net revenue available to be shared with the signatory airlines for FY 2020-21 is estimated to be \$4.127 million as compared to \$6.338 million in the FY 2019-20 Budget, a decrease of approximately \$2.210 million, or 34.9%. Per the Airline Agreement, half of this amount is credited to the Terminal Building Cost Center in the year earned.

The decrease in FY 2020-21 reflects approximately \$19.904 million or 33.0% in lower total revenues, and approximately \$2.221 million or 4.8% in lower operating expenses. Due to the decrease of operating expenses in FY 2020-21, there is no O&M reserve requirement charged to airlines in the revenue sharing calculation. The O&M reserve account had the required balance at July 1, 2020. In addition, \$1.277 million in lower cost recovery associated with fixed assets and capital projects positively affected net revenues in the FY 2020-21 Budget. RTAA has allocated up to \$12.857 million of CARES Act funds to help mitigate the effects of the COVID-19 pandemic on the airlines and concessionaires operating at RNO.

A detailed breakdown of the calculation is included in Section 5 – Financial and Budgetary Policies.

Section 3 – Strategic Initiatives and Budget Goals

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The Reno-Tahoe Airport Authority (RTAA) operates two of the most important economic catalysts for our region – the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS). Together, these airports generate over \$3 billion in annual economic benefit for the region.

RTAA’s airports bring travelers to and from our businesses, distribution centers, manufacturing facilities, casinos, ski resorts, and families. In addition, RTAA provides facilities and services critical to air cargo transportation and provides a base of operations for the Nevada Air National Guard, general aviation, and the National Championship Air Races. RTAA is committed to providing the region with the highest level of services and facilities, while positioning the airports to be a catalyst for further economic growth.

To help guide the future of RTAA, on June 14, 2018, the Board of Trustees approved an updated Strategic Plan for FY 2018-19 through FY 2022-23. With the significant improvement in the regional economy and an ever-changing aviation industry, the updated plan reflects input from the public and user groups as part of the current Master Plan update and direct input from airport committees, the Board, and staff.

The purpose and desired outcomes of the adopted RTAA FY 2019-23 Strategic Plan are the following:

- **Shared Vision** – A strategic vision for the organization that is shared by staff and the Board of Trustees.
- **Strategic Direction** – Core strategies that help guide RTAA over the next 5 years.
- **Roadmap** – A high-level plan to guide priority setting and serve as a helpful road map for staff and the Board of Trustees.
- **Planning Structure** – Long-term goals and performance measures that support the strategic priorities and provide a planning structure for setting objectives and annual action plans.
- **Agility/Flexibility** – A living, breathing plan that provides direction, but is also flexible and broad enough to incorporate constant changes in the aviation industry.

Strategic Plan Methodology

The RTAA Strategic Plan consists of the following components, beginning with the broadest, long-term elements to the more specific, short-range and tactical activities:

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- **Vision Statement** – A short, concise, vivid statement of RTAA’s future, answering the question: “what will RTAA look like in 10-20 years?”
- **Mission Statement** – An overarching, timeless expression of RTAA’s purpose and aspiration, addressing both what RTAA seeks to accomplish and the manner in which to accomplish it. A mission statement is a declaration of an organization’s core purpose that answers the question, “why do we exist?”
- **Strategic Priorities and Support Strategies** – These items represent the long-term, continuous strategic focus areas that move the organization closer to achieving the vision. Strategic Priorities serve a five-year or more time horizon.
- **Long-Term Goals** – Explain how RTAA will accomplish the strategic priorities over the life of the plan with clear results associated with the objectives.
- **Key Performance Measures** – These are quantifiable measures that show evidence of movement toward the RTAA’s Strategic Priorities, and ultimately to achieving the Vision. Key Performance Measures are the most important performance measure for a strategic priority/goal (based on a strategy or major initiative).
- **Short-Term/Annual Objectives** – These objectives explain what RTAA will do in the short-term to accomplish long-term goals. Short-term objectives are developed by staff and included in department operating budgets with supporting action plans and resource needs.

The update to the Strategic Plan and the FY 2020-21 Budget focused on the following key questions:

- Why do we exist? (**Mission**)
- How will we behave? (**Values**)
- What do we do? (**Business Description**)
- What does success look like? (**Vision**)
- How will we succeed? (**Strategic Priorities & Long-Term Goals**)
- What is most important right “now”? (**2021 Objectives**)
- How will we measure success? (**KPIs and Performance Measures**)
- Who must do what? (**Initiatives/Actions Items**)

Mission Statement – “Why do we exist?”

We Move You! We Bring the World to Reno-Tahoe and Reno-Tahoe to the World.

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People – We not only move individuals from place-to-place, but we MOVE them by providing a memorable, positive travel experience. This speaks to customer service, as well as the cleanliness, safety, and efficiency of our facilities. We Move You!

Businesses – We help businesses meet their objectives by affording them efficient, cost-effective and convenient travel routes. We also offer facilities for tenants and vendors. We also bring customers to them. This speaks to our marketing and business development functions. We Move You Forward!

Air Transportation Industry – We help our industry advance by actively participating in development of new equipment, processes, and technology such as Unmanned Aircraft System (UAS) development. We provide facilities for UAS testing. We Move You Upward!

Communities – We provide and stimulate economic opportunity and growth for the communities in our catchment area. We serve the community by bringing goods and resources into the region. We are the community’s gateway to the rest of the world. In direct and indirect ways, we improve life and living in the Reno-Sparks-Tahoe community. We Move Together!

Employees – We invest in our employees, and we treat them with respect. Through career development, wages and benefits, health programs and benefits, team building activities and employee assistance programs, we help our employees achieve their goals and to live healthy and happy lives. We Move as One!

Values – “How do we behave?”

With the concept initiated and developed by staff, RTAA has adopted the acronym of “THRIVE” to represent the organization’s values- (1) Teamwork for Results; (2) Honesty and Integrity; (3) Respect and Recognition; (4) Inspire and Innovate; (5) Versatility; and (6) Enthusiasm for Excellence. These values as outlined below represent the guiding principles to answer the question of how we behave:

Teamwork for Results

Teamwork is the foundation of any successful organization. In the working world, teamwork means staff needs to be able to trust one another in order to perform at the highest level and achieve the greatest results – regardless of what we are working on. This means that everyone on the team is empowered to do their best work, knowing that support is there when needed and that they have the autonomy to use their best judgment in any given situation. Working hard and having fun can be achieved simultaneously.

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Honesty & Integrity

Honesty and Integrity are the first cousins of Trust. When staff operates from a position of honesty and integrity, all our interactions are more effective because we are working on an even playing field. Each employee trusts that other's words and actions are spoken and performed with good intentions for the individual as well as the organization. When all employees do the right things for the right reasons, everyone benefits. All employees are enabled to communicate their opinions and ideas honestly and directly.

Respect & Recognition

Respect and Recognition are both given and received. In a respectful environment, communication is open and courteous regardless of the subject matter or circumstance because every person who works here is of critical importance to the mission. The RTAA team will recognize and celebrate the good things employees do, both individually and as a team. Staff seeks to understand other viewpoints before arriving at decisions.

Inspire & Innovate

All RTAA employees have the capacity to Inspire and Innovate. With our respective talents and passions, every time we interact with another person, each individual can start the ripple effect that moves through the organization, igniting each of us with the remembrance that each of us does important work and impacts the lives of our co-workers and the community on a daily basis. With this in mind, RTAA recognizes that each employee actively participates in the success of the organization and contributes by freely sharing great ideas. With innovation and good intentions, the occasional outcome is failure. RTAA and its employees will use failures to learn.

Versatility

Versatility and agility, in an organization our size, is key to adapting to an ever-changing work environment. While clear direction is important, so too is the ability to be flexible in the way staff approach tasks, challenges, and opportunities. There is rarely only one way to do something, and each of us may need to explore various options in order to achieve the greatest success. Versatility provides the flexibility for all employees to support and assist each other during operational necessity and/or emergency situations.

Enthusiasm for Excellence

A positive attitude can really take you places. By choosing to bring an enthusiasm for excellence to every task staff undertakes, RTAA recognizes the value of each employee's work and a spirit of continuous improvement. In a collaborative environment, where each person's

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contribution matters, a spirit of continuous improvement is achieved, and our best efforts lie in the next opportunity. This value aspires to create standards that others in the airport industry want to duplicate.

Business Description – “What do we do?”

RTAA provides/maintains air transportation facilities and delivers safe customer support services for the benefit of the region, while being financially self-sustaining.

Vision Statement – “What does success look like?”

By 2036, RTAA will provide modern, safe, convenient facilities and deliver customer satisfaction that is a source of community pride and serves as a significant contributor to the region’s economic health.

- **Nationally respected** because RTAA staff are innovative and adaptive, positioning the organization to embrace and pivot to changes through adapting to new technology, consumer trends and regional needs.
- **Modern, safe and convenient facilities** because the facilities are customer focused, adhere to the highest safety and security standards, and are environmentally sustainable.
- **Customer satisfaction** because RTAA staff provides “real value” to customers and enable tenants to prosper.
- **Community’s pride** because the organization is the best place to work that demonstrates forward thinking, employee-focused values with a highly skilled, engaged workforce.
- **Significant contributor** because RTAA is a valued community partner and highly respected as the hub of the community, with RNO being easily accessible, meeting the community’s needs of convenience and ease of travel.

Strategic Priorities and Long-Term Goals – “How will we succeed?”

The RTAA Board of Trustees and staff, through the Strategic Plan process, established a vision for the future with an emphasis on eight (8) Strategic Priorities. The Priorities focus on elements the Board and staff deem critically important to the long-term viability of RTAA with maintaining existing and adding new air services. In addition, RTAA intends to further develop air cargo, optimize general aviation services, and expand and diversify non-airline revenue

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sources. This focus on business development, however, is impossible without a fundamental focus on customer service and creating a positive airport experience for our customers, tenants, and employees.

1. PASSENGER AND CARGO AIR SERVICE: Expand air service and cargo development.
2. SAFETY & SECURITY: Safety and security of all is our priority 24/7, 365.
3. GENERAL AVIATION: Foster an atmosphere to encourage general aviation growth at both airports.
4. CUSTOMER EXPERIENCE: Enhance services and provide a positive and convenient environment for all.
5. PEOPLE: Our employees are the current and future strength of our organization.
6. FINANCIAL DIVERSIFICATION AND GROWTH: Grow and diversify non-airline revenues at both Airports.
7. FACILITIES FOR FUTURE: Optimize infrastructure to address market demand.
8. SUSTAINABILITY: Operate and manage with a holistic approach reflecting sustainability and environmental stewardship.

Strategic Priorities – Detailed View

The eight strategic priorities provide the framework for the strategic direction of RTAA over the next several years. With a holistic focus across the whole organization, the strategic priority explanations below further clarify the intent of how RTAA will achieve its vision:



1. Air Service and Cargo - Retain and increase air service and cargo.

Retaining and increasing commercial air service and cargo activities at RNO are essential to the region's economic growth and RTAA's long-term success. Growth in commercial air service greatly depends on three pillars - Air Carriers (supply), the Airport (infrastructure and facilities), and the Tourism and Business Communities (demand) - to stimulate demand and *sustain* it.

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RTAA needs to support and nurture these pillars throughout RNO’s catchment area, which extends to Lake Tahoe, Susanville, Gardnerville and Elko.

The supporting strategies to retain and increase air service and cargo activities over the next five years are as follows:

Retain and expand existing Air Service. The airline industry expansion and consolidation will continue to be uncertain and volatile. To mitigate volatility risk and market changes, RNO will make every effort to retain current routes and existing carriers, which represent over 90% of the total U.S. domestic market share. Going forward, the strategic intent is to sustain the current diversification of airlines with a balance of ultra-low-cost, low-cost and legacy carriers. With existing air service, RNO offers one-stop options to virtually anywhere in the United States. There is also a presence of all three global alliances at RNO that provide numerous one-stop opportunities for international destinations. RTAA will continue to work with incumbent airline partners, regional partners and other stakeholders to retain and expand (capacity in served markets) current air service.

Pursue NEW opportunities that are operationally viable. RNO has several domestic “bubble markets,” or markets that are on the cusp of warranting non-stop service. RNO must continue to work with airlines (incumbent and potential new) and regional partners to attract new air service. At RNO, high-density altitude and terrain will continue to put some constraints on long-haul opportunities. The current U.S. Customs and Border Protection rules and regulations, and facility constraints limit RNO’s international targets (airlines and destinations). A new Customs and Border Protection Facility is part of an updated terminal building under the 20-year RNO Master Plan, which would increase the ease of processing international passengers. There is an interim possibility to upgrade the current facility to accommodate 400 passengers an hour that will be explored (see Strategic Priority: Facilities for the Future). An upgrade could expedite travel and attract new international carriers. RNO will continue to pursue narrow body aircraft flights from Mexico/Central America and target pre-cleared non-stop flights from Canada.

Anticipate market shifts/demands through data-based decision making. RNO utilizes several data sources to monitor flight schedules, market demand/shifts, airline route health, airline strategies, etc. In addition to traditional air service sources, RNO partners with local stakeholders to identify leisure and business market demand for the Reno-Tahoe region.

Strengthen community awareness and support. An increase in passenger and cargo services is dependent upon ongoing partnerships, communication and marketing to the entire catchment area. RTAA will continue to add new partnerships and strengthen current relationships with the regional conventions and visitors’ authorities, the Economic Development Authority of Western Nevada (EDAWN) and Nevada Commission on Tourism (Travel Nevada) to grow and sustain air service. RNO will continue the community awareness program that includes air service educational sessions, local presentations/meetings, etc. RNO will find opportunities to inform

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the community on which target markets are operationally viable to pursue, given the high-density altitude, terrain and other constraints. RNO will continue to work very closely with the Regional Air Service Corporation and assist the leadership to increase membership, which benefits air service development. RNO will continue to promote air service to the general public in the Reno-Tahoe catchment area by creating and executing an annual “Marketing Campaign.” Unlike the tourism industry, this “Marketing Campaign” is focused on Reno originating traffic.

Increase airline regional awareness. It is very important for airlines to understand the true potential of markets they serve or are interested in serving. Airlines look at several sets of assumptions and forecasts consistent with the emerging trends taking place within the aviation industry. Most importantly, they look at the local demand and economic environment of the market they’re interested in serving. RNO will focus on bringing airline representatives to the Reno-Tahoe region as guests to showcase the area through the use of private invitations, in participation with community air service educational sessions, special event attendance and more, in order to assist airlines to understand the true RNO market potential.

Retain and expand air cargo. In addition to dedicated cargo carriers, such as FedEx and UPS, certain passenger airlines carry belly freight, which offers an opportunity for increased revenue. Cargo demand drivers need to be better understood to ensure current weight and volumes are sustained. Cargo expansion may be drastically altered with a fourth cargo carrier entering the market. RNO has airfield capacity and land available in the RNO’s southwest quadrant to support cargo expansion and regional distribution needs.



Safety and Security

2. Safety and Security - *Maintain high levels of safety and security for everyone who utilizes our airports.*

RTAA has a very successful record of managing and implementing RNO safety and security measures required of a commercial airport as well as those required of a 24/7 facilities operation (e.g., worker and customer safety) without negatively impacting the RNO’s customer experience priority. RTAA will strive to continually improve methods and systems to respond to, and improve the effectiveness of, programs related to safety and security for the well-being of all employees and the traveling public.

The strategic approach is to increase safety and security as follows:

Extend RNO security and safety plans, training, etc. beyond what is legally required. As safety and security risks evolve and expand beyond the traditional response to an aircraft

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accident, it is imperative RNO be prepared. This plan includes not only an appropriate response to the initial emergency, but also continuity of operations for situations that can have a longer lasting impact.

Be inclusive. Since a catastrophic event can quickly exhaust the available resources of RTAA, we must continue to train in emergency preparedness with our RNO tenants and other community partners to enhance the effectiveness of our response.

Consider design and technology as opportunities. New technologies are continually being developed to increase safety and security and to provide positive customer experience and continuity of operations during an emergency. As such, RTAA should evaluate the benefits of those new tools and incorporate them as appropriate.

Continue to maintain security at RTS. In compliance with GA airport requirements, RTAA will evaluate opportunities to enhance or improve airport operations and facilities safety and security.

In January 2020 staff was directed to develop an Emergency Management Team under the leadership and guidance of the Board of Trustees. The team is currently working on an Emergency Management Plan.



General Aviation

3. General Aviation - *Foster an atmosphere to encourage general aviation growth at both airports.*

General Aviation (GA) includes all civil and military aviation operations other than scheduled passenger and cargo airline operations. GA flights are conducted for pleasure, private business and public service that need more flexible transportation than scheduled commercial airlines offer. General Aviation is a key contributor to regional economic growth; it supports business growth not only from this region but also to this region (through jet services/MRO's, FBO's, etc.)

To continue to foster an atmosphere to encourage GA services, facilities and operations growth, the strategic approach is as follows:

Maintain existing facilities at both RNO and RTS and support third-party private investment. RTAA has a significant investment in existing airfield infrastructure at both Airports. To optimize and extend the useful life of these assets, staff will continue its ongoing program of preventive maintenance and major rehabilitation programs. In addition, RTAA has

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several land, GA services, hangar, and industrial development opportunities that are “market-driven” and dependent upon private party investment. RTAA will provide support and assistance to facilitate this investment in facilities at both Airports.

Balance all user needs at Reno-Stead Airport: RTAA will promote the quiet enjoyment of GA at the RTS, leveraging the value of the terminal and encouraging private investment in facilities and businesses that meet changing demands. RTAA supports and recognizes the important balance between the GA community, development of vacant land into a business park and the National Championship Air Races at the RTS - all of which have local economic impact.

Proactively engage with GA Community: RTAA is in a position to promote and support GA changes with RNO and RTS tenants, visiting users, industry groups, and neighbors, including UAS, and accommodating user needs and preferences. RTAA will work with tenants and users to promote common rules and business policies that contribute to a strong, safe GA community and sustainable airport facilities.



Customer Experience

4. Customer Experience - *Provide a positive environment and experience for all.*

Both Airports makes the ultimate first and last impression when people come and go from our region. RTAA’s goal is to provide a welcoming environment that inspires a positive, lasting impression. First-class customer service is part of RTAA’s DNA and it is a goal to continue an environment reflective of the service-oriented culture. RTAA views everyone at the Airports as RTAA’s customer, including airlines, tenants, concessionaires, general aviation, the military, our regional business community and anyone doing business with our family of tenants. This strategic priority focuses on enhancing the holistic customer experience for all stakeholders by:

Maintain RNO’s ease of access: The central location of RNO is a competitive advantage to the airport itself and the region overall. Under the current 20-year RNO Master Plan, the RNO’s location will be maintained in the center of the Reno-Sparks region. Strategies and collaboration with community partners will be leveraged to increase the ease of access from the I-580 interchange. Ease of access also includes customer flow. Surveys highlight customer appreciation for the convenient facilities that make travel quick and easy. Proximity of the parking garage to rental cars, ticket lobby, checkpoint, and bag claim must be maintained, in accordance with the Master Plan, to continue to meet and exceed customer expectations.

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Empower RNO passengers to control their travel experience. Technology enhancements and connectivity will continue to empower passengers to control and influence their own experience. Technology enhancements, especially common use facilities, must be considered to reduce passenger anxiety while making current processes more efficient.

Provide amenities that delight customers. Consistently measure and monitor the changing needs and preferences of customers to enhance facilities and services targeted at delighting and invigorating a wide range of customers. Partner with stakeholders and tenants to utilize customer data to help guide future decisions on enhancements.

Strengthen RTAA’s community leadership & branding. We Move You and We Move You Safely. Create a multifaceted marketing campaign to raise the community’s awareness of RTAA’s value to the community and the services we offer. Broaden RTAA’s government relations engagement with regional, state and federal partners to maintain and enhance the RTAA brand. Strengthen community leadership through robust community outreach.

Continue to provide memorable positive travel experiences at RNO. RTAA is known throughout the industry as a leader for being creative, innovative, and spontaneous. We have award-winning customer service programs and innovative event planning. We will continue to adopt proactive innovations to create a travel experience that delights passengers with above-and-beyond welcomes to our community, engaging social media posts, and creative media events.



5. People - *Our employees are the current and future strength of our organization.*

RTAA staff recognizes that the organizational team is the foundation of maintaining a world-class airport. In order to stay proactive in a changing industry, it is critical to invest in people while enhancing the respectful organizational environment. This effort will focus on training and innovation to strengthen the professional development, skills and abilities of RTAA staff and the Board of Trustees, maintaining and enhancing the positive RTAA environment and organizational values, and fostering a collaborative and supportive working relationship between staff as well as the Board of Trustees.

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The strategic approach to achieve this priority will focus on:

Continue to build a strong culture. RTAA will continue its focus on fueling our vibrant workplace by continuing to engage and value our employees, enhance their employment experience and perpetuate the passion for our THRIVE values.

Encourage and invest in leadership development. RTAA is committed to developing dynamic leaders who pursue constant growth, consider the needs of the organization before self or division, champion accountability, have a willingness to be self-critical and provide intentional mentorship.

Enhance workforce planning. RTAA will nurture a forward-focused framework to ensure that the workforce is appropriately aligned to efficiently and effectively support the present and future needs of the organization.



Financial Diversification and Growth

6. Financial Diversification and Growth – *Grow and Diversify Non-Airline Revenues at both airports.*

RTAA is an independent entity that is not part of any other state or local government and does not use property or sales tax revenue to fund its operations. RTAA must be financially self-sufficient, with revenues generated at both Airports paying operating expenses, debt service, and various capital asset needs. The long-term focus on revenue diversification and growth is a foundational priority. Standard approaches to revenue generation, such as parking and rental cars, may shift over the next five to ten years.

Therefore, the strategic approach to optimizing long-term diversification is:

Continue competitive airline cost-per-enplanement focus to retain and attract air service. Due to the nature of the airport's financial structure and financial partnership with the airlines, revenue derived from the airlines are based on a cost recovery methodology outlined in the use and lease agreement. One important factor in the ability of RTAA to attract air service is keeping a competitive cost structure, which requires prudent cost management. In addition, passenger airline costs to operate at RNO are reduced through a revenue sharing credit that is directly impacted by the growth and diversification of non-airline revenue sources. Any deterioration of obtaining fair market value rents from tenants will have a negative impact on affordability and financial viability for the airlines to retain existing or provide new air serve.

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Encourage and foster new services and product offerings to address evolving market segments and customer expectations. Non-airline revenues comprised of public parking fees, rents collected from airport tenants, rental car and terminal concessions, and hangar and land leases generate 64% of total RTAA operating revenues. The net revenues allow RTAA to reinvest back into facilities at both Airports in equipment that serve our customers, and fund the other initiatives in the Strategic Plan. As the “baby boomers” enter retirement and “millennials” move into their working years and begin household formation, each generation will be looking for targeted services and facilities to enhance their travel experience. RTAA has an opportunity to offer new services to meet changing consumer needs and preferences, which in turn can generate additional non-airline revenue.

Evaluate public parking/rental car services as demand may decline due to competing businesses and emerging technologies. Public Parking and Rental Car Concession and Facility leases are the main source of non-airline revenue. With the introduction of transportation network companies (Uber, Lyft, etc.) and the potential future for autonomous vehicles, the uses of public parking/rental car services may decrease these key non-airline revenue sources. In this new emerging environment, RTAA will need to evaluate market segmentation and other dynamic parking/price options, as well as establishing strategies to best repurpose existing facilities, if needed.

Enhance the revenues generated at Reno-Stead Airport (RTS) through land development. Through the existing Master Developer Agreement, RTS has the potential to become an industrial hub for aviation and non-aviation related businesses, including unmanned aircraft, manufacturing, logistics and other businesses that prefer to be at a general aviation airport or located within Washoe County. With the intent to create a business park campus and employment center, RTS is 37% or 2,400 acres of the total vacant industrial land in Washoe County and 60% of the City of Reno land zoned for industrial or mixed use. Land leases offer the opportunity to be a significant solution to diversifying revenue sources from traditional non-airline revenue sources. To ensure alignment with the General Aviation Strategic Priority, RTS development is currently restricted to approximately 1,700 non-contiguous acres to ensure its ability to host the Reno Air Races.

Develop and implement strategies to expand customer base to more than airline passengers. One current trend is for commercial airports to be a regional destination for local residents, beyond air travel. Some airports are enhancing services to create an attractive destination for local residents. The RNO Gateway offers an opportunity to attract additional revenue from the local community through a development partner that plans to construct a new hotel, restaurant and office facilities. In addition, RNO pre-security terminal services offer an opportunity to attract local residents to shop and take advantage of business services not solely focused on passenger needs and preferences. With the relocation of rental car operations, public parking availability will increase and its convenient proximity to the terminal facilities will support the local destination concept, which can be integrated into the planning and design

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features of the concourse replacement program. See Strategic Priority #3 - Facilities of the Future.

Engage RNO Land Development Opportunities. Through industry participation and developer relationships, continue to actively engage with prospective tenants, developers and capital investors.



Facilities for the Future

7. Facilities for the Future – Optimize existing facilities and construct new infrastructure at both Airports to address market demand and implement the RNO Master Plan.

As an integral element to all Strategic Priorities, RTAA must not only support but also proactively respond to market demands. Infrastructure needs outlined in the RNO Master Plan provides a proactive response to the projected growth of passenger traffic at RNO by nearly 60% from 2017 to 2036, which is on top of a 10% increase from 2016.

The strategic approach to create facilities for the future is:

Relieve congestion in RNO public parking and rental car facilities. RNO’s growth over the last five years has resulted in congestion in the public parking facilities requiring RTAA to implement overflow procedures more frequently during peak periods. Additionally, the Short-Term Parking area on the first floor of the garage fills to capacity during peak periods multiple times per week due to constraints caused by sharing the space with the rental car companies. Moreover, the rental car companies are requesting additional ready/return space to meet their growth in demand. To address these issues, RTAA needs to fund and construct a new Consolidated Rental Car Facility (CONRAC) to move rental cars out of the public parking structure, which will increase parking capacity and improve customer service.

Replace RNO terminal concourses and provide a new Customs and Border Protection facility. With the existing concourses being 40 years old, RTAA needs to replace RNO terminal concourses with new and larger concourses to address existing constraints, such as limited space for new amenities and concessions, and allow for future growth and expansion for both domestic and international travel. This effort will focus on development of the first phase of the following recommendations:

- Provide 24 gates, with a clear path of future expansion to achieve a total of at least 27 gates;

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- Provide taxi-lanes sized to accommodate aircraft similar in size to the Boeing 757 (B757);
- Provide a new Customs and Border Protection (CBP) facility sized to process 400 passengers per hour and provide an improved passenger experience;
- Provide administrative office space sized and located to meet current and future needs;
- Provide expanded spaces for amenities, concessions and hold rooms.

Modernize the RNO Terminal Building to accommodate future technologies and enhance customer experience and wayfinding. The terminal building consists of the functional areas in the non-sterile zone, including the ticketing hall, main lobby, security-screening checkpoint (SSCP) and baggage claim areas. The facility requirements analysis in the RNO Master Plan shows these areas are sufficient in size through the projected 2036 planning period. However, RNO currently experiences congestion, queuing and wayfinding issues. This effort will focus on the following areas:

- **Ticketing Hall** – Expand circulation by relocating the existing entry outside of the existing terminal building envelope into the curbside public space to improve queuing and circulation and build new restrooms near the ticket hall area.
- **Arriving Passengers** – Currently, arriving passengers move from the level 2 concourses to level 1 of the terminal building at the northwest corner of the SSCP area. This point of arrival at level 1 happens to coincide with the formal entry to the SSCP area causing potential confusion and congestion during regular operations, but even more so when SSCP queuing overflows. RTAA will evaluate new terminal concourses and consider the option of a new arriving passenger experience at the north end of the existing baggage claim area.
- **Intuitive Wayfinding** – The basic layout at RNO allows for intuitive passenger wayfinding. However, the current organization of concessions, art, gaming, and other amenities has relied heavily on signs to communicate wayfinding. The execution of this signage diminishes the intuitive nature of the airport layout. RTAA will focus on enhancing clarity through a number of improvements.

Modify the RNO Airfield to FAA Compliance. The runway and taxiway system are in good condition and meets FAA standards, except for some non-standard geometry that should be addressed as new airfield projects are implemented. The following are identified airfield improvements:

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- Runway 16R CAT II Approach: Site the location of an additional Runway Visual Range (RVR) on Runway 16R to enhance instrument approach capabilities.
- Deicing Aprons: Examine dedicated deicing or anti-icing areas at ends of Runways 16R/L and 34L/R to help facilitate operations during winter storms.
- Address taxiway hot spots and intersections: The FAA has designated three areas on the airfield as being areas of high potential for incursion and improvements to these areas need to be evaluated to enhance safety.
- Develop airfield geometry improvements to address non-standard taxiway geometry and intersections that do not comply with FAA taxiway design guidance.
- Consider moving aircraft hold short positions to 294 feet from runway centerlines. RTAA will coordinate with FAA Airport District Office to clarify the need for compliance with new standards.
- Run-Up Aprons: Evaluate areas to locate pavement where propeller aircraft can perform system checks prior to departure.

Develop a Plan of Finance and Negotiate Business Agreements. In order to provide funding for RNO Master Plan facility improvements, RTAA staff, in conjunction with a complete Financing Team, will review each project to identify funding sources and eligibility. The funding sources that do not affect airline rates and charges are Customer Facility Charges (CFC) from rental car customers, Airport Improvement Program (AIP) Grants from the FAA and Passenger Facility Charges (PFC) collected on each airline customer’s ticket. Subject to providing funding for critical asset preservation and ongoing equipment replacement needs, these funding sources can be used on an either a “pay-as-you-go” basis or CFCs and PFCs can be leveraged to support debt issuance. In addition, RTAA will explore options for public-private partnerships (P3) and tenant financing associated with terminal development and landside concession opportunities where appropriate.

RTAA also has internal funds derived from operations and the ability of RTAA to issue airport system revenue bonds. RTAA is currently in a strong liquidity position and has a very low debt to enplaned passenger ratio as compared to other small and medium hub airports. Subject to airline approval, RTAA has bonding capacity available to help meet this strategic priority.

For each capital project, a plan of finance will be developed based on a detailed programmatic study, design, and cost estimate. Each key stakeholder impacted by the project will be integrated in the design process. If a tenant is obligated to lease space in the facility and be impacted by fees and rents collected by RTAA, a business agreement will be negotiated and executed prior to notice to proceed with construction.

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Maintain existing facilities at both RNO and RTS and support third-party private investment. RTAA has a significant investment in existing infrastructure at both Airports. To optimize and extend the useful life of these assets, staff will continue its ongoing program of preventive maintenance and major rehabilitation programs. RTAA will also provide support and facilitate third-party private investment in facilities at both Airports.



Sustainability

8. Sustainability – *Operate and manage both airports with a holistic approach reflecting sustainability policies and practices along with environmental stewardship.*

Sustainability is a state of existing that can be supported and maintained at a specific level, indefinitely. It all boils down to living within our limits and making decisions with a long-term perspective to ensure the continued viability and future of the organization and the community we serve. RTAA employs the Airport Council International’s EONS approach to help guide sustainability policies and practices. Airport Sustainability is a holistic approach to managing an airport to ensure the integrity of the Economic Viability, Operational Efficiency, Natural Resource Conservation and Social Responsibility (EONS). Aviation industry research and sources validate that the environmental and energy-based sustainability initiatives, already being implemented and practiced at RTAA, are in line with industry standards, expectations or any mandates required by regulatory agencies.

The strategic approach to sustainability and environmental responsibility is as follows:

Maintain a healthy balance between economic viability and environmental responsibility. Economic health ensures the future operations and continued viability of our Airports. RTAA staff strives to enhance economic viability by increasing revenue generation, decreasing costs, and investing in long-term projects with a return on capital investment. RTAA’s economic viability is the fundamental operational requirement underlying all aspects of sustainability.

Prioritize operational efficiency to do more with less as a first place to start. Operational efficiency, in its simplest terms, is doing more with less because of effective management and creative ideas. RTAA operates under the expectation that well-run facilities cost less to operate and maintain. Less, in this case, refers to any number of items, from staff hours to vehicle fuel to heating and cooling costs.

Conserve natural resources through policies, technology, recycling and reuse. Conserving and protecting our natural resources is the most easily identifiable sustainability focus area. RTAA has long been committed to promoting environmental policies that endeavor to use less of

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our natural resources, to protect our resources from contamination, to reuse whenever possible, and to recycle. RTAA will strive to expand on this philosophy and incorporate new technologies, as appropriate.

Be exceptional community stewards and leaders in social responsibility. Airports function in a social setting. Our customers include passengers, pilots, tenants, and employees, in addition to the residents and businesses in the surrounding community. Our social responsibility lies in enhancing the customer experience, while fostering an understanding of the value that airports provide to the community.

Key Performance Indicators (KPIs) and Performance Measures – “How do we measure success?”

The following long-term goals and performance measures were established in the adopted in FY 2019-23 Strategic Plan:

FY2019-23 Long-Term Goals and Performance Measures

Strategic Priority	Long-Term Goals	Performance Measures
AIR SERVICE AND CARGO	Maintenance of Existing Air Service Routes	Number of average daily seats Total number of airlines Total number of airline meetings
	Domestic Destination Growth	Number of non-stop domestic destinations Attend RASC Marketing Committee and Board meetings
	International Destination Growth	Number of non-stop international destinations
	Community Awareness	Number of educational sessions in the community Number of airline visits to the Reno-Tahoe region Number of and scope of community outreach/marketing program (Weekly RNO Explorer)
	Air Cargo Growth	Number of meetings with airlines Total pounds carried (dedicated cargo flights and belly cargo on commercial passenger flights)

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	Long-Term Goals	Performance Measures
SAFETY AND SECURITY	FAA Part 139 Compliance	Pass FAA Part 139 Annual Certification with less than “x” number of discrepancies Thermoplastic airfield marking program - % of annual program completion
	TSA Part 1542 Compliance	Pass TSA Annual Inspection with less than “x” number of discrepancies
SAFETY AND SECURITY	Risk Management and Business Continuity	Risk Assessment and Prioritization Business Continuity Matrix Development
	Emergency-Response Preparedness	Plan Development - Annual rehearsal drills for RTAA staff and tenants Number of emergency drills Number of participants in emergency drills
	Safety/Security System Compliance/ Enhancements	Determine system needs; System Implementation Cyber Security Plan Implementation Payment Card Industry (PCI) Compliance Data Loss Prevention System Implementation
GENERAL AVIATION	GA Community Relationships	GA Community attends, participates and partners in meetings and events GA Community engages in Airport projects and informs project goals and other users GA Community sentiment via survey/canvassing
	RNO and RTS GA Providers and Private-Sector Capital Investment	RFP for 2nd FBO, MRO and/or hangar development on the east side of RNO RFP for FBO, MRO and other market-driven GA facilities at RTS
	GA User Needs and Market Demand	RNO GA facilities at % occupancy RTS GA facilities at % occupancy Annually assess facility conditions and budget at both Airports RTS % accommodation of requests for airfield use
	Military Community Relationships	Military community attends, participates and partners in meetings and events Military community engages in Airport projects and informs project goals and other users

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Strategic Priority	Long-Term Goals	Performance Measures
CUSTOMER EXPERIENCE	Ease of access to RNO facilities	Adopt Master Plan initiatives for RNO Parking/Rental Cars Number of presentations to public entities about RNO facilities and air service
	Passenger Empowerment	Airline terminal common use study Social Media followers
	Passenger Empathy	Number of hours P4P (dog teams) volunteer Number of Kindness Takes Flight activities Number of annual Ask the Airport, social media responses
	RTAA Brand & Community Leadership	Dollar value of media Number of government presentations Number of civic group presentations New lobbyists Number of Community Outreach Committee meetings
	Positive Travel Experience	Customer satisfaction score
	Landside Operational Improvements	Programmatic Study of Landside Improvements
PEOPLE	Employee Satisfaction	Implementation of improvement opportunities based on items identified in the Employee Engagement Survey
	Employee Engagement	Maximize the effectiveness of our teams through annual departmental moral building activities
	THRIVE Organizational Values are Active	Provide ongoing support of THRIVE values through relevant activities
	RTAA Leadership Program	Facilitate targeted feedback of performance measures Demonstrate a more united leadership team to RTAA staff
	Employer of Choice	Conduct salary surveys, establish employment branding, highlight employee stories, maintain competitive benefits
	Succession Planning	% Completion of Talent Profiles % of employees being promoted Specific development goals identified on performance reviews Development of an internship program; number of internships
	Workforce Diversity	Development of a Diversity Program Progress towards approximating measures for local demographics as outlined in the RTAA Diversity Plan

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Strategic Priority	Long-Term Goals	Performance Measures
FINANCIAL DIVERSIFICATION AND GROWTH	Competitive Airline Cost per Enplaned Passenger	Prior to implementation of Phase 1 of the Master Plan: Airline cost per enplaned passenger (CPE) below the median U.S. airport average After implementation of Phase 1 of the Master Plan improvements: CPE competitive with SMF, OAK and SJC
	Land Development at both Airports	RFP for RNO new private-sector capital investment in a 2nd Fixed Based Operator (FBO) and/or Hangar Development Number of meetings with prospective tenants, developers and capital investors Opening of new Hotel and execution of a ground lease for Office and/or other RNO Gateway site development
	Public Parking/ Rental Car and Ground Transportation Revenues (New Competing Business Models/Technologies)	Baseline of Revenue Ratios by Business Unit Number of new Product/Pricing Options
FACILITIES FOR THE FUTURE	Plan of Finance and Business/ Intergovernmental Agreements	Prepare RFPs and select firms to serve on the Finance Team Complete Plan of Finance and execute agreements by project prior to NTP of construction Prepare RFP/RFQ solicitation and select governmental lobbyists
	Facility Infrastructure Enhancements	Increase Customer Facility Charge funding Consolidated Rental Car Facility (CONRAC) design Terminal Concourse replacement, Phase 1
	Facility Attractiveness and Functionality Advancement	Upgrade of Facility Asset Management System (FAMS)
	Technology Integration	Integrate Part 139 tracking software, FAMS, and Geographical Information Systems Total cost of ownership of major systems analysis
SUSTAINABILITY	Environmental Responsibility and Awareness	Additional water bottle refill stations Number of outside tenants, GA participating in Recycling Program Number of tenant meetings promoting recycling Environmental practices into facility design standards Terminal Building Recycling as a percent of total waste
	Natural Resource Conservation	Implement LED lighting projects funded in the RTAA Capital Improvement Budget Reassess current lighting control system Implement Water Audit recommendations Construction project recycling as a percentage
	Operational Efficiency	Upgrade of the HR/Payroll and Financial Systems

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FY 2020-21 Objectives – “What is most important right now?” and “Who must do what?”

Each of the department initiatives and work plans are linked to the Strategic Priorities outlined in this section. The department initiatives are the specific work plans and key steps RTAA staff are undertaking to achieve the strategic priorities adopted by the Board of Trustees.

In Section 7 - Expenditures, each department within RTAA is discussed in detail, including its mission statement, key responsibilities, a progress report on initiatives outlined in the adopted FY 2019-20 Budget and new FY 2020-21 Budget initiatives.

Accountability Structure

The following accountability structure indicates who owns the outcome of each component of the strategic plan, as well as the planning period for each.

<u>Accountability Structure</u>	<u>Strategic Plan Structure</u>	<u>Planning Time Frame</u>
Board of Trustees	Mission, Vision	Every 5 Years Reviewed annually
	Strategic Priorities	Every 5 Years Reviewed annually
	Long-Term Goals & Performance Measures	Every 3-5 Years Reviewed annually
President/CEO & Senior Leadership Team	Short-Term Objectives, Core Values	Every 1-3 Years Established annually
Individual Contributors	Supporting Action Plans w/ Milestones	Annually

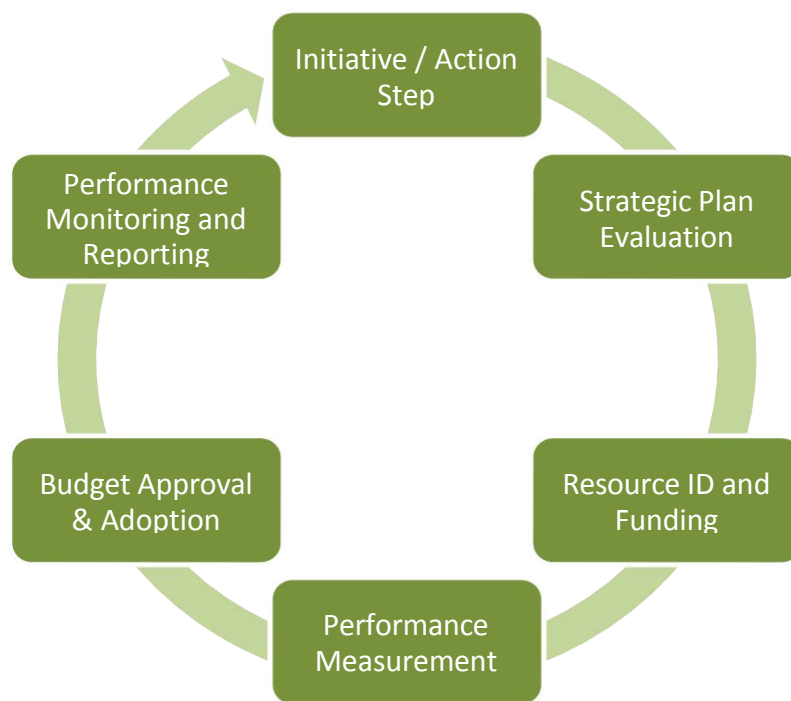
Strategic Plan Integration

The Strategic Management Process is fully integrated as a key management system within the organization. Importantly, the Strategic Plan and the Annual Budget process are tightly aligned. On an annual basis, the planning and budgeting process flows as follows and specifically guides decision making for staff priorities & resource allocation:

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- All budget initiatives and President/CEO Goals are tied to the Strategic Plan.
- The Strategic Plan and its integration with the Annual Budget are extensively outlined in the annual Budget Book.
- The annual funding of each Strategic Plan priority is outlined in the Annual Budget Book.
- Staff reports quarterly progress to the Board of Trustees.
- All employees have performance measures tied to the Strategic Plan incorporated into evaluations.
- Each Board Memo includes a specific tie to how the action supports the Strategic Plan.

FY 2020-21 Budget – Resource Identification



In order to achieve the goals of the Board directed Strategic Initiatives, staff identified resources needed to implement the work plans as outlined. This included the engagement of consultants with subject matter expertise in the areas of transportation, airports, law, general aviation, airlines and tourism.

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In addition, consultants may be needed with expertise in economic analysis and planning, marketing, and strategic advocacy. In many cases, the resources identified crossed several different departments and functional operational areas within the RTAA.

The following table outlines the resources identified in the FY 2019-20 Budget, the updated FY 2019-20 Mid-Year Forecast, and the FY 2020-21 Budget specifically dedicated to the achievement of the Strategic Priorities:



Air Service and Cargo

Air Service and Cargo

Air Service Conference Sponsorship
 Air Service Data Base Information
 Air Service Development- Community Education
 Air Service Development Staff
 Air Service Studies
 Air Service Marketing/ Incentive Program - New Air Service
 Community Air Service Outreach Program- "We Move you Safely"
 Other Air Service Marketing
 Other Advertising and Promotion
 Air Service Promotion and Events
 Regional Air Service Corporation
 Staff Travel/ Airline Meetings and Conference Registration

 Airline Incentive -Waiver of Airline Rates and Charges

	FY 2019-20 Adopted Budget	FY 2019-20 Mid-Year Analysis	FY 2020-21 Adopted Budget
	\$ 160,000	\$ 40,000	\$ -
	53,800	53,800	53,800
	21,000	6,000	4,500
	357,200	357,200	361,800
	50,000	17,300	50,000
	246,000	36,500	93,000
	280,000	236,500	80,000
	12,000	12,000	8,000
	14,500	14,500	14,500
	33,000	10,600	12,800
	50,000	50,000	50,000
	87,900	25,500	26,700
	400,000	400,000	400,000
	\$ 1,765,400	\$ 1,259,900	\$ 1,155,100

Reno-Tahoe Airport Authority
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Section 3 – Strategic Initiatives



Safety and Security

Safety and Security

Airfield Operations
 Airport Fire
 Airport Police
 Operations and Public Safety Administration
 Security

Plant Property and Equipment

Capital Project -RNO- Replacement of Hewlett Packard ProCurve Security Systems Network Hardware
 Capital Project -RNO- Airport Communications Center Remodel
 Capital Project -RNO- APD Briefing Room Remodel
 Capital Project -RNO- Canine Sergeant Office
 Capital Project -RNO- Badging Office Remodel
 Capital Project -RNO- In-Terminal Surveillance Station
 Capital Project -RNO- Runway 16L 34R LED Lights
 Capital Project -RNO- Mill Street Obstructions Power Poles and Street Lights
 Capital Project -RNO- Replacement of Hewlett Packard ProCurve Security Systems Network Hardware

	FY 2019-20 Adopted Budget	FY 2019-20 Mid-Year Analysis	FY 2020-21 Adopted Budget
	\$ 2,513,600	\$ 2,487,000	\$ 2,628,700
	3,572,500	3,574,600	3,695,900
	3,792,600	3,737,800	3,962,000
	355,300	384,200	348,900
	1,757,000	1,723,300	1,748,200
	615,300	640,900	449,900
	500,000	-	-
	450,000	450,000	-
	40,000	40,000	-
	46,000	46,000	-
	18,582	18,582	-
	7,626	7,626	-
	70,000	70,000	-
	250,000	250,000	-
	-	-	350,000
	\$ 13,988,508	\$ 13,430,008	\$ 13,183,600

Reno-Tahoe Airport Authority
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Section 3 – Strategic Initiatives



General Aviation

General Aviation

GA Hangar/Asphalt Maintenance/Repairs - RNO
 GA Marketing/Customer Service
 National Championship Air Race Sponsorship
 Reno Stead Airport (RTS) Operations and Maintenance

Plant Property and Equipment

Capital Project -RTS- 1,000 Gallon Used Oil Collection Underground Storage Tank
 Remove and Replace With Above Ground Storage Tank
 Capital Project -RNO- Hangar G Pavement Reconstruction
 Capital Project -RNO- T-Hangar Electrical Upgrade

	FY 2019-20 Adopted Budget	FY 2019-20 Mid-Year Analysis	FY 2020-21 Adopted Budget
	\$ 249,600	\$ 210,350	\$219,750
	3,300	3,300	1,000
	100,000	100,000	60,000
	1,090,400	1,054,900	1,081,600
	43,300	45,300	-
	25,950	25,950	-
			18,000
			100,000
	\$ 1,512,550	\$ 1,439,800	\$ 1,480,350

Reno-Tahoe Airport Authority
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Section 3 – Strategic Initiatives



Customer Experience

Customer Experience

Art Program
 Community Outreach
 Customs and Border Protection - Customer Service Program
 Customs and Border Protection - Additional Officer
 Marketing and Public Affairs Staff

 Plant Property and Equipment

 Capital Project -RNO- Front Reception Lobby Redesign
 Capital Project -RNO- B2 Airline Gate Holdroom Expansion Project

	FY 2019-20 Adopted Budget	FY 2019-20 Mid-Year Analysis	FY 2020-21 Adopted Budget
	\$ 4,000	\$ 3,100	\$ 1,000
	44,000	34,000	20,800
	38,000	38,000	35,500
	175,000	158,000	175,000
	1,710,100	1,598,900	1,242,100
	-	-	-
	84,300	-	-
	15,000	15,000	-
	\$ 2,070,400	\$ 1,847,000	\$ 1,474,400

Reno-Tahoe Airport Authority
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Section 3 – Strategic Initiatives



People

People

Human Resources Staff
 Internship Program
 Airport Authority University (AAU) Scholarship Program
 Incentive/Service Awards
 Organizational Training /Tuition Reimbursement
 Wellness Program

 Plant, Property and Equipment

 Capital Project -RNO- Acquisition of Automated Time and Attendance Payroll and HRIS System

	FY 2019-20 Adopted Budget	FY 2019-20 Mid-Year Analysis	FY 2020-21 Adopted Budget
	\$ 845,000	\$ 817,300	\$ 763,700
	80,800	10,340	-
	37,500	6,900	21,000
	68,000	49,300	56,500
	216,100	150,500	100,300
	3,700	1,700	1,600
	23,269	-	-
	500,000	500,000	-
	\$ 1,774,369	\$ 1,536,040	\$ 943,100

Reno-Tahoe Airport Authority
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Section 3 – Strategic Initiatives



Financial Diversification and Growth

Financial Diversification and Growth

Airport Economic Development/ Outside Properties
 Landside Operations (Public Parking and Ground Transportation)
 Investment Advisory Services
 Unmanned Aircraft Systems (UAS) Marketing/ DAC Committee
 UAS Test Site- Operations Support

 Plant Property and Equipment

 Capital Project -RNO- Connector Lower Level Storage Buildout
 Capital Project -RNO- RNO Pop Shop
 Capital Project -RNO- Mini Warehouse Asphalt Construction
 Capital Project -RNO- Alamo/National Service Facility Roll Up Door Replacement

	FY 2019-20 Adopted Budget	FY 2019-20 Mid-Year Analysis	FY 2020-21 Adopted Budget
	\$ 1,846,400	\$ 1,496,800	\$ 1,503,700
	1,613,600	1,733,300	1,559,900
	57,220	51,220	59,200
	20,000	20,000	600
	4,500	1,000	2,000
	-	-	-
	300,000	50,000	-
	63,000	-	-
	115,000	115,000	-
	12,000	12,000	-
	\$ 4,031,720	\$ 3,479,320	\$ 3,125,400

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Facilities for the Future

Facilities for the Future

Airfield Maintenance
 Baggage Handling System
 Building Maintenance
 Engineering and Construction
 Maintenance Administration
 Planning

Plant, Property and Equipment

Airfield Pavement Management Program
 Landside Pavement Management Program

Capital Project -RNO- Terminal Roof Area #10
 Capital Project -RNO- Mechanical Room Fire Sprinklers
 Capital Project -RNO- Airfield Maintenance Shop Door Replacement
 Capital Project -RNO- Airfield Underground Storage Tank Removal
 Capital Project -RNO- CONRAC Phase II

	FY 2019-20 Adopted Budget	FY 2019-20 Mid-Year Analysis	FY 2020-21 Adopted Budget
	\$ 3,715,900	\$ 3,576,700	\$ 3,470,100
	1,302,200	1,195,200	1,067,300
	6,471,800	6,099,200	5,938,600
	857,000	808,900	812,600
	757,400	730,900	735,600
	453,100	435,000	441,300
	206,200	293,200	-
	800,000	800,000	-
	600,000	600,000	-
	50,600	50,600	-
	109,500	109,500	-
	8,000	8,000	-
	-	-	21,500
	-	-	6,650,000
	\$ 15,331,700	\$ 14,707,200	\$ 19,137,000

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Sustainability

Environment
 Noise Monitoring Equipment Maintenance and Upkeep

Plant, Property and Equipment

Capital Project -RNO- Partially Retrofit B Concourse Existing HID Pole Lighting to Low Energy LED Fixture

Capital Project -RNO- Main Terminal Building Control System Upgrade Phase IV

Capital Project -RNO- Retrofit HID Lighting to LED in Surface Lot, Entry Loop Road, North Loop Road, QTA, Blue Lot, and Fire

Capital Project -RNO- Consultation Services for Creation of a Pre-Application and Final Application for FAA Voluntary Airport Low Emissions (VALE) program

Capital Project -RNO- Financial System Replacement

	FY 2019-20 Adopted Budget	FY 2019-20 Mid-Year Analysis	FY 2020-21 Adopted Budget
	\$ 301,400	\$ 301,400	\$ 278,200
	151,800	110,596	138,818
	-	-	-
	70,000	70,000	-
	326,265	26,265	-
	120,000	120,000	-
	73,000	73,000	-
	-	-	310,000
	\$ 1,042,465	\$ 701,261	\$ 727,018
TOTAL STRATEGIC PRIORITIES FUNDING	\$ 41,517,112	\$ 38,400,529	\$ 41,225,968

\$ (291,144)

-0.7%

The adopted FY 2020-21 Budget reflects the on-going commitment of RTAA resources of \$41.226 million to the accomplishment of the strategic priorities outlined above and as presented in Section 7 – Expenditures. One of the major consequences of the COVID-19 pandemic is the significant decline in passenger traffic at RNO. The number of passengers has declined by as much as 95% in April 2020. The global airline industry is highly volatile, estimating a return to pre COVID levels within approximately three years. In these times of uncertainty, the RTAA has implemented cost reduction measures in all expense categories in an effort to balance the budget and maintain a low cost structure for our airline partners.

Section 4 – Organization Guide

**Reno-Tahoe Airport Authority
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 Section 4 – Organization Guide**

The Reno-Tahoe Airport Authority (RTAA) is a quasi-municipal corporation that was created by the Nevada State Legislature in 1977 and began operation on July 1, 1978. The nine-member Board that governs the RTAA is appointed by the City of Reno, City of Sparks, Washoe County and the Reno Sparks Convention and Visitors Authority.

Listed below are the Board of Trustees and their appointing entities:



<u>Board of Trustees</u>	<u>Position</u>	<u>Term Expires</u>	<u>Represents</u>
Jessica Sferrazza	Chair	June 2023	City of Reno
Shaun Carey	Vice-Chair	June 2023	City of Sparks
Jenifer Rose	Treasurer	June 2023	City of Reno
Richard Jay	Secretary	June 2021	City of Reno
Nat Carasali	Trustee	June 2021	Washoe County
Daniel Farahi	Trustee	June 2021	City of Reno
Art Sperber	Trustee	June 2021	City of Sparks
Carol Chaplin	Trustee	June 2021	Reno-Sparks Convention & Visitors Authority
Lisa Gianoli	Trustee	June 2023	Washoe County

FY 2020-21 PERSONNEL COMPLEMENT

The personnel complement following this narrative shows the total approved staff complement. Listed below are the changes to the complement approved during the budget process. The organization chart in this section also shows the departments, names of the department heads and the number of employees in each of the departments.

ADDITIONS OR CHANGES

The following reflects either position changes that have been made to more accurately reflect the duties and responsibilities of the position or additions to staff:

**Reno-Tahoe Airport Authority
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Section 4 – Organization Guide**

PRESIDENT/CEO

Airport Economic Development

Senior Manager of Properties position has been reclassified as Property Specialist II.

Commercial Property Manager position has been reclassified as Manager of Properties.

Contract Specialist I has been reclassified as Contract Specialist II.

EXECUTIVE VICE-PRESIDENT/COO

Technology and Information Systems

The Systems Analyst position has been moved to the Airside Operations department and reclassified as Manager of Airport Communications.

Human Resources

Human Resources Specialist position has been reclassified as Senior Human Resources Specialist.

Training Specialist position has been reclassified as Organizational Development Specialist.

OPERATIONS AND PUBLIC SAFETY

Airside Operations

Manager of Airside Operations/Communications position has been reclassified to Manager of Airport Operations.

The department is growing by one position, the Manager of Communications transferred from Technology and Information Systems.

**Reno-Tahoe Airport Authority
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FACILITIES AND MAINTENANCE

Building Maintenance

A Facilities Maintenance Technician II position has been reclassified to Facilities Electrician Technician IV.

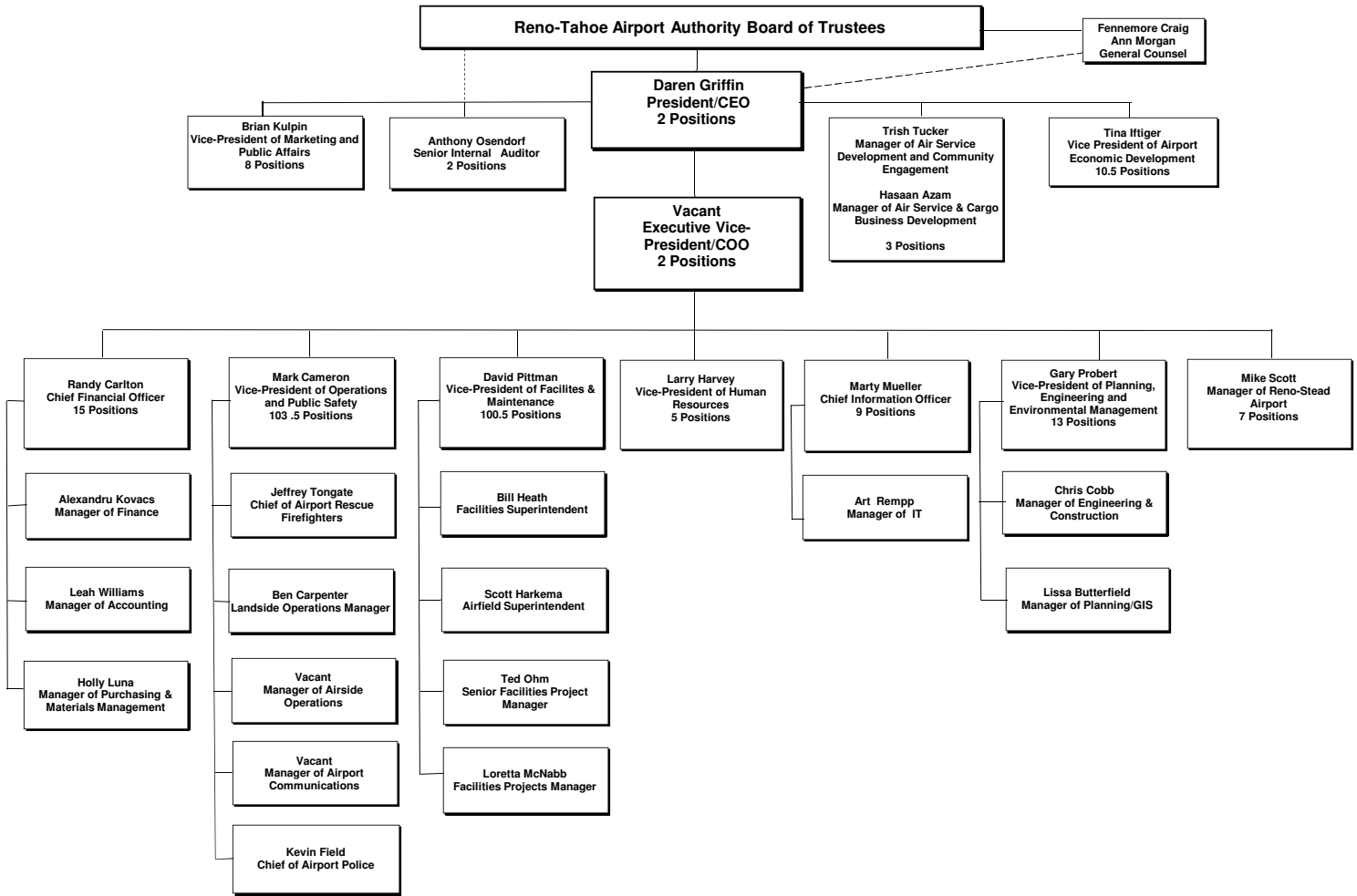
An Airport Facilities Custodian position has been reclassified as Senior Airport Facilities Custodian.

VACANT POSITIONS

Fourteen (14) vacant positions shown in the personnel complement have been frozen, and are not funded in the FY 2020-21 Budget for personnel services. This is an increase of 7.5 frozen positions compared to the FY 2019-20 Budget, directly in response to the COVID-19 pandemic.

The President/CEO may unfreeze various positions throughout the fiscal year depending on workload factors and/or need to optimize the skill mix of the RTAA as other positions become vacant or other budget savings present themselves.

FY 2020-21



* The number of positions represented in the Organization Chart includes 14 Vacant Positions that are frozen and not funded in FY 2020-21.

** Ms. Marily Mora was the organization's President/CEO through August 3, 2020.

**Reno-Tahoe Airport Authority
 FY 2020-21
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Personnel Complement

	<u>Budgeted and/or Authorized FY 2018-19</u>	<u>Budgeted and/or Authorized FY 2019-20</u>	<u>Budgeted and/or Authorized FY 2020-21</u>
Board of Trustees *	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
Board of Trustees Division	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
President/CEO Division	<u>23.5</u>	<u>23.5</u>	<u>23.5</u>
Executive Vice President/COO Division	<u>22.0</u>	<u>24.0</u>	<u>23.0</u>
Finance and Administration Division	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>
Operations and Public Safety Division	<u>102.0</u>	<u>102.5</u>	<u>103.5</u>
Planning and Engineering Division	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>
Facilities and Maintenance Division	<u>100.0</u>	<u>100.5</u>	<u>100.5</u>
TOTAL AIRPORT (Does not include the appointed Board of Trustees)	<u><u>277.5</u></u>	<u><u>280.5</u></u>	<u><u>280.5</u></u>

* Appointed positions

Reno-Tahoe Airport Authority
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Personnel Complement

	Budgeted and/or Authorized FY 2018-19	Budgeted and/or Authorized FY 2019-20	Budgeted and/or Authorized FY 2020-21
Board of Trustees Division			
Board of Trustees *	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
Internal Audit Section			
Senior Internal Auditor	1.0	1.0	1.0
Internal Auditor	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total Internal Audit Section	2.0	2.0	2.0
Total Board of Trustees Division	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
President/CEO Division			
President/CEO	1.0	1.0	1.0
Executive Assistant	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total President/CEO	2.0	2.0	2.0
Air Service Business Development Section			
Vice-President of Air Service Development	1.0	1.0	1.0
Manager of Air Service & Cargo Business Development	1.0	1.0	1.0
Manager of Air Service Development & Community Engagement	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total Air Service Business Development Section	3.0	3.0	3.0
Marketing and Public Affairs Section			
Vice-President of Marketing and Public Affairs	1.0	1.0	1.0
Manager of Marketing	1.0	1.0	1.0
Marketing Coordinator	0.0	1.0	1.0
Public Relations Coordinator	2.0	1.0	1.0
Customer Service Supervisor	1.0	1.0	1.0
Graphic Designer	1.0	1.0	1.0
Administrative Assistant III	1.0	1.0	1.0
Receptionist	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total Marketing and Public Affairs Section	8.0	8.0	8.0
Economic Development Section			
Vice-President of Airport Economic Development	1.0	1.0	1.0
Supervisor of Real Estate	1.0	0.0	0.0
Senior Manager of Properties	1.0	1.0	0.0
Manager of Economic Development	1.0	1.0	1.0
Manager of Properties	0.0	0.0	1.0
Commercial Property Manager	0.0	1.0	0.0
Property Specialist II	2.0	2.0	3.0
Property Specialist I	1.0	1.0	1.0
Contract Specialist I	1.0	1.0	0.0
Contract Specialist II	0.0	0.0	1.0
Property Technician	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
Total Economic Development Section	10.5	10.5	10.5
Total President/CEO Division	<u>23.5</u>	<u>23.5</u>	<u>23.5</u>

Reno-Tahoe Airport Authority
FY 2020-21
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Personnel Complement

	Budgeted and/or Authorized FY 2018-19	Budgeted and/or Authorized FY 2019-20	Budgeted and/or Authorized FY 2020-21
Executive Vice President/COO Division			
Executive Vice-President/COO	1.0	1.0	1.0
Executive/Board Assistant	1.0	1.0	1.0
Total Executive Vice President/COO	2.0	2.0	2.0
Technology and Information Systems Section			
Chief Information Officer	1.0	1.0	1.0
Manager of Information Technology	0.0	1.0	1.0
Project Manager	2.0	2.0	2.0
Security Systems Technician	0.0	1.0	1.0
Security Systems Administrator	0.0	1.0	1.0
Network Administrator II	2.0	2.0	2.0
Network Administrator I	1.0	0.0	0.0
Database Administrator	1.0	1.0	1.0
Systems Analyst	0.0	1.0	0.0
Computer Application Specialist	1.0	0.0	0.0
Total Technology and Information Systems Section	8.0	10.0	9.0
Reno-Stead Airport Section			
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
Human Resources Section			
Vice-President of Human Resources	1.0	1.0	1.0
Senior Benefits Specialist	1.0	1.0	1.0
Human Resources Specialist	1.0	1.0	0.0
Senior Human Resource Specialist	0.0	0.0	1.0
Training Specialist	1.0	1.0	0.0
Organizational Development Specialist	0.0	0.0	1.0
Administrative Assistant III	1.0	1.0	1.0
Total Human Resources Section	5.0	5.0	5.0
Total Executive Vice President/COO Division	22.0	24.0	23.0
Finance and Administration Division			
Accounting and Administration Section			
Chief Financial Officer	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	1.0	1.0
Administrative Assistant II	1.0	0.0	0.0
Administrative Assistant III	0.0	1.0	1.0
Total Accounting and Administration Section	7.0	7.0	7.0

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Personnel Complement

	Budgeted and/or Authorized FY 2018-19	Budgeted and/or Authorized FY 2019-20	Budgeted and/or Authorized FY 2020-21
Finance and Budgeting Section			
Manager of Finance and Budgeting	1.0	1.0	1.0
Senior Financial Analyst	1.0	0.0	0.0
Financial Analyst	0.0	1.0	1.0
Total Finance and Budgeting Section	2.0	2.0	2.0
Purchasing & Materials Management Section			
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
Total Finance and Administration Division	15.0	15.0	15.0
Operations and Public Safety Division			
Operations and Public Safety Administration Section			
Vice-President of Operations and Public Safety	1.0	1.0	1.0
Operations Specialist	1.0	1.0	1.0
Total Operations and Public Safety Administration	2.0	2.0	2.0
Airside Operations Section			
Manager of Airside Operations/Communications	1.0	1.0	0.0
Manager of Airside Operations	0.0	0.0	1.0
Manager of Airport Communications	0.0	0.0	1.0
Airport Duty Manager	7.0	7.0	7.0
Airport Communications Supervisor	1.0	1.0	1.0
Senior Communications Specialist	1.0	0.0	0.0
Airport Communications Specialist	10.0	11.0	11.0
Total Airside Operations Section	20.0	20.0	21.0
Landside Operations Section			
Manager of Landside Operations	1.0	1.0	1.0
Landside Supervisor	1.0	1.0	1.0
Administrative Assistant I/II	1.0	1.0	1.0
Parking Lot Attendant	9.0	9.0	9.0
Parking Shift Leader	4.0	4.0	4.0
Total Landside Operations Section	16.0	16.0	16.0
Airport Rescue and Fire Section			
Chief of Airport Rescue Firefighters	1.0	1.0	1.0
Deputy Chief of Airport Firefighters	1.0	1.0	1.0
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	20.0	20.0

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	Budgeted and/or Authorized FY 2018-19	Budgeted and/or Authorized FY 2019-20	Budgeted and/or Authorized FY 2020-21
Airport Police Section			
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
Administrative Assistant II	1.0	1.0	1.0
Total Airport Police Section	25.0	25.0	25.0
Airport Security Section			
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	12.0	12.0
Security Compliance Specialist II	0.0	1.0	1.0
Security Compliance Specialist	1.0	0.5	0.5
	19.0	19.5	19.5
Total Operations and Public Safety Division	102.0	102.5	103.5
Planning and Engineering Division			
VP of Planning and Engineering			
Vice-President of Planning, Engineering and Administrative Assistant III	1.0	1.0	1.0
	1.0	1.0	1.0
Total VP of Planning and Engineering	2.0	2.0	2.0
Planning and Environmental Services Section			
Manager of Planning/Environmental Service	1.0	1.0	1.0
Environmental Program Manager	1.0	1.0	1.0
Airport Senior Planner	1.0	0.0	0.0
Airport Planner II	1.0	1.0	1.0
Airport Planner I	0.0	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
Engineering and Construction Section			
Manager of Engineering & Construction	1.0	1.0	1.0
Senior Project Manager	2.0	2.0	2.0
Capital Improvements & Grant Coordinator	1.0	1.0	1.0
Project Manager II	2.0	2.0	2.0
Total Engineering and Construction	6.0	6.0	6.0
Total Planning and Engineering Division	13.0	13.0	13.0
Facilities and Maintenance Division			
Facilities and Maintenance Administration Section			
Vice-President of Facilities and Maintenance	1.0	1.0	1.0
Senior Facilities Project Manager	1.0	1.0	1.0
Facilities Project Manager	1.0	1.0	1.0
Construction Manager	1.0	1.0	1.0
Facilities Projects Coordinator	1.0	1.0	1.0
Total Facilities and Maintenance Administration Section	5.0	5.0	5.0

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	Budgeted and/or Authorized <u>FY 2018-19</u>	Budgeted and/or Authorized <u>FY 2019-20</u>	Budgeted and/or Authorized <u>FY 2020-21</u>
Airfield Maintenance Section			
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	11.0	11.0
Airfield Technician IV	2.0	2.0	2.0
Airfield Automotive Technician III	1.0	1.0	1.0
Administrative Assistant II	1.0	1.0	1.0
Total Airfield Maintenance Section	<u>28.0</u>	<u>28.0</u>	<u>28.0</u>
Building Maintenance and Services Section			
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	7.0	7.0	6.0
Facilities Jet Bridge Technician IV	1.0	1.0	1.0
Facilities Maintenance Technician IV	1.0	1.0	1.0
Facilities Plumber Technician IV	1.0	1.0	1.0
Facilities Maintenance Technician V	3.0	3.0	3.0
Facilities HVAC Plant Operator V	1.0	1.0	1.0
Facilities HVAC Technician IV	4.0	4.0	4.0
Facilities Electrician Technician IV	2.0	2.0	3.0
Administrative Assistant	0.0	0.5	0.5
Maintenance Scheduler/Planner	1.0	1.0	1.0
Senior Airport Facilities Custodian	2.0	2.0	3.0
Airport Facilities Custodian	37.0	37.0	36.0
Total Building Maintenance and Services Section	<u>67.0</u>	<u>67.5</u>	<u>67.5</u>
Total Facilities and Maintenance Division	<u>100.0</u>	<u>100.5</u>	<u>100.5</u>
TOTAL AIRPORT (Does not include the appointed Board of Trustees)	<u>277.5</u>	<u>280.5</u>	<u>280.5</u>

* Appointed positions

Section 5 – Financial and Budgetary Policies

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As a quasi-municipal corporation, the Reno-Tahoe Airport Authority (RTAA) was created by the Nevada Legislature in 1977 to acquire, operate, and finance the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS) and related facilities. RTAA operates financially as a proprietary enterprise fund, which means its method of accounting is similar to private business.

Basis of Accounting/Budgeting

Under Generally Accepted Accounting Principles (GAAP), RTAA’s annual audited financial statement is prepared on the accrual basis of accounting. RTAA’s budget is also presented on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

All transactions are accounted for in a single enterprise fund. Enterprise funds are used to account for activities (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenues from landing fees, rents, parking revenue and other miscellaneous sources are reported as operating revenues. Transactions, which are capital, financing or investing related, are reported as non-operating revenues. Revenues from Passenger Facility Charges (PFCs) and Customer Facility Charges (CFCs), and Coronavirus Aid, Relief, and Economic Security (CARES) Act funds are reported as non-operating revenues. Expenses from employee wages and benefits, purchases of services, materials and supplies and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

Legal Requirements

The enabling legislation which created RTAA requires that the budget process complies with the Local Government Budget and Finance Act enacted by the Nevada State Legislature. The purpose of this Act is to establish standard methods and procedures for the preparation, presentation, adoption and administration of budgets of all local governments.

Additionally, RTAA complies with the Local Government Purchasing Act also enacted by the Nevada State Legislature. This Act controls all government purchasing in Nevada and requires that purchases exceeding \$50,000 must be formally bid with notices published in local

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newspapers. The Act also defines certain exceptions to the required bidding process such as professional services, computer equipment, and insurance.

RTAA is also subject to the Local Government Securities Law, which defines the process required by local Nevada governments when issuing short and long term debt. In addition to these state laws, other factors affecting RTAA's budget process are the Airline Agreement and the Revenue Bond Resolutions.

Airline Agreement

An Airline Agreement is the contract between the airport operator and its tenant airlines that establishes the rights, privileges, and obligations for each party and defines how RNO is to be used by the airlines. In addition, this Agreement also identifies the following:

- Establishes the business arrangement/rate-setting methodology with the airlines;
- Identifies the premises and facilities leased by the airlines and defines the degree of control by the lessee (e.g., exclusively-leased, preferentially-leased, leased in common, etc.);
- Defines the level of control over the expenses at the airport, if any (typically, capital improvement projects are those where the airlines may have some control through a majority-in-interest or similar type provision);
- Identifies general party responsibilities and obligations regarding indemnification, insurance, environmental issues, and other governmental inclusion; and
- Establishes six cost centers: Airfield, Terminal Building, Baggage Handling System, Parking and Ground Transportation, Other, and Reno-Stead Airport.

In addition to the above, an agreement symbolizes that the airport operator and airlines have worked together to arrive at a common business relationship.

The two primary rate-setting approaches used in airport-airline business arrangements are the residual and compensatory approaches. A pure residual methodology is where the airlines bear the overall financial risk for the airport operation, and, in turn, receive significant control over financial decisions. In addition, the airlines receive non-aeronautical revenue as a credit or reduction in rates and charges paid to an airport.

On the opposite end of the spectrum, a pure compensatory rate-making approach is where the airport operator assumes the overall financial risk for the airport operation. As such, the airport

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operator does not provide any non-aeronautical revenue credits towards the airline rate base and the airlines have limited financial decision making power.

There is also a third approach, generally called a hybrid methodology, that is any mixture or combination of the prior two approaches and may include a “net revenue sharing” component of excess net revenues after debt service (airport system revenues less operating and maintenance costs less debt service) generated at the airport.

Federal law does not require any single approach to airline rate-setting; however, it does require that the methodology used is applied consistently to similar aeronautical users and conforms to the Department of Transportation’s Policy Regarding Airport Rates and Charges.

RTAA is currently operating under a three (3) year airline agreement as an extension of the five (5) year airline agreement and business arrangement that went into effect July 1, 2015. The current agreement ends on June 30, 2023.

The current agreement is a hybrid with net airfield costs and associated landing fees established on a cost center residual methodology in which the signatory airlines bear 100% of the financial risk for the airfield. The expenditures, which are primarily comprised of operating expenses, debt service and recovery of capital projects/ equipment with unit costs of less than \$300,000, in the Airfield cost center are divided by estimated aircraft landed weight resulting in a landing fee rate.

In contrast, the terminal building rental rates reflect a commercial compensatory rate setting formula that places the financial risk of funding terminal building costs with RTAA. The expenditures, which are primarily comprised of operating expenses, debt service and recovery of capital project/equipment expenditures with unit costs of less than \$300,000, in the Terminal Building cost center are divided by a “rentable” space divisor (total terminal space available that is revenue producing and available for lease).

The result of this approach is that the signatory airlines are only responsible for terminal building costs allocated to airline leased premises and any costs allocated to vacant, concession, or other rentable space is the financial responsibility of RTAA.

In addition, the current hybrid agreement provides that RTAA’s net available revenues after debt service are split equally (50%-50%) between the signatory airlines and RTAA through a revenue sharing formula. Revenue sharing is derived by taking the sum of RTAA’s total revenues less total expenses posted to all cost centers less debt service and other identified requirements. A credit estimate offsets airline terminal building rents collected during the year with a final airline rates and charges reconciliation and settlement based on audited year-end results.

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The agreement also provides for an airline review of the budget and allows airlines to vote to deny cost recovery in the airline rates for large capital projects in the airline cost centers. Through negotiations with the airlines, the current agreement provides that the first \$1 million of capital projects in the Airfield Cost Center, \$2 million in the Terminal Building Cost Center, and \$500,000 in the BHS Cost Center will not be subject to a denial vote. The airlines will review and vote on the projects over these thresholds. Capital projects over \$300,000 must be amortized over the useful life of the asset and cannot be included in its entirety in the year it is placed in service.

An annual meeting is held with the signatory airlines to review the budget and further explain the capital projects. The airlines have 30 days after this budget review meeting to deny a capital project. A Majority-In-Interest (MII) of the airlines must vote to deny a project as provided in the airline agreement.

The MII for an Airfield project is 60% of the number of signatory airlines that landed at least 50% of the signatory airline landed weight during the immediate preceding fiscal year or 50% of the number of signatory airlines that landed at least 60% of the signatory landed weight for the same period.

The MII for a Terminal Building project is 60% of the signatory airlines that paid at least 50% of the total terminal rents during the immediate preceding fiscal year or 50% of the signatory airlines that paid at least 60% of the total terminal rents for the same period. This type of formula is common in the airport industry to foster a democratic process for the large and small airlines that may have different capital project goals at the airports they serve.

It is difficult to compare landing fees and rental rates at airports because of the variations in rate setting mechanisms contained in airline agreements. One financial indicator used to compare airports is airline cost per enplaned passenger. This is the sum of the airline's costs to operate at RNO (landing fees and terminal rents) divided by the number of airline enplaning passengers.

RTAA's budgeted signatory cost per enplanement (CPE) for fiscal year 2019-20 was \$7.01 and it is currently forecasted at \$8.58. This ratio compares to the 2018 average median for all U.S. Airports of \$8.38 as reported by Moody's Investors Service. The CPE for FY 2020-21 is budgeted to be \$12.76. The significant increase in CPE is due to the decline in enplaned passengers forecasted for FY 2020-21.

RTAA seeks to maintain a diversified revenue stream with the goal of keeping airline rates, fees, rentals and charges as reasonable as possible. Airline cost per enplanement is equivalent to a municipal or county government cost per capita as a means of comparing different governments' cost of operation.

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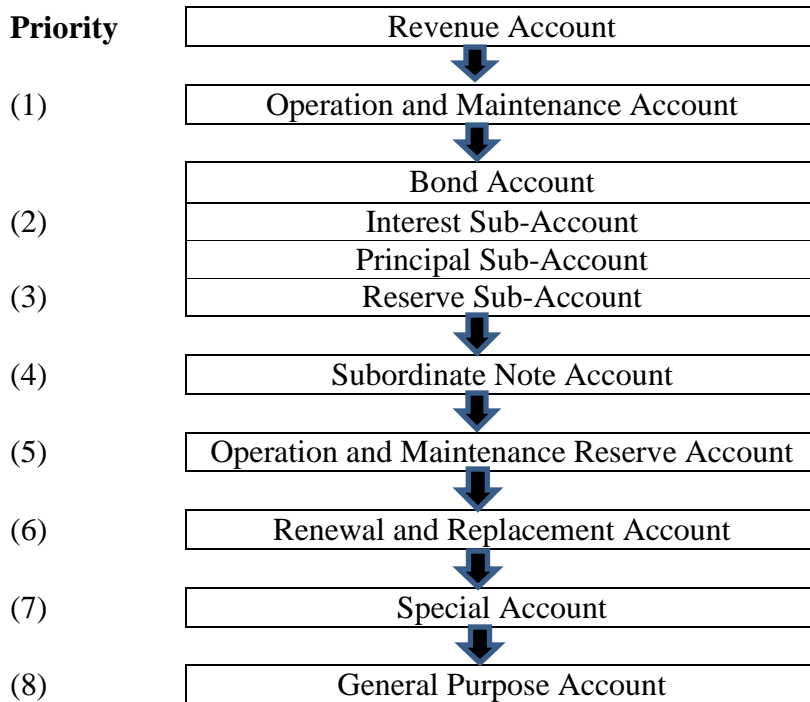
Bond Resolution - Trust Accounts

RTAA issues Airport System Bonds that are special, limited obligations of RTAA to finance capital improvement projects and construct new facilities. The Bonds are repaid solely from Net Revenues (Gross Revenues less Operation and Maintenance Expenses) and other accounts established by the Bond Resolution. In accordance with the Bond Resolution, RTAA pledges to establish rates and charges sufficient to generate Net Revenues in an amount equal to or greater than the sum of 1.25 times the amount of the annual debt service requirement on the Outstanding Bonds. On September 30, 2015, RTAA issued Airport Refunding Bonds, Series 2015 to refinance \$20,940,000 of earlier bonds issued in 2005 for the capital improvements.

There are several accounts which are used to account for the daily receipts and disbursements in accordance with a structure and flow established within the Bond Resolution. The accounts with the most activity are the Revenue Fund and the Operation and Maintenance Account. All revenues flow through the Revenue Account and are distributed as needed to the other funds listed below. All of these funds will remain in place until all bonds are repaid. The accounts and funds are listed in order of their priority as follows:

SUMMARY OF APPLICATION OF REVENUES IN ORDER OF PRIORITY

AS ESTABLISHED BY THE BOND RESOLUTION



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The Operation and Maintenance Account is the highest priority. The expenses to operate the airport system are paid through this fund account before any other transfers to lower priority funds. The operating budget of RTAA flows through this fund and represents all operations and maintenance expenses.

The next priority is the Bond Account, with its subaccounts of Interest and Principal, which is used to accumulate funds for the semi-annual interest payments and the annual principal payments on the revenue bonds. The amounts in these funds vary depending on the amount of debt service to be paid during the year.

The Reserve Subaccount is available to hold a deposit or a surety bond equal to the largest annual principal and interest payment. If some event reduced airport revenues and affected RTAA's ability to pay its debt service, the Reserve Subaccount would fund the payment. With the Series 2015 Bonds, however, RTAA no longer has a requirement to fund the Reserve Subaccount. However, the Reserve Subaccount may be used for any parity debt issued in the future if required by any supplemental bond resolution.

The Operation and Maintenance Reserve Account is a deposit equal to two months of the annual operation and maintenance expense budget. The balance of this fund as of June 30, 2020 is \$7,557,485. Pursuant to the bond resolution, the required balance at July 1, 2020 is \$7,398,684.

The Renewal and Replacement Account maintains a balance set by management of \$780,000 for unexpected or emergency repairs. This fund account maintains a balance to repair any damage and keep the airports running in the event some major unforeseen event, not included in the annual budget, occurs. The fund has the required balance as of June 30, 2020.

The Special Account is the next priority and receives 35% of the gaming concession revenue. RTAA has used this fund account for the Five-Year Plan Capital Improvement Program projects at the Reno-Stead Airport. The balance of this fund at June 30, 2020 is \$5,869,822.

The General Purpose Account is the last priority and will receive RTAA's share of the 50%/50% revenue sharing with the airlines under the airline agreement. This fund will primarily be used for Five-Year Capital Improvement Plan projects at the Reno-Tahoe International Airport. The balance of this account at June 30, 2020 is \$34,488,130. The expenditures from this fund are for equipment and capital projects being purchased in the FY 2020-21 Budget. Eligible projects with a project cost greater than \$300,000 will be amortized over their useful lives and repaid to RTAA prior to the calculation of funds subject to revenue sharing credit with the airlines.

The funds available in each account are invested until needed. RTAA's investment policy and Bond Resolution specifies the type of investment options available. The majority of the eligible investments must be backed by the full faith and credit of the United States government. The

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trustee bank, appointed by RTAA to administer the revenue bond accounts, serves as trustee for all RTAA investments.

Liquidity and Working Capital Policy

The credit rating agencies primarily measure an airport enterprise's ability to meet its on-going obligations and provide a buffer against unanticipated risks using Days Cash on Hand. This ratio is calculated by identifying the sum of all unrestricted cash and investments and restricted cash and investments in the Operation and Maintenance Reserve Account and the Renewal and Replacement Account divided by the daily operating and maintenance expenditure budget (annual operating and maintenance budget divided by 365 days). The annual operating and maintenance budget used in the denominator excludes RTAA's annual depreciation expense due to the non-cash nature of the reduction in the value of an asset.

Airports primarily face the following two revenue risks: (1) Volume: Traffic Base and Carrier Diversity - This risk factor is an airport's underlying market characteristics, such as the size of the enplanement base, origin and destination passenger mix, diversity of carriers and competition from other airports or modes of transportation; and (2) the Airline Contractual Framework for Cost Recovery - This risk factor largely focuses on the underlying use and rate-setting agreements between an airport and its airline carriers. See the "Airline Agreement" information previously outlined in this section.

Commercial agreements with other users, such as terminal concessionaires, rental car companies and air cargo carriers, may also be relevant if cost recovery is structurally dependent on cash flows covered by such agreements. Airports are typically in a stronger financial position if they possess the contractual ability to recover a large majority of operating costs through airline agreements. RTAA has cost center residual provisions in its airline agreement for the airfield and baggage handling system costs.

Based on an evaluation of these revenue risk factors and RTAA's cash cycle, expense volatility, and operating and capital needs, RTAA has established its policy target to retain the equivalent of 365 days of cash on hand. RTAA has established a minimum ratio of no less than 300 days based on the likelihood that a decrease below this threshold may be the basis for a rating downgraded by the credit rating agencies. The 2018 median average, as compiled by Moody's Investor Services, is 659 for all airports and 659 for small hub airports. As of June 30, 2020, RTAA's cash and liquidity position was 446 days of cash on hand.

In addition, RTAA also monitors working capital (i.e. current assets less current liabilities) with a focus on accounts receivable collections and the investment in inventory and prepaid assets reasonably expected to be realized in cash or consumed within a year. The RTAA established policy is to maintain a minimum net working capital of 270 days. This ratio is calculated by dividing current assets less current liabilities by the daily operating and maintenance

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expenditures (annual operating and maintenance expenses divided by 365 days and excluding depreciation). For fiscal years ending June 30, 2018 and 2019, the net working capital ratio was 601 and 769 days, respectively. As of June 30, 2020, RTAA’s estimated net working capital was 720 days.

Reserve and Fund Balance Policy

The term fund balance is used to describe the net position of the RTAA enterprise fund as calculated in accordance with GAAP. Most simply, fund balance or net position is the difference between total assets and deferred outflow of resources less liabilities and deferred inflow of resources. In other words, RTAA Statement of Net Position or balance sheet reports cash and financial resources (such as buildings and land) as assets and amounts owed to others as liabilities. The fund balance or net position is essentially what is left over after the fund’s assets have been used to meet its liabilities.

Fund balance is required to be reported in three components – net investment in capital assets, reserved and unreserved. The net investment in capital assets represents RTAA’s total capital assets less revenue bonds and other indebtedness uses to fund the acquisition or construction of those assets.

When an account balance is “reserved”, it either means that the resources are in a form that cannot be appropriated and spent or that the resources are legally limited (“restricted”) to being used for a particular purpose. As outlined above, RTAA restricted funds are the following:

1. The Bond Account or Debt Service, with its subaccounts of Interest and Principal, which is used to accumulate funds for the semi-annual interest payments and the annual principal payments on the revenue bonds.
2. The Operation and Maintenance Reserve Account, which is a deposit equal to two months of the annual operation and maintenance expense budget.
3. The Renewal and Replacement Account, which maintains funds set aside by management of \$780,000 for unexpected or emergency repairs.
4. The Passenger Facility Charge (PFC) Account, which represents PFC revenues authorized for collection by the FAA in excess of designated capital project expenditures. RTAA is required to segregate and report the use of PFC funds separately from the other funding and operating financial transactions.

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5. Other Reserve Purposes Account, which represents an unreserved fund balance not legally limited to any specific purpose; however, RTAA has designated its intention to use available resources in a particular manner.

The following table provides RTAA’s fund balance or net position in millions as June 30, 2019 and June 30, 2018:

	2019	2018	Change	% Change
Net Position (In Millions)				
Invested in Capital Assets, net of debt	\$336.079	\$334.863	\$1.216	0.0%
Restricted				
Operating & Maintenance Reserve	7.467	7.185	.282	3.9%
Renewal & Replacement Reserve	.799	.780	.019	2.4%
Passenger Facility Charge	22.805	16.651	6.154	37.0%
Debt Service (Bond)	1.873	1.775	.098	5.5%
Other Reserve Purpose	.053	.057	(.004)	-7.0%
Total Restricted	32.997	26.448	6.549	24.8%
Unrestricted	22.078	18.239	3.839	21.0%
Total Net Position	\$391.154	\$379.550	\$11.604	3.1%

Note: In the table, the sum of individual amounts may not total due to rounding.

RTAA is responsible for meeting the air transportation needs of the Reno-Tahoe region. Therefore, RTAA must be prepared for unforeseen events or economic uncertainties that could result in additional expenditure requirements or loss of revenue by establishing and maintaining prudent levels of fund balance and reserves.

In addition to the reserve accounts described above, RTAA maintains a portion of the unrestricted balance as an Unrestricted Net Position Reserve that equals a minimum of four months of RTAA operating expenses (which is equivalent to 33.3% of RTAA’s Operating Expenses). This policy standard is conservative compared to the Government Finance Officers Association recommendation to maintain an unrestricted budgetary fund balance of no less than two months or 16.67% of operating expenditures.

With the adoption of GASB 67, 68 and 82 in FY 2014-15, RTAA was required to recognize net pension liability associated with its participation in the Public Employee Retirement System of Nevada (PERS). RTAA annual contribution rates are established by Chapter 286 of Nevada Revised Statutes and only amended through legislation. This significant accounting change

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reduced the Unrestricted Net Position shown above by \$38.129 million in 2018 and \$37.835 million in 2019.

For purposes of this policy, however, RTAA has determined that the net pension liability beyond the current year pension contribution represents a future obligation that can be removed from the calculation of determining the Unrestricted Net Position Reserve. Based on the policy, the following calculations add back the net pension liability figures for the fiscal years ended June 30, 2019 and June 30, 2018:

(In Millions)		2019	2018	Change	% Change
Net Position- Unrestricted		\$22.078	\$18.239	\$3.839	21.0%
Net Pension Liability		37.835	38.129	(.294)	-0.8%
Deferred Inflow of Resources - Pension Contribution after Measurement Date		(2.574)	(2.575)	.001	0.0%
Unrestricted Net Position (Adjusted)	A	\$57.339	\$53.793	\$3.546	6.6%
Total Operating Expenses		\$42.321	\$43.730	(\$1.409)	-3.2%
Percent Designated for Unrestricted		33.3%	33.3%		
Total of Unrestricted Account Reserve	B	\$13.966	\$14.562	(.596)	-4.1%
Unrestricted Reserve (Adjusted) as % of Policy Requirement	A/B	410.6%	369.4%		

In conjunction with the Operating and Maintenance Reserve of two months, this designated reserve will provide six months of operating expenses in the case of unforeseen events. This policy will protect RTAA against expenditure and revenue volatility, natural disasters and other unforeseen emergencies, economic downturns, and other issues, which impact fiscal health and stability. In the event this reserve falls below established levels, the Chief Financial Officer (CFO) shall present a plan to the President/CEO and, upon approval, the Board of Trustees for restoration of those targeted levels within one to three years.

As of the adoption of the FY 2020-21 Budget, RTAA has not determined the Net Pension Liability and the associated Deferred Inflow of Resources as of June 30, 2020. However, based on the balances as of June 30, 2019 and the forecasted operating results for both FY 2019-20 and FY 2020-21, RTAA does not anticipate the need to restore funds to meet the targeted levels in this policy.

Investment Policy

The investment policy of RTAA states that the primary objectives, in order of priority, shall be safety, liquidity, and yield. The standard of prudence to be used by investment officials shall be

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FY 2020-21
ANNUAL BUDGET
Section 5 – Financial and Budgetary Policies

the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard states the following: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Under authority delegated by the Board of Trustees of RTAA, in accordance with chapter 474, Statutes of Nevada, NRS 354.474 and 355.175, and Bond Resolution 526, the investment of RTAA funds is the responsibility of the President/CEO. All cash, including bond proceeds, received by RTAA will be invested by the CFO. The CFO will maintain a list of approved broker/dealers and financial institutions which are authorized to provide investment services to RTAA. Authorized broker/dealers will be limited to "primary" dealers or other dealers that qualify under SEC Rule 15C3-1, the Uniform Net Capital Rule. Securities purchased by RTAA shall be delivered against payment (delivery vs. payment) and held in a custodial safekeeping account with the trust department of a third party bank insured by the Federal Deposit Insurance Corporation designated by the CFO for this purpose in accordance with NRS 355.172.

The CFO, in accordance with the provisions of Nevada Revised Statutes (NRS) 355.170, 355.180, the current bond resolutions, and this investment policy, is authorized to invest in the following: United States Treasury Bills, Notes, Bonds, and Debentures of the United States; United States Government Agency Securities Negotiable & Nonnegotiable Certificates of Deposit; Bankers' Acceptances, Commercial Paper, Money Market Mutual Funds, and the Local Government Investment Pool ("LGIP") as established by the Nevada State Treasurer under NRS 355.167.

The investment policy is reviewed every year by the President/CEO and changes, if any, are presented to the Finance and Business Development Committee of the Board of Trustees.

Debt Management

The debt policies of RTAA are reviewed in Section 9 – Debt. This policy is narrowly defined since RTAA has primarily used revenue bond debt to finance airport capital projects. The debt limit is established by guidelines outlined in the revenue bond resolutions. RTAA's bond resolutions establish various bond funds. The flow of revenues and expenses through these funds, and the maintenance of the balances in the funds, can affect the rate setting process and budget. The bond funds are described in the Bond Resolution - Trust Funds section within Section 5 – Financial and Budgetary Policies.

When RTAA finances capital projects by issuing long term debt, it will pay back the bonds within a period not to exceed the estimated useful life of the project. RTAA will not use long

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Section 5 – Financial and Budgetary Policies

term debt for current operations. RTAA will maintain good communications with its bond rating agency regarding its financial condition and will follow a policy of full disclosure in every financial report and offering prospectus.

As of October, 2015, RTAA refinanced its senior lien bonds (the Series 2015 Bonds) as a private placement with a single investor and as such are unrated bonds. However, RTAA continues to maintain its financial position per established criteria outlined by the major rating agencies consistent with investment grade rating standards of a strong “A” rated bonds.

RTAA regularly evaluates the cost effectiveness of additional refinancing opportunities to take advantage of lower interest rates. The Debt Policy establishes a minimum threshold of a 3% savings (total interest reduction on a net present value basis) to justify a refinancing bond issuance. RTAA’s revenue bonds and associated debt service are discussed further in Section 9 - Debt.

With the issuance of the 2015 Bond, a procedure for on-going compliance with Section 141 and 148 of the Internal Revenue Code regarding tax-exempt bonds was executed by RTAA. Specifically, the certificate requires compliance with the tax certificate and Form 8038-G by the CFO or another employee of RTAA designated by the CFO as the Compliance Officer. In addition, the Compliance Officer will conduct annual compliance checks of the current status of the proceeds of each issue of tax-exempt bonds and the current use of the facilities financed by tax-exempt bonds, notes or debentures.

Budget Process

RTAA’s definition of a balanced budget is one in which revenues and other resources equal or exceed expenditures and other uses. A balanced budget is an integral part of maintaining RTAA’s financial position and bond rating. Strategies employed to attain this balance include cost reductions, personnel and service efficiencies, developing and diversifying non-airline revenues and increasing fees to match program expenditures.

RTAA Operating Budget is a major factor in establishing the level of airline landing fee and terminal rental rates. Non-airline revenues also affect airline rates through the revenue sharing process contained in the airline agreement. Increasing non-airline revenues, such as new concession fees and the rents from the development of land and facilities, remains a strategic goal for RTAA’s staff. Another component of airline rates is the debt service included in the airline landing fee and terminal rental rates. Operating Revenues less Operating Expenses or Net Revenues, as mentioned earlier, must equal or exceed 125% of annual revenue bond debt service.

Reno-Tahoe Airport Authority
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Section 5 – Financial and Budgetary Policies

The President/CEO instructs the management staff to prepare departmental work plans to implement the Board of Trustees’ strategic plan as outlined in Section 3 – Strategic Initiatives. Specific department work plans in support of the strategic plan are outlined in Section 7 – Expenditures. Under the leadership of the President/CEO, staff strives to limit the increases in operating and maintenance expenses by focusing on “mission critical” areas and exploring every opportunity to reduce or maintain the current level of operating costs. The FY 2020-21 Operating Budget of \$44.392 million reflects a decrease of \$2.350 million or 5.0%. The budget process included a number of cost cutting measures to offset declining revenues due to the COVID-19 pandemic. Reduction measures included freezing 14 vacant positions (unfunded in the budget), removed funding for salary increases and gain share incentives for management and Civil Service Plan employees, and removed funding for non-essential travel, supplies and services.

During the budgeting process, each proposed new employee, property, plant and equipment (PP&E), and capital project requires individual department justifications that are reviewed by RTAA Finance staff. The requests are forwarded to Human Resources, Purchasing, and Engineering, respectively, for cost estimations. The President/CEO and Executive Vice President/COO then conduct a series of reviews with each department to analyze the budget submissions and associated work plans to ensure budget requests align with the Strategic Initiatives.

The Finance Department then incorporates the budget requests along with other assumptions for passenger enplanements, landed weights, etc. into a model to calculate the landing fee, terminal rental rates, and baggage handling system fee. Assumptions for revenues are reviewed against historical trends and apply other factors, including RTAA’s economic outlook, changes in operations, new concession agreement terms and other factors that may have an impact on revenues. A budget workshop is held with the Board of Trustees in public during April to review the proposed budget and receive direction from the Board.

As required by the Airline Agreement, staff also meets with airline representatives to review the proposed airline rates, fees and charges and capital improvement projects. As provided for in the agreement, capital projects greater than established dollar thresholds are subject to the Majority-In-Interest (MII) provision. This provision establishes a process where a majority of the airlines may deny a proposed capital project. There were no capital projects in the FY 2020-21 Budget subject to the MII review process.

The following schedules are included at the end of this section:

- A revenue sharing schedule showing the allocation of revenues, operating expenditures and debt service by cost center resulting in net revenues that will be shared with the signatory airlines.

Reno-Tahoe Airport Authority
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Section 5 – Financial and Budgetary Policies

- Summary of Sources and Uses of Funds
- Projected Balance of Cash and Investment Accounts and Sub-Accounts Established by Revenue Bond Resolutions
- Days Cash on Hand
- Department O&M Funding Matrix
- Operating Forecast

**Reno Tahoe Airport Authority
Revenue Sharing
Budget Year 2020-21**

Cost Centers

	<u>Airfield</u>	<u>Terminal</u>	<u>Baggage Sys</u>	<u>Landside</u>	<u>Other</u>	<u>Reno Stead</u>	<u>Total</u>
Airline Revenue (Before Revenue Sharing)	\$ 6,590,829	\$ 10,021,700	\$ -	\$ -	\$ -	\$ -	\$ 16,612,529
Non Airline Revenue	976,800	4,255,307	766,864	9,122,780	7,328,249	1,425,800	23,875,799
Total Revenue	7,567,629	14,277,007	766,864	9,122,780	7,328,249	1,425,800	40,488,328
O&M Expense	10,060,154	19,231,604	1,483,364	6,898,696	3,776,756	2,110,429	43,561,002
Debt Service	-	-	-	2,247,975	-	-	2,247,975
Pre Bond Loan	-	-	-	-	-	-	-
O&M Reserve	-	-	-	-	-	-	-
Fixed Asset	265,992	119,862	-	33,557	22,386	8,064	449,861
Capital Project	42,929	28,571	-	-	418,000	-	489,500
Amort of Capital Items	939,708	28,571	-	644,062	461,928	276,541	2,350,809
Special Fund	-	119,280	-	-	-	-	119,280
CARES Act	(2,800,000)	(168,000)	(716,500.0)	(5,397,975)	(3,760,000)	(15,000)	(12,857,475)
Total Requirement	\$ 8,508,782	\$ 19,359,888	\$ 766,864	\$ 4,426,315	\$ 919,069	\$ 2,380,034	\$ 36,360,952
Net Revenues	\$ (941,153)	\$ (5,082,881)	\$ -	\$ 4,696,465	\$ 6,409,180	\$ (954,234)	\$ 4,127,376
Airport Share							50.00% \$ 2,063,688
Airline Share							50.00% \$ 2,063,688

RENO - TAHOE AIRPORT AUTHORITY
FY 2020-21
ANNUAL BUDGET
Summary of Sources and Uses of Funds

	Actual 2018-19	Budget 2019-20	Budget 2020-21
SOURCES OF FUNDS			
Revenue Fund			
Landing and Aircraft Fees	\$ 9,719,481	\$ 10,776,907	\$ 7,333,429
Gaming Concession Fees	1,116,447	1,162,300	340,800
Food and Beverage Revenue	1,581,646	1,745,600	734,604
Merchandise Revenue	1,102,964	1,139,800	932,145
Auto Rental Concession Fees	7,838,835	7,958,300	3,313,580
Other Concession Fees	1,446,994	1,361,100	759,458
Auto Parking and Ground Transportation	12,817,675	12,761,100	5,746,700
Terminal Rents	6,025,282	7,968,400	7,856,100
Other Rents	8,052,872	8,311,900	8,716,149
Reimbursed Services & Miscellaneous	2,847,540	2,921,928	1,860,864
Other Non-Operating Pledged Revenue	1,201,621	812,800	528,900
Total Revenue Fund	<u>\$ 53,751,357</u>	<u>\$ 56,920,135</u>	<u>\$ 38,122,728</u>
Non Rate Base Revenue			
Non-Rate Base Interest	118,233	129,800	49,200
Fuel Tax Revenue	306,035	330,900	260,100
Fuel Tax Interest	6,748	4,300	3,900
CARES Act			12,857,475
CFC Revenue	4,613,478	5,966,100	3,061,700
PFC Interest	400,060	92,900	60,000
PFC Revenue	8,043,613	7,914,700	3,532,700
Other Revenue	867,298	-	-
Total Non Rate Base Revenue	<u>14,355,464</u>	<u>14,438,700</u>	<u>19,825,075</u>
TOTAL SOURCES OF FUNDS	<u>\$ 68,106,821</u>	<u>\$ 71,358,835</u>	<u>\$ 57,947,803</u>
USES OF FUNDS			
Operation and Maintenance Fund			
Personnel Services	\$ 29,578,447	\$ 32,247,216	\$ 31,147,425
Utilities	2,772,620	2,891,009	2,891,714
Purchased Services	4,693,945	5,041,026	4,870,077
Materials and Supplies	2,032,679	2,434,638	2,397,307
Administrative Expenses	2,475,910	3,167,286	2,254,480
Total Operation and Maintenance Fund	<u>\$ 41,553,600</u>	<u>\$ 45,781,174</u>	<u>\$ 43,561,002</u>
Bond Fund			
Interest Account	438,900	389,125	337,975
Principal Account	1,810,000	1,860,000	1,910,000
Total Bond Fund	<u>\$ 2,248,900</u>	<u>\$ 2,249,125</u>	<u>\$ 2,247,975</u>
Operation and Maintenance Reserve Fund			
To maintain reserve level at 2 months of the annual budget of operation and maintenance expenses of the airport system	\$ 340,682	\$ 432,907	\$ -
Property, Plant & Equipment	<u>\$ 558,911</u>	<u>\$ 676,175</u>	<u>\$ 449,861</u>
Capital Projects			
Current Year	2,122,580	1,766,098	489,500
Prior year project reimbursement	2,293,166	2,742,009	2,350,809
Total Capital Projects	<u>\$ 4,415,746</u>	<u>\$ 4,508,107</u>	<u>\$ 2,840,309</u>
Special Fund			
35 % of projected gaming revenue to Special Fund	\$ 390,756	\$ 406,805	\$ 119,280
General Purpose Fund			
Current Year Profit Sharing Total	8,428,045	6,337,864	4,127,364
Current Year Profit Sharing Airline Share	(4,214,022)	(3,168,821)	(2,063,688)
Prior Year Profit Sharing Airline Share	-	-	-
Air Service Incentive	(94,038)	(400,000)	(400,000)
Total General Purpose Fund	<u>\$ 4,119,984</u>	<u>\$ 2,769,043</u>	<u>\$ 1,663,676</u>
Non-Rate Base Interest	118,255	129,800	49,200
Non Rate Base Expenditures			
Fuel Tax	312,782	335,200	264,000
CFC Funding	4,613,478	5,966,100	3,061,700
PFC Funding	8,443,673	8,007,600	3,592,700
CBP Staffing Funding	97,686	96,800	98,100
Other Revenue	892,368	-	-
Total Non Rate Base Expenditures	<u>\$ 14,478,243</u>	<u>\$ 14,535,500</u>	<u>\$ 7,065,700</u>
TOTAL USES OF FUNDS	<u>\$ 68,106,822</u>	<u>\$ 71,358,835</u>	<u>\$ 57,947,803</u>

RENO-TAHOE AIRPORT AUTHORITY
PROJECTED BALANCE OF CASH AND INVESTMENT ACCOUNTS AND SUB-ACCOUNTS
ESTABLISHED BY REVENUE BOND RESOLUTIONS
FOR THE YEAR ENDING JUNE 30, 2021

	Issuer Cash and Investment Accounts		Bond Fund		Trustee's Cash and Investment Accounts					Totals
	Special Account ^(a)	Operation & Maintenance Account	Interest Account 2015 ^(b)	Principal Account 2015 ^(b)	Operations & Maintenance Reserve Fund	Renewal & Replacement Account	General Purpose Account	PFC Account ^(c)	Revenue Account	
Balance June 30, 2020 (Unaudited)	\$ 5,515,226	\$ -	\$ 194,563	\$ 1,860,000	\$ 7,430,642	\$ 795,413	\$ 35,267,262	\$ 12,040,374	\$ 7,500,000	\$ 70,603,479
Receipts:										
Gross pledged revenues received:										-
Deposits from Airport revenues									37,853,928	37,853,928
Income received from investments pledged portion							60,000	532,800		592,800
PFC revenue							3,532,700			3,532,700
FAA Grants and Other Contributions								24,639,131		24,639,131
Transfer among funds:										
Gaming revenue	119,280								(119,280)	-
Operation and maintenance expenses		44,002,102							(44,002,102)	-
Debt service requirements			337,975	1,910,000					-	(2,247,975)
Maintain reserve requirement					0					-
Capital Improvement Projects	(264,250)						(821,396)	(15,667,016)	23,543,178	6,790,516
Property, Plant and Equipment	-	449,861							(449,861)	-
Net Cashflow from Operations							(8,432,490)		8,432,490	-
Disbursements:										
Operation and maintenance expenses		(44,002,102)								(44,002,102)
Property, Plant and Equipment		(449,861)								(449,861)
Payment of revenue bond interest and principal			(363,550)	(1,860,000)						(2,223,550)
Capital Improvement Projects								(48,182,309)		(48,182,309)
Projected Balance at June 30, 2021	\$ 5,370,256	\$ (0)	\$ 168,988	\$ 1,910,000	\$ 7,430,642	\$ 795,413	\$ 26,013,376	\$ (33,942)	\$ 7,500,000	\$ 49,154,732
	\$ (144,970)	\$ (0)	\$ (25,575)	\$ 50,000	\$ -	\$ -	\$ (9,253,886)	\$ (12,074,316)	\$ -	\$ (21,448,747)

Fund Balance Changes

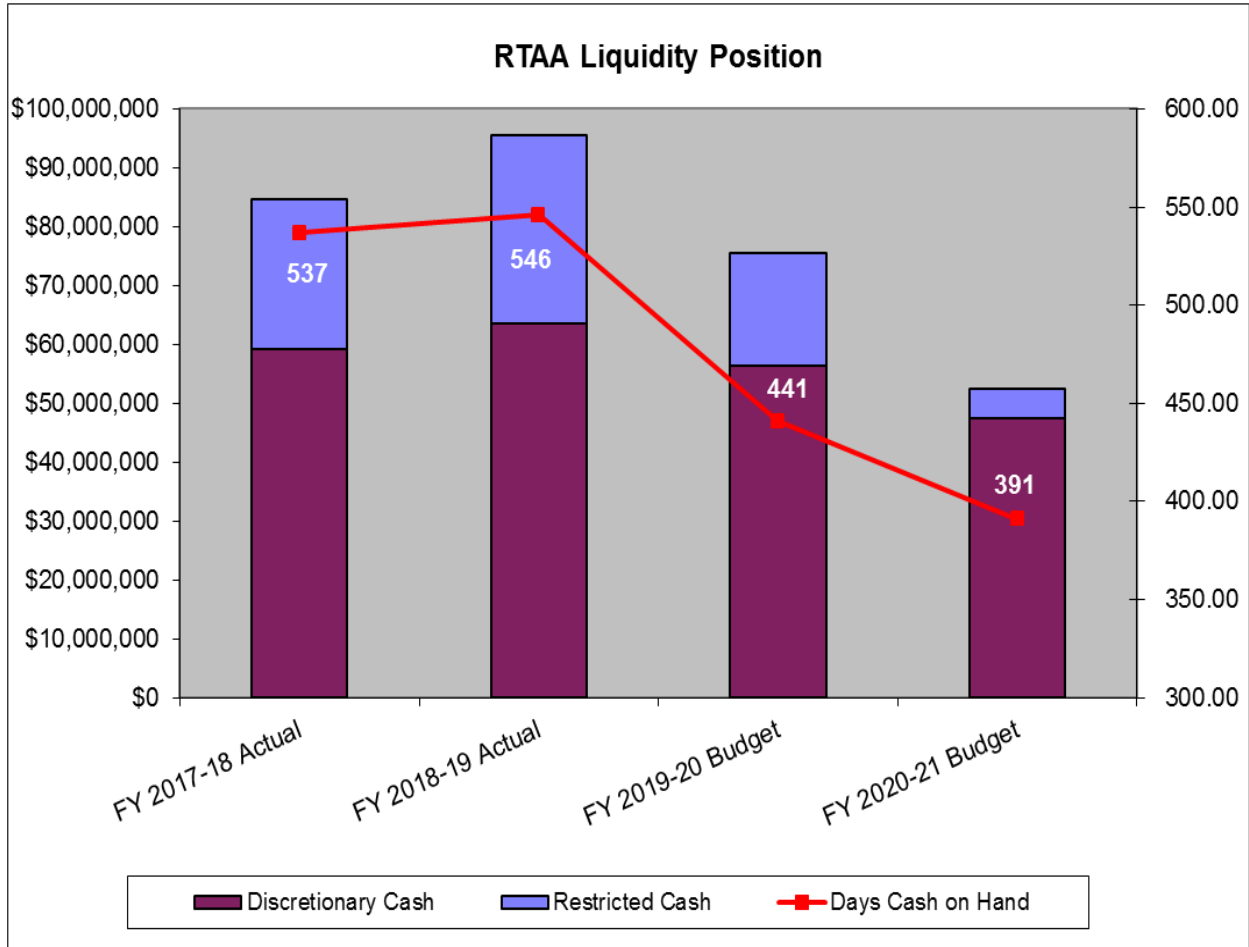
(a) Capital Projects funded by the Special Account in FY 2020-21 include the RTAA local share of FAA grants to install concrete apron pads. In addition, the RTAA is underground storage tank at RTS.

(b) The 2005 Bonds were refunded and replaced by the 2015 Bonds on September 30, 2015.

(c) Capital Projects to be funded by Passenger Facility Charges in FY 2020-21 include an ARFF Vehicle, communication center systems replacement, interactive training system, Flight Information and Paging System upgrade, jet bridge replacement, terminal elevator/escalator replacement. In addition, the RTAA local share of FAA grants for the RNO Master Plan, and to rehabilitate Runway 16R/34L and upgrade the east airfield lighting vault. PFC revenues are forecasted to decline due to the 56.8% decrease in the enplaned passenger forecast.

The significant decrease in fund balances (Special Account, General Purpose, PFC, Revenue Fund) is due to the decline in revenues as a result of the COVID-19 pandemic.

**Reno-Tahoe Airport Authority
 FY 2020-21
 ANNUAL BUDGET
 Section 5 – Financial and Budgetary Policies**



**Reno-Tahoe Airport Authority
FY 2020-21 Budget
Department O&M Funding Matrix**

FY 2020-21 O&M Budget							Funding Source			
Department	Personnel Services	Utilities	Purchased Services	Materials & Supplies	Administrative Expenses	TOTAL O&M BUDGET	O&M Fund	CFC	Fuel Tax	Total Funds
Board of Trustees	\$ 107,030	\$ -	\$ 2,400	\$ 2,620	\$ 10,200	\$ 122,250	\$ 122,250	\$ -	\$ -	\$ 122,250
Internal Auditor	303,400	-	-	175	2,210	305,785	305,785	-	-	305,785
General Counsel	-	-	495,625	-	3,000	498,625	498,625	-	-	498,625
President/CEO	519,600	-	161,100	4,875	144,379	829,954	829,954	-	-	829,954
Air Service Business Development	361,800	-	54,380	23,875	62,053	502,108	502,108	-	-	502,108
Marketing and Public Affairs	1,006,700	-	38,050	16,700	305,185	1,366,635	1,366,635	-	-	1,366,635
Economic Development	967,500	37,450	39,550	4,500	29,100	1,078,100	1,078,100	-	-	1,078,100
Outside Properties Budget	163,650	142,975	827,136	5,320	21,050	1,160,131	645,308	514,823	-	1,160,131
Executive Vice-President/COO	301,400	-	7,700	755	5,175	315,030	315,030	-	-	315,030
Human Resources	955,840	-	31,280	5,035	74,550	1,066,705	1,066,705	-	-	1,066,705
Information Systems	1,407,500	315,000	1,039,421	635,998	2,950	3,400,869	3,400,869	-	-	3,400,869
Reno Stead Airport	723,900	134,100	81,796	134,150	7,620	1,081,566	1,081,566	-	-	1,081,566
Unmanned Aircraft Systems	-	-	1,500	500	600	2,600	2,600	-	-	2,600
Accounting & Administration	923,250	-	179,085	10,100	2,929	1,115,364	1,115,364	-	-	1,115,364
Purchasing & Materials Management	616,000	-	9,939	14,760	8,050	648,749	648,749	-	-	648,749
Finance & Budgeting	276,600	-	31,040	900	2,400	310,940	310,940	-	-	310,940
Vice-President of Operations	329,600	-	50	650	18,575	348,875	348,875	-	-	348,875
Airside Operations	2,367,900	-	223,286	27,574	9,925	2,628,685	2,628,685	-	-	2,628,685
Landside Operations	1,171,800	-	188,088	39,680	160,300	1,559,868	1,559,868	-	-	1,559,868
Airport Fire	3,523,740	-	31,162	108,205	32,790	3,695,897	3,695,897	-	-	3,695,897
Airport Police	3,811,645	-	18,666	103,650	27,995	3,961,956	3,961,956	-	-	3,961,956
Airport Security	1,655,300	-	48,500	43,235	1,200	1,748,235	1,748,235	-	-	1,748,235
Vice-President of Planning and Enginee	301,100	-	3,695	4,600	1,765	311,160	311,160	-	-	311,160
Planning & Env. Services	684,900	-	28,200	3,120	3,270	719,490	719,490	-	-	719,490
Engineering & Construction	803,400	-	5,800	-	3,421	812,621	812,621	-	-	812,621
Director of Facilities & Maint.	681,600	-	18,000	32,590	3,440	735,630	735,630	-	-	735,630
Airfield Maintenance	2,585,670	208,000	123,798	738,340	22,248	3,678,056	3,678,056	-	-	3,678,056
Building Maint. & Services	4,968,500	1,638,105	601,450	365,400	3,200	7,576,655	7,576,655	-	-	7,576,655
Baggage Handling System	68,100	416,084	930,680	68,500	-	1,483,364	1,483,364	-	-	1,483,364
Non Departmental	(440,000)	-	336,800	1,500	1,427,900	1,326,200	1,133,200	-	193,000	1,326,200
TOTAL	\$ 31,147,425	\$ 2,891,714	\$ 5,558,177	\$ 2,397,307	\$ 2,397,480	\$ 44,392,102	\$ 43,684,279	\$ 514,823	\$ 193,000	\$ 44,392,102

**Reno-Tahoe Airport Authority
 FY 2020-21 Budget
 Operating Forecast**

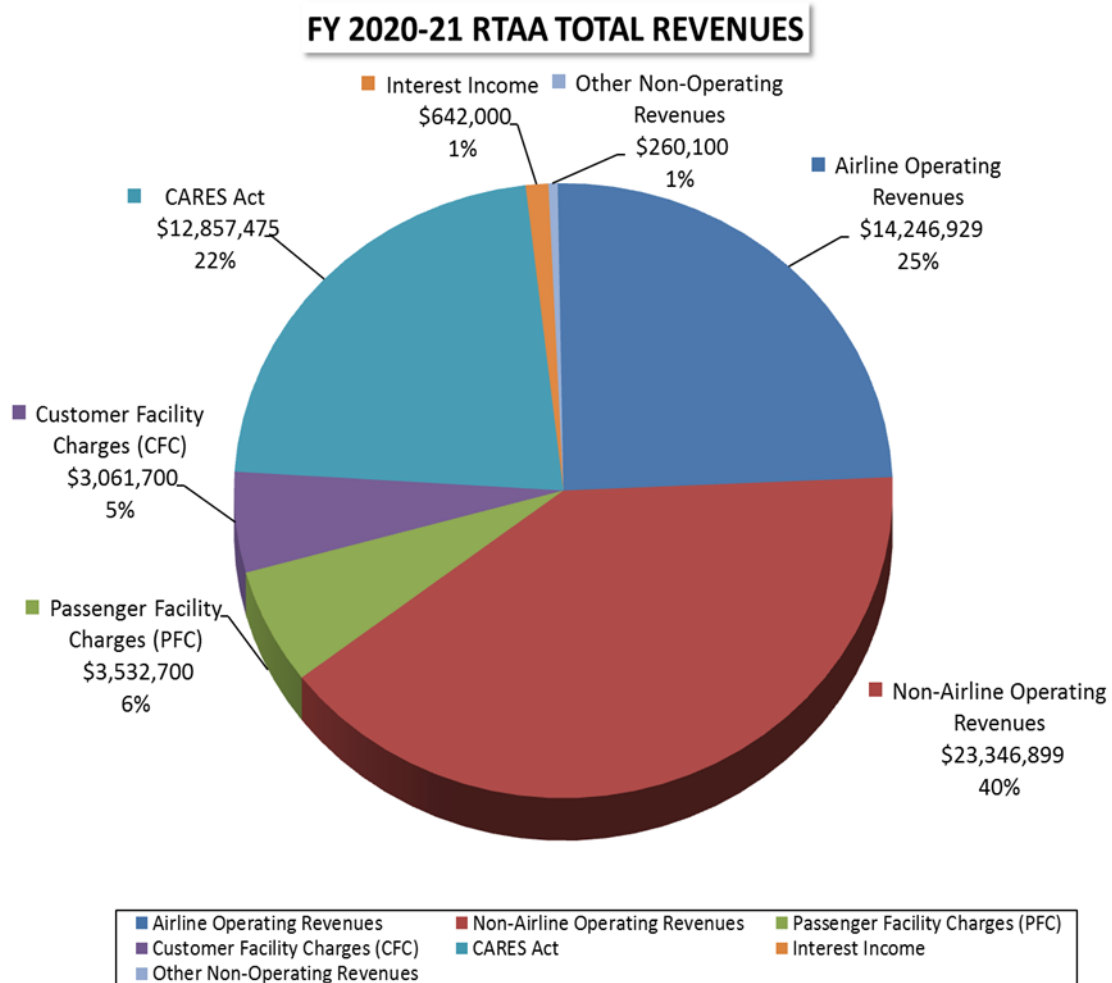
Budget Category	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Budget	FY 2021-22 Forecast *	FY 2022-23 Forecast *	FY 2023-24 Forecast *
Operating Revenues:						
Airline Revenues	\$ 14,690,648	\$ 17,710,007	\$ 14,246,929	\$ 16,658,291	\$ 19,597,692	\$ 25,064,121
Non-Airline Revenues	37,859,089	38,397,328	23,346,899	25,127,811	29,026,205	30,085,103
Total Operating Revenues	52,549,737	56,107,335	37,593,828	41,786,103	48,623,897	55,149,224
Operating Expenses:	\$ (42,320,503)	\$ (46,741,674)	\$ (44,392,102)	\$ (46,293,924)	\$ (48,282,889)	\$ (50,363,150)
Revenues over Expenses	\$ 10,229,234	\$ 9,365,662	\$ (6,798,274)	\$ (4,507,821)	\$ 341,008	\$ 4,786,074

* Forecasted operating revenues and expenses are based on current, and historic business conditions, and may change substantially due to the COVID-19 pandemic and other unforeseen circumstances.

Section 6 – Revenues

**Reno-Tahoe Airport Authority
 FY 2020-21
 ANNUAL BUDGET
 Section 6 – Revenues**

RTAA total Revenue Budget for FY 2020-21 is \$57.948 million, a \$13.411 million or 18.8% decrease from the FY 2019-20 adopted budget and is composed of Operating Revenues (Airline and Non-Airline Operating Revenues), and Non-Operating Revenues (Passenger Facility Charges, Customer Facility Charges, Interest Income and Other Non-Operating Revenues). Coronavirus Aid, Relief, and Economic Security (CARES) Act funding is also part of the Non-Operating Revenue category. Key inputs used in the revenue budget include the projected changes in passenger and aircraft traffic, and regional and national economic indicators.



OPERATING REVENUES

The total Operating Revenue budget for FY 2020-21 is \$37.594 million. This is an \$18.514 million or 33.0% decrease from the FY 2019-20 Budget. Airline revenues are \$14.247 million or approximately 38% of total operating revenues. The total non-airline operating revenue budget is

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
Section 6 – Revenues

\$23.347 million or approximately 62% of the total operating revenue budget. The COVID-19 pandemic has significantly impacted airline traffic, and as a result, the revenues generated at airports by the travelling public are also declining substantially.

RTAA's revenues are fairly predictable under normal circumstances since they are based on long term agreements with airline and non-airline tenants. The current pandemic may impact these agreements as both airports and tenants are adjusting to travel restrictions and significant declines in the number of passengers. Terms such as "rate base" and "non-rate base" mentioned in this document refer to the applicability of a financial transaction impacting rates, fees and charges assessed to the airlines under the current use and lease agreement. RTAA receives no local property or sales tax revenue and is not affected by the variations or limitations these revenue sources have on local governments.

The RTAA budget, within limits, is balanced each year through the airline rate setting and the revenue sharing mechanism of the airline agreement. The diversification of revenues, mentioned in this section, provides the revenue available for sharing that has allowed RTAA's airline rates and charges to be very competitive with other airports. The airline agreement reflects an airfield residual approach to the landing fee calculation based on the airfield cost center expenditures. See Section 5 – Financial and Budgetary Policies tab for a more detailed description of the Airline Agreement.

For FY 2020-21, RTAA is forecasting 946,700 enplaned passengers at the Reno-Tahoe International Airport (RNO), a 56.8% decrease as compared to the FY 2019-20 Budget of 2.193 million enplaned passengers. As outlined in Section 1 – Introduction and Section 2 – Executive Summary, the significant decline in passenger traffic as compared to the FY 2019-20 Budget is due to the COVID-19 pandemic related travel restrictions, and the decrease in air travel demand by the travelling public. Faced with a very uncertain market, passenger airlines are adjusting schedules weekly based on passenger demand and the various restrictions imposed by states and countries.

The total landed weight forecasted for FY 2020-21 is projected to decrease by 1.037 million (thousand pound units) to 2,041 million (thousand pound units) from the adopted FY 2019-20 Budget. The decrease in landed weight as compared to the prior year budget is primarily due to the significant decline in landed weight forecasted for passenger airlines as a result of the pandemic affecting the entire world. Many cargo airlines are thriving as a result of the increase in online commerce. Cargo landed weight at RNO is forecasted to increase by approximately 7.3% in FY 2020-21 mainly due to higher activity by UPS.

Revenue projections are, in many cases, calculated by reviewing historical and forecasted trends in revenue earned and transaction levels derived from estimated passenger traffic. This approach is primarily used to forecast terminal concessions, rental car concessions, and public parking

Reno-Tahoe Airport Authority
FY 2020-21
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revenue. The FY 2020-21 revenue budget, in light of the significant passenger traffic reductions due to the COVID-19 pandemic, was based on historical revenues, contractual obligations of businesses operating at RNO, and forecasted trends in revenue per enplaned passenger.

In addition, existing fixed lease payments and minimum annual guarantees (MAG) are considered in estimating fiscal year revenue budgets by revenue source. If any construction projects or other external factors that might affect tenant revenues take place or are scheduled, these events are also factored into the estimates. Many RTAA ground and building leases have rent adjustments based on changes in the Consumer Price Index (CPI). Due to the effects of COVID-19 pandemic on airport tenants, the Board has waived all rent increases based on CPI adjustments.

Non-airline operating revenues are forecasted to be \$23.347 million in the FY 2020-21 Budget. This represents an expected decline of \$15.050 million or approximately 39.2% from the FY 2019-20 Budget. This significantly lower non-airline revenue is primarily due to the forecasted decline in passenger traffic as the airline industry is recovering from the debilitating effects of COVID-19 pandemic. Public parking, concession revenues associated with the terminal building and rental car activity are all severely impacted by the 56.8% decrease in enplaned passengers expected at RNO. In the recent years, RTAA has been successful in increasing land, building and hangar rental revenues at both RNO and RTS. These revenue sources are less impacted by the pandemic.

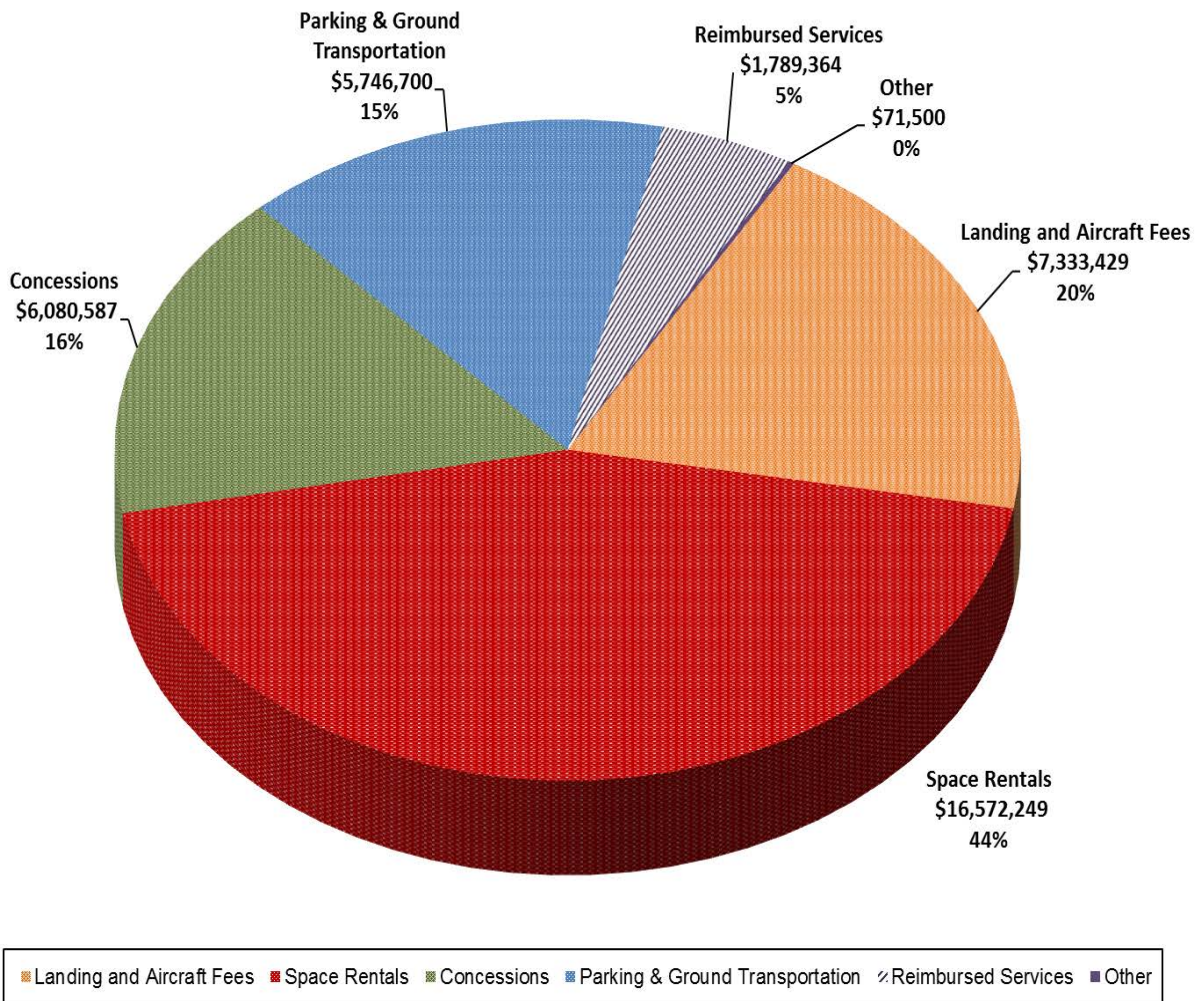
OPERATING REVENUE SUMMARY BY TYPE

There are six major sources of operating revenue received by RTAA:

1. Landing and aircraft fees;
2. Space rentals (building, hangar and land rents);
3. Concession revenue;
4. Auto parking and ground transportation revenue;
5. Reimbursed services;
6. Other revenues.

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FY 2020-21 RTAA OPERATING REVENUES



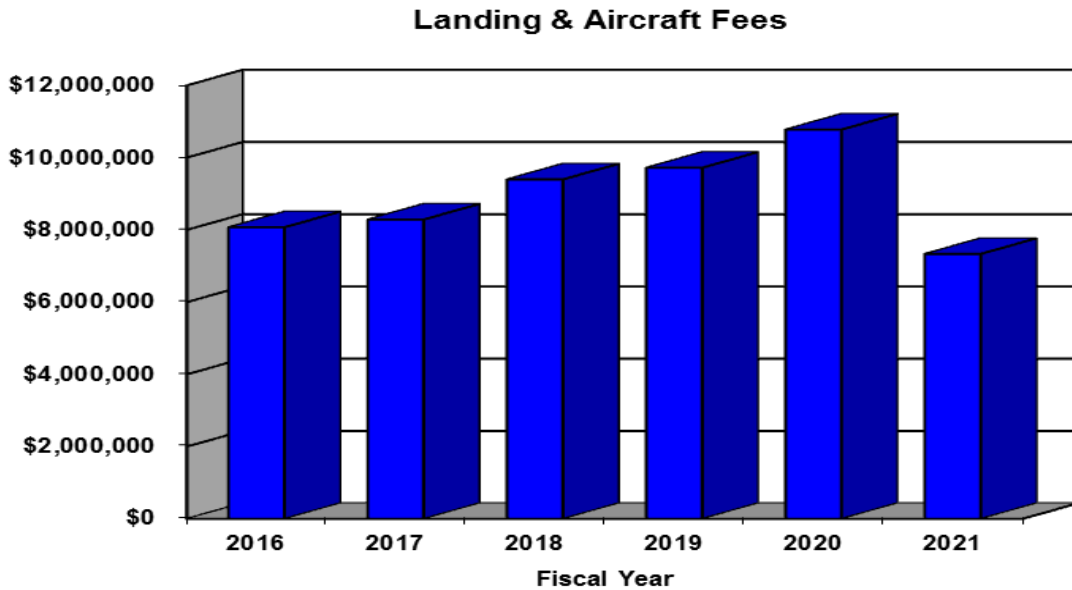
The following bar charts for each major operating revenue source presented in this section depict actual revenues for fiscal years 2015-16 through 2018-19 followed by budgeted revenues for fiscal years 2019-20 and 2020-21.

LANDING AND AIRCRAFT FEES

RTAA currently recovers almost 100% of its airfield costs through landing and aircraft fees. Total landing and aircraft fees are anticipated to decrease by \$3.443 million or 32.0% from the FY 2019-20 Budget, to \$7.333 million in FY 2020-21. The significant decrease is due to the decline in landing fee revenue, which reflects the decline in passenger airline activity forecasted

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at RNO in FY 2020-21. Total landed weight is decreasing 33.7% from the FY 2019-20 Budget. The lower airline net requirement in the Airfield cost center reflects the decrease in O&M costs, and Fixed Asset and Capital Project related expenditures allocated to the Airfield in the FY 2020-21 Budget. Furthermore, O&M costs reductions include an offset by RTAA’s allocation of CARES Act funding estimated at \$2.8 million. This CARES Act allocation decreases the net requirement in the Airfield cost center to a level requiring no increase in the landing fee rate for FY 2020-21.



Landing fees are charged to passenger and cargo carriers for each aircraft landing based on the aircraft’s Maximum Gross Landed Weight. The Landing Fee Rate is calculated by dividing (i) the total cost of the Airfield as a whole (operation and maintenance expenses, debt service, fixed asset and capital improvements expenditures, and other funding requirements of the Bond Ordinance) less airfield non-airline revenues by (ii) the total landed weight of aircraft arrivals.

The budgeted FY 2020-21 landing fee rate is \$3.23 per thousand pounds of landed weight the same rate as was charged in FY 2019-20 for all airlines at RNO. In the current airline agreement, there is no premium charged for landing fees assessed to non-signatory airlines as compared to signatory airlines. Therefore, the \$3.23 rate will be charged to all airlines, signatory or non-signatory. To illustrate the impact on landing fees, a 737-700 flown by Southwest Airlines, with a landed weight of 128,000 lbs., will cost \$413 per landing.

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CALCULATION OF FY 2020-21 LANDING FEE RATE

		FY 2019-20		FY 2020-21 Budget	
		FY 2018-19 Actual	Budget		Forecast
O&M Expenses		\$ 9,343,138	\$ 10,319,797	\$ 9,926,726	\$ 10,060,154
O&M Reserve		74,636	95,579	95,579	-
Fixed Assets		179,155	168,112	234,640	265,992
Capital Projects		114,653	398,000	305,500	42,929
Total Requirement		\$ 9,711,583	\$ 10,981,487	\$ 10,562,445	\$ 10,369,074
Less: Other Airfield Revenues CARES Act		(1,089,014)	(1,043,600)	(1,027,300) (760,000)	(976,800) (2,800,000)
Total Net Requirement	A	\$ 8,622,569	\$ 9,937,887	\$ 8,775,145	\$ 6,592,274
Total Landed Weight (000s)	B	3,039,273	3,077,897	2,717,804	2,040,504
Signatory Landing Fee Rate	A/B = C	\$ 2.84	\$ 3.23	\$ 3.23	\$ 3.23
Signatory Landed Weight (000s)	D	2,900,105	2,958,793	2,594,788	1,942,241
Signatory Landing Fee Revenue	C * D	\$ 8,236,299	\$ 9,556,902	\$ 8,381,166	\$ 6,273,440
Non-Signatory Premium		1.00	1.00	1.00	1.00
Non-Signatory Landing Fee Rate		\$ 2.84	\$ 3.23	\$ 3.23	\$ 3.23

Signatory landing fee revenues of \$6.273 million in the FY 2020-21 Budget represent a decrease of approximately \$3.283 million or 34.4% as compared to the prior year budget. Following are the factors impacting the requirements in the Airfield cost center and calculation of the landing fee in the FY 2020-21 Budget:

- Landed weight forecasted at RNO for FY 2020-21, is 2,040,504 thousand pound units, a decrease of 33.7% from the FY 2019-20 Budget and 24.9% below the current updated forecast. The significant decrease as compared to the prior year budget reflects lower landed weights forecasted for the passenger airlines operating at RNO. Cargo airlines are forecasting a combined increase of 7.3% mainly due to higher activity expected by UPS.
- The operation and maintenance costs allocated to the Airfield Cost Center are estimated to decrease by \$259,600 or 2.5% below the prior year budget. In light of the pandemic caused by COVID-19, RTAA has undertaken significant budget cuts to limit the cost

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increases passed on to its airline partners, and maintain its cash reserves. This decrease is due to both the overall decrease in direct costs and the allocation of indirect operating budget assigned to the Airfield cost center.

Direct airfield costs reflect higher salaries and benefits for existing employees represented by Airport Authority Police Officers' Protective Association (AAPOPA), Reno Airport Fire Fighters Association (RAFFA) and Teamsters bargaining units. As a cost reduction measure, the approved budget for FY 2020-21 does not include salary increases for management and civil service plan employees. A detailed discussion on all personnel-related additions and changes is in Section 4 – Organization Guide.

Indirect or administrative cost allocations are assigned under the airline agreement based on actual or budgeted costs identified to the six direct cost centers (Airfield, Terminal, BHS, Ground Transportation, Other and Reno Stead Airport). The allocations of indirect and administrative costs to the Airfield Cost Center are virtually unchanged at 23.6% as compared to the FY 2019-20 Budget of 23.2%.

- Fixed assets and capital project cost recovery of \$308,900 represents a decrease of a combined \$257,200 from the FY 2019-20 Budget and \$231,200 below the current year updated forecast. The FY 2020-21 Budget primarily reflects an investment in purchasing two (2) fire engines, and one ecologic mobile test system. A detailed presentation of the FY 2020-21 fixed assets and capital projects program is in Section 8 – Capital Budget.

Due to the administrative challenge of identifying and charging a landing fee to private aircraft (general aviation) using the airports, airfield revenues are collected from general aviation (GA) aircraft in the form of fuel flowage fees. The fuel flowage fee is collected by the Fixed Based Operator (FBO) at both RNO and RTS on a per-gallon of fuel purchased by GA aircraft. This fee is established annually by ordinance, and for FY 2020-21 the fee is unchanged at \$0.07 per gallon at RNO and \$0.05 per gallon at RTS. This ensures that general aviation aircraft pay a share of the expenses related to maintaining and developing the airfield. The revenue budget for RNO fuel flowage fees is \$160,300, a decrease of 29.2% as compared to the FY 2019-20 Budget.

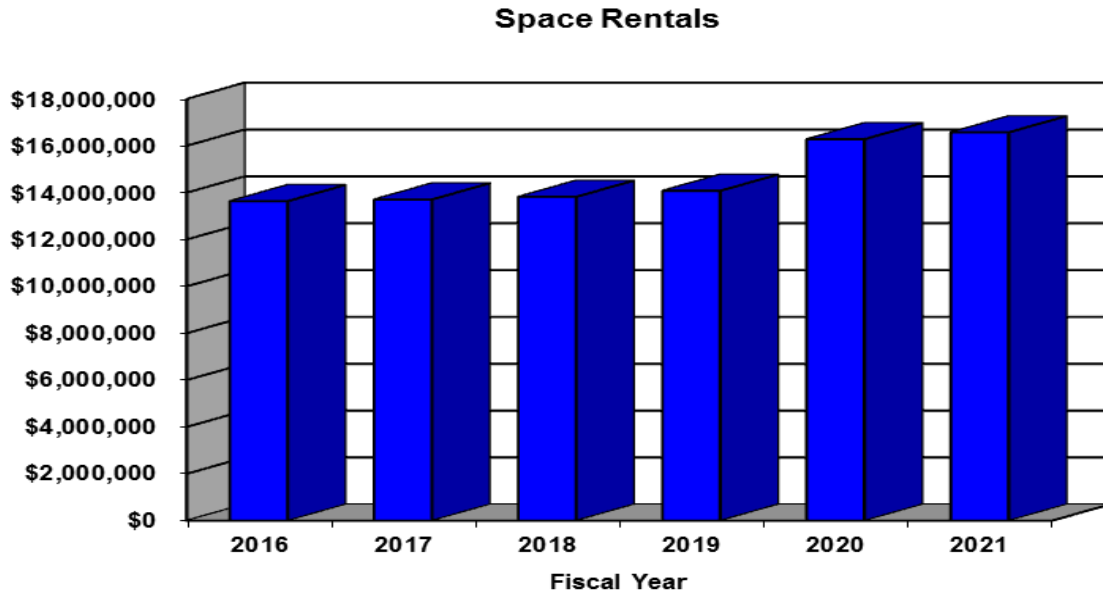
Fuel farm system revenue of \$626,000 is paid by a consortium of signatory airlines for use of RTAA owned fueling facilities, equipment, and associated land. Revenue was established based on a determination of fair market value as established by independent appraisals in July 2011. At five year intervals starting on July 1, 2016, the revenue will either be adjusted based on cumulative percentage of change in the Consumer Price Index for All Urban Consumers (CPI-U) or an updated fair market appraisal of the system. The revenue included in the FY 2020-21 Budget is unchanged from the prior year budget.

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The Landing Fees and Fuel Flowage Fees of \$45,800 for RTS reflect landing fees assessed for use of airfield facilities by based firefighting aircraft and fuel flowage fees from fuel sales to GA aircraft.

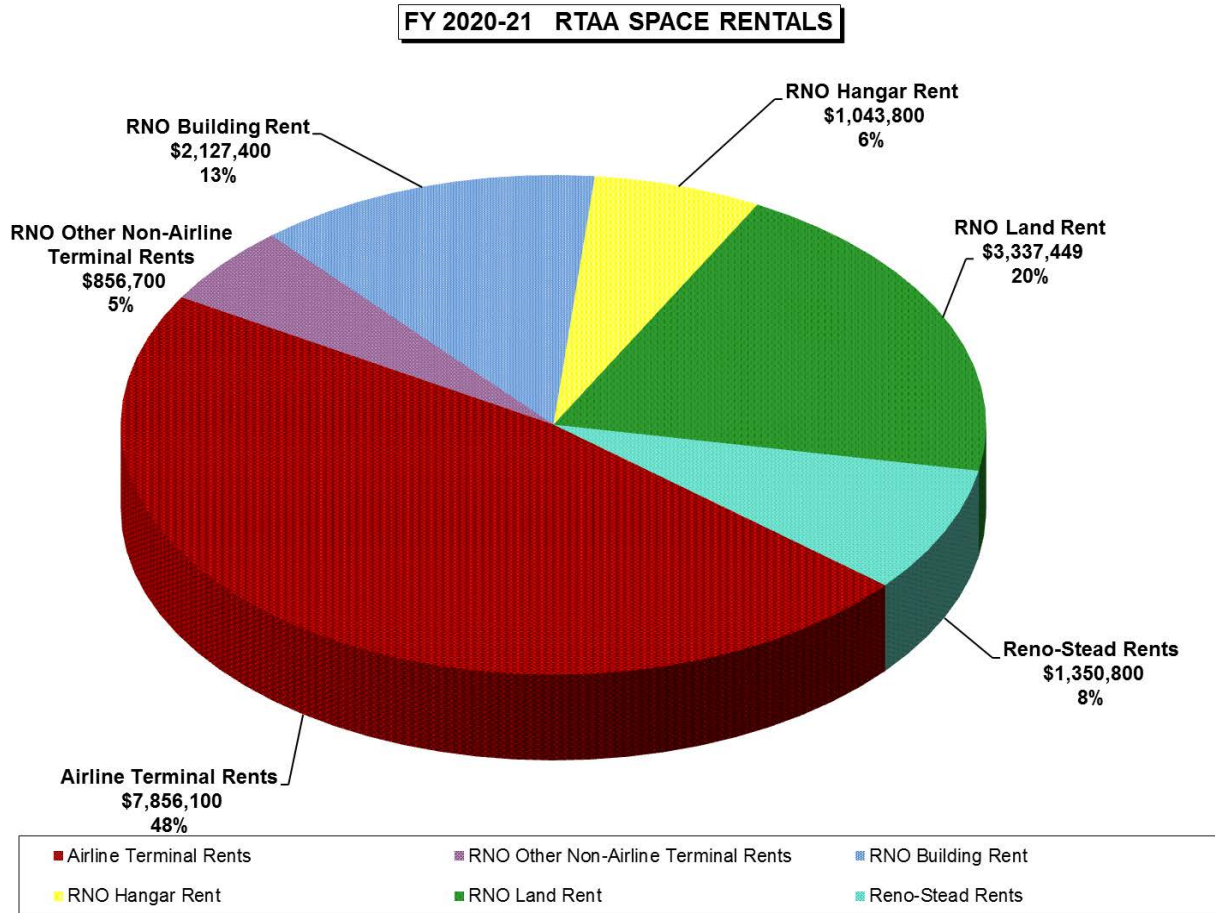
SPACE RENTALS

Space Rentals for FY 2020-21 are budgeted to reach \$16.572 million, an increase of \$291,900 or 1.8% as compared to the prior year adopted budget. The revenue category is comprised of airline terminal rents, other non-airline terminal rents, and other building, hangar, and land rents at both RNO and RTS.



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The following chart outlines the adopted FY 2020-21 Budget by category of Space Rents:



Airline terminal rentals reflects cost recovery of terminal costs allocated to airline occupied facilities (commercial compensatory basis) with total facility costs divided by rentable terminal square footage. The airlines pay on “for only what they use” basis and RTAA is at financial risk if vacant facilities exist. RNO has 262,114 rentable square feet of terminal rental space. Less than 1% of this space is vacant. Approximately 48% or \$7.856 million of total Space Rents are derived from the airlines.

The Terminal Rental Rate is calculated by dividing (i) the total cost of the Terminal as a whole (operation and maintenance expenses, debt service, fixed asset and capital improvement expenditures, and other funding requirements of Bond Ordinance) less airline reimbursement for disposal fees and less the Revenue Sharing Credit by (ii) rentable terminal square footage. Rentable Terminal Space is the total area of the terminal building available for lease and dedicated to the sole use of the airlines, rental car companies, concessions, aviation service

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providers, various government agencies, and RTAA for purposes of generating revenue and supporting operations.

CALCULATION OF FY 2020-21 TERMINAL RENTAL RATE

GROSS TERMINAL RENTAL RATE	FY 2018-19 Actual	FY 2019-20		FY 2020-21 Budget
		Budget	Forecast	
O&M Expenses	\$ 18,284,029	\$ 20,380,223	\$ 19,120,644	\$ 19,231,604
O&M Reserve	146,997	188,755	188,755	-
Fixed Assets	201,737	289,189	331,143	119,862
Capital Projects	516,313	538,100	109,000	28,571
Total Requirement	\$ 19,149,076	\$ 21,396,267	\$ 19,749,543	\$ 19,380,037
Less: Airline Reimbursements (Disposal Fee) CARES Act	(286,431)	(293,400)	(299,100)	(308,300) (168,000)
Total Net Requirement	\$ 18,862,644	\$ 21,102,867	\$ 19,450,443	\$ 18,903,737
Square Footage	262,114	262,114	262,114	262,114
Average Terminal Rental Rate (Gross)	\$ 71.96	\$ 80.51	\$ 74.21	\$ 72.12
Signatory Airline Terminal Leased Space	125,886	125,757	125,757	122,756
Signatory Airline Share of Net Requirement	9,058,800	10,124,700	9,332,400	8,853,200
Less: Revenue Sharing (Current Year)	(4,214,000)	(3,168,800)	(2,377,200)	(2,063,700)
Adjusted Signatory Airline Net Requirement	4,844,800	6,955,900	6,955,200	6,789,500
Signatory Airline Terminal Leased Space	125,886	125,757	125,757	122,756
Signatory Airline Average Rental Rate (Net)	\$ 38.49	\$ 55.31	\$ 55.31	\$ 55.31

The revenue sharing credit, as shown in the Calculation of Terminal Rental Rate table, is calculated as 50% of the gross revenues less operation and maintenance expenses, debt service requirements, bond ordinance reserve requirements, and repayment of loans to the capital account. The Revenue Sharing Credit is applied to reduce Signatory Airlines terminal rental rate in the current fiscal year, and the remaining 50% of the Airport System net revenues are transferred to RTAA's General Purpose Account.

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For the FY 2020-21 Budget, the average signatory budgeted rental rate is \$55.31 per square foot per annum, no increase from the FY 2019-20 average budgeted rental rate. As part of this calculation, thirty-five percent (35%) of gaming revenue in each fiscal year is retained by RTAA and not available as part of the revenue sharing credit used to reduce the Terminal Rental Rate.

Total airline (signatory and non-signatory) terminal space rental revenue is estimated to be \$7.856 million in FY 2020-21, a decrease of \$112,300 or 1.4% from the FY 2019-20 Budget. The following are significant factors impacting the requirements in the Terminal Building cost center and the calculation of the FY 2020-21 terminal rental rates:

- The operation and maintenance budget allocated to the Terminal Building is decreasing \$1.149 million, or 5.6% below the FY 2019-20 Budget. In light of travel restrictions, significant reduction in passenger traffic through the terminal building, the RTAA has reevaluated the budget needs of the airport and adopted a “bare bones” approach for FY 2020-21. All non-essential expenses were trimmed from the budget. In addition, a number of full time positions were frozen for the 2020-21 fiscal year. A detailed discussion on all personnel-related additions and changes is in Section 4 – Organization Guide.

O&M costs allocated to the Terminal cost center reflect higher salaries and benefits for existing employees represented by Airport Authority Police Officers’ Protective Association (AAPOPA), Reno Airport Fire Fighters Association (RAFFA) and Teamsters bargaining units. Salary increases for management and professional employees are not included in the approved budget for FY 2020-21.

Indirect or administrative cost allocations are assigned under the airline agreement based on actual or budgeted costs identified to the six direct cost centers (Airfield, Terminal, BHS, Ground Transportation, Other and Reno Stead Airport). The allocations of indirect and administrative costs to the Terminal Cost Center are slightly lower at 45.2% as compared to the FY 2019-20 Budget of 45.8%.

- Fixed assets and capital projects expenditures of \$148,400 represent a decrease of a combined \$678,900 or 82.1% below the FY 2019-20 Budget and \$291,700 or 66.3% from the current year updated forecast. A detailed presentation of the FY 2020-21 fixed assets and capital projects program is in Section 8 – Capital Budget.
- The estimated airline’s portion of net revenue sharing for FY 2020-21 is \$2.064 million, a decrease of \$1.105 million or 34.9% below the prior year budget.
- CARES Act funding of up to \$168,000 is used as a direct offset of cost reimbursement requirement in the Terminal cost center.

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The average signatory rental rate for FY 2020-21 is \$55.31 per square foot per year, no increase from FY 2019-20. This is due to RTAA allocating CARES Act funding in the Terminal and other cost centers to maintain signatory rental rates flat. Non-signatory airlines typically pay higher rental rates, as they don't have a long term commitment with the airport. Due to the significant budget reductions in FY 2020-21, the average non-signatory rental rate has decreased by 10.4%.

RTAA also derives RNO space rents from airline leased space and on a per use basis. In addition, rents are collected on both terminal and non-terminal space leased to tenants other than the airlines. RTAA also collects rents at RTS from aviation related tenants at the airport. These rental rates are set based on market or appraised values. Many of these rental agreements specify annual rate increases based on the consumer price index (CPI) or periodic reappraisal. The approved budget for FY 2020-21 however deferred the CPI increases.

RNO Terminal Rents from non-airline tenants and Non-Terminal Rents (building, hangar, and ground rent) of \$7.365 million in FY 2020-21 are estimated to decrease by \$124,100 or 1.7% below the FY 2019-20 Budget. Space rented by the Transportation and Security Administration (TSA) agency in the terminal building has increased by approximately 1,300 sq., resulting in an increase in projected revenue of \$70,300 from last fiscal year. Building rental revenues are decreasing due in part to the ProLogis building reverting back to the RTAA. This building is in the path of the new consolidated rental car facility (CONRAC) project.

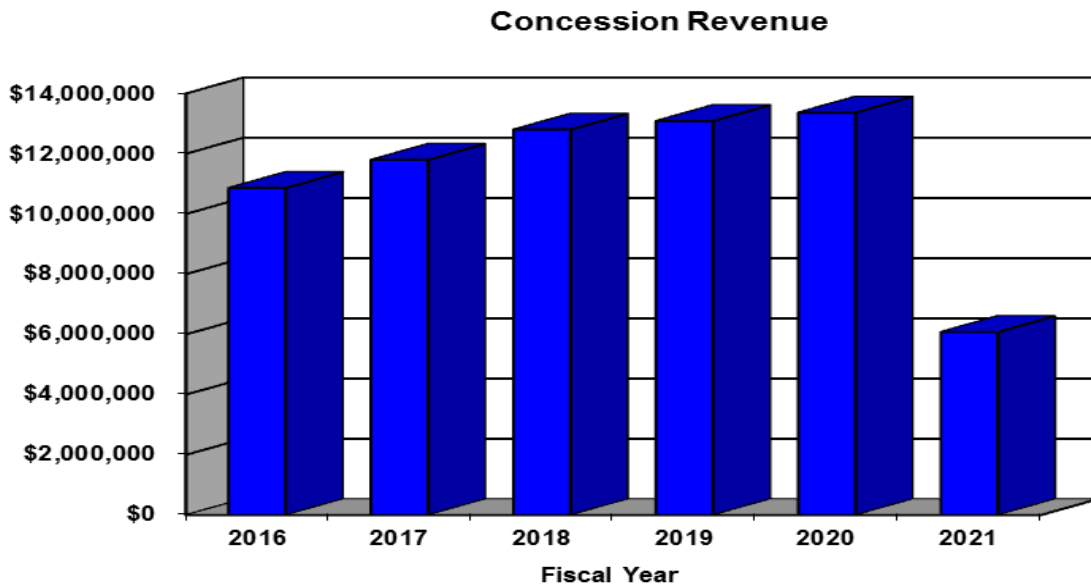
RTS hangar, land, and other facility rental revenues of \$1.351 million represent an increase of \$528,300 or 64.2% above last year's adopted budget. This increase includes new land rental revenue from a master land development agreement with Dermody Properties at RTS.

RTAA staff has been actively involved in marketing and developing both aviation and commercial development of airport property at both airports during the past year. With land development activity continuing its recovery from the economic recession, RTAA has several new projects working towards completion that will be positive revenue contributors going forward.

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CONCESSION REVENUE

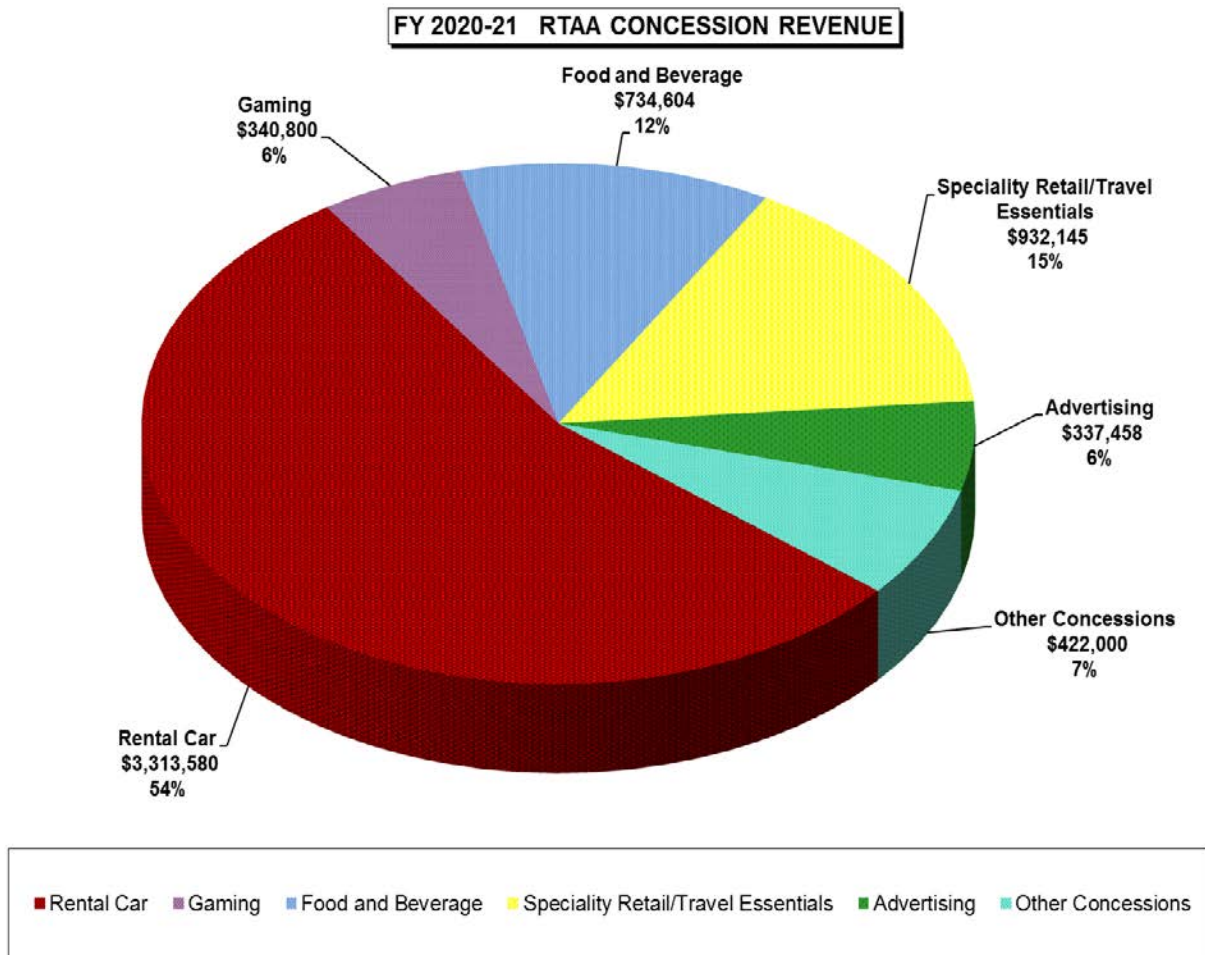
Concession revenues of \$6.081 million are forecasted for FY 2020-21, a decrease of \$7.287 million or 54.5% as compared to the prior year budget. Concession revenue consists of gaming, food and beverage, specialty retail/travel essentials, advertising, rental cars and other concession revenues. This overall decline in concession revenue is primarily due to the significant decline in FY 2020-21 passenger traffic forecast. The COVID-19 pandemic related travel restrictions, social distancing mandates, gaming and restaurant closures have had a devastating effect on concession operations at airports. Also, there is the expectation that passenger behavior will change as a result of the pandemic, negatively impacting revenues per enplaned passenger. The graph below reflects actual results for the past 4 fiscal years and the budget forecasts for FY 2019-20 and FY 2020-21.



The largest contributor to concession revenues is the rental car companies operating at RNO. The concession agreements with these firms are responsible for \$3.314 million or more than 54% of total revenue from concessions at RNO. The next largest contributors are specialty retail/travel essentials, food and beverage, gaming, and advertising. Combined, these five categories represent approximately 93% of forecasted concession revenues.

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In addition, there are smaller concessions such as luggage carts, massage chairs, charging stations, self-service kiosks, and ground service providers that contribute a percentage of their gross revenues to RTAA. The concession agreements are usually based on the greater of a minimum annual guarantee (MAG) or percentage of gross revenues being paid to RTAA.



The following graphs and narrative provide additional information regarding the largest contributors to concession revenue. The graphs include actual results for the past 4 fiscal years and the budget forecasts for FY 2019-20 and FY 2020-21.

Rental Cars - Revenues from rental car companies are budgeted at \$3.314 million for FY 2020-21, a decrease of \$4.645 million or 58.4% from the FY 2019-20 Budget and \$3.387 million or 50.5% below the updated forecasts. The decrease in budgeted revenues is due to the significant decline of 56.8% in the enplaned passenger forecast. Also, there is a decreasing trend of rental car revenues per enplaned passenger observed in the last two fiscal years, and expected to

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continue in FY 2020-21. Auto rental revenues represent approximately 8.8% of RTAA’s total budgeted non-airline operating revenues.

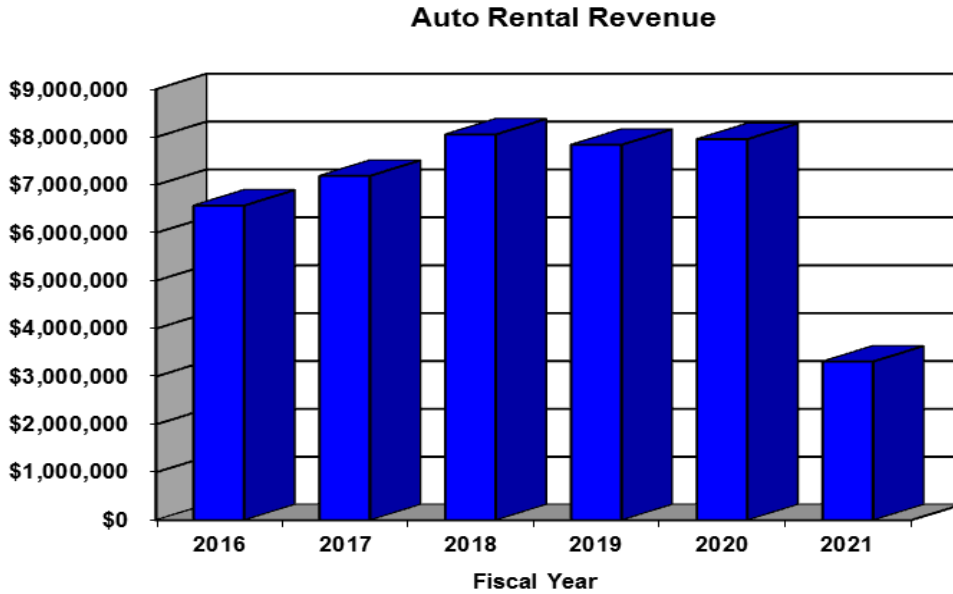
RTAA has five (5) on-airport car rental company agreements with eight (8) brands: (1) Avis/Budget Car Rental doing business as Avis, Budget, (2) DTG Operations doing business as Dollar and Thrifty, (3) Enterprise, (4) Hertz, and (5) Vanguard Car Rental doing business as Alamo and National. All of these brands have check-in counters located within the Terminal Building. In addition, RTAA also has one (1) off-airport concession agreement with Payless Car Rental that provides a ticket counter in the Terminal Building; however, this company has no on-airport ready/return, quick-turn-around or service/storage facilities on RTAA property.

On-airport rental car companies qualify to lease the following: (1) ready/return parking, (2) a lane in the quick turnaround (“QTA”) building and associated parking; and (3) a service facility and associated vehicle storage located away from the terminal on airport property. Payless, as an off-airport operator, provides limited service on the airport with only a check-in counter; however all other facilities are located “off-airport” with their customers required to take other transportation for the rental and return of vehicles.

The ready/return parking spaces (“Ready/Return Premises”) are conveniently located in the Parking Structure, across from the Terminal; the QTA building and associated vehicle parking, which provides efficient fueling and car wash services, are located immediately north of the Parking structure; and the Service/ Storage Facilities are located south of the Terminal Building, as further described herein under a separate Ground Lease. RTAA is currently pursuing the option to build a new Consolidated Rental Car Facility (CONRAC) that will accommodate the current and future needs of the car rental companies operating at RNO, and also alleviate some of the public parking shortage by relocating the car rental companies out of the first floor of the public parking garage.

The current auto rental agreements, which began on July 1, 2010, were extended for an additional three years through June 30, 2018. RTAA and the Rental Car Companies agreed to amend and restate the agreement for an additional five (5) year term or upon the opening of a new CONRAC facility at RNO, whichever occurs earlier. This extension is under the same terms and conditions as the original agreement. Rental car revenue estimates are based on the concession agreement terms establishing the payment of either 10% of gross receipts or a Minimum Annual Guarantee (MAG) whichever is greater.

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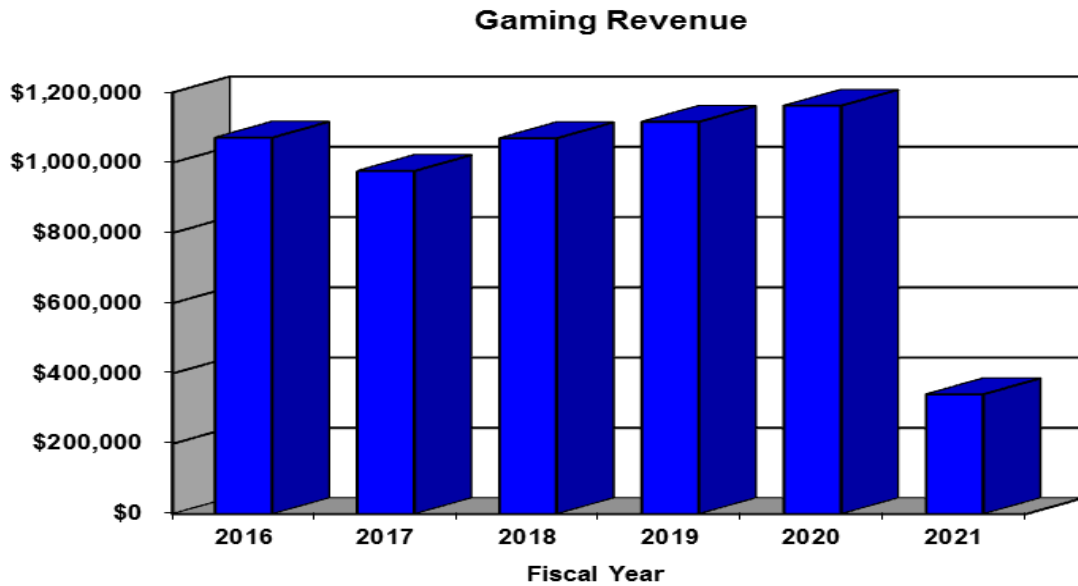


Gaming – This revenue source is unique and almost exclusively earned by Nevada airports. The gaming concession was awarded to International Game Technology (IGT) effective December 1, 2015 under a new five year agreement, which expires on November 30, 2020. On March 12, 2020, the Board approved an extension of the agreement to November 30, 2024.

Under this agreement, RTAA receives 30% of Net Win under \$125,000 per month, 43% of Net Win between \$125,001 and \$300,000 per month, and 75% of Net Win greater than \$300,001 per month. The weighted average percentage that IGT pays to RTAA is forecasted to be 35% of gross sales with no minimum annual guarantee.

The gaming concession is forecasted to generate \$340,800 of non-airline revenue in FY 2020-21, a decrease of \$821,500 or 70.7% from the prior year adopted budget, and \$312,000 or 47.8% below the updated forecast for FY 2019-20. The significant decline is primarily due to the drop in passenger traffic forecasted for FY 2020-21.

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Food and Beverage - Creative Host Services, Inc. (CHS) was awarded a non-exclusive food and beverage concessions effective October 2001. Effective June 19, 2008, Creative Host Services, Inc. changed its name to SSP America, Inc. (SSP). The concession agreement calls for SSP to pay RTAA a percentage of gross revenues ranging from 8% to 16.5% depending on product type or a Minimum Annual Guarantee (MAG), which is 85% of the previous year’s payments but not less than \$885,800, whichever is greater. If enplaned passengers drop by more than 25% in any month below the same month of the prior fiscal year, MAG requirements are waived. With the forecasted passenger decline of 56.8% in FY 2020-21, RTAA anticipates concession revenues based on the percentage of gross sales by SSP for most of the fiscal year. The weighted average percentage that SSP pays to RTAA is forecasted to be 10% of gross sales.

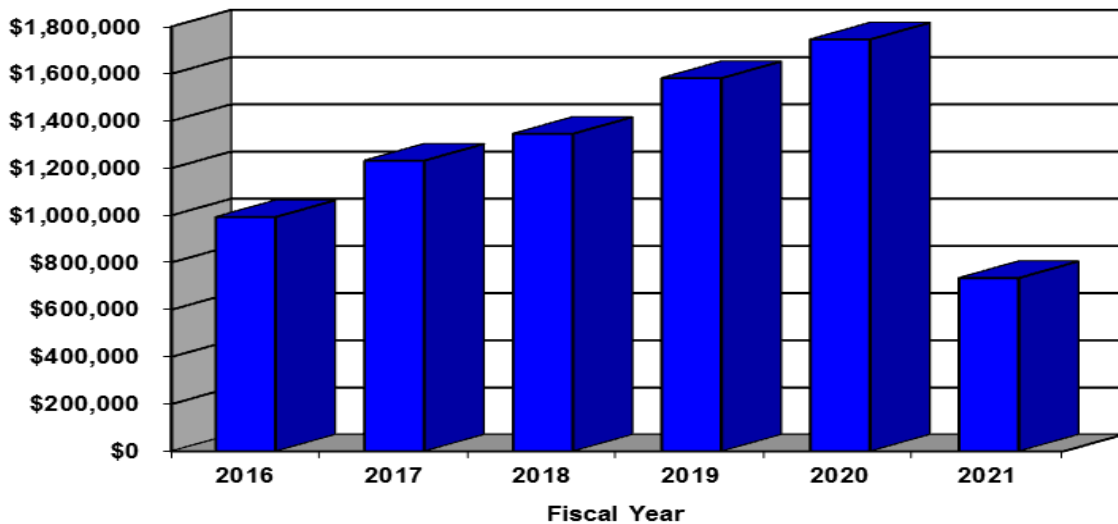
To further enhance the food and beverage program, RTAA entered into an agreement with Manchester Airports Group (MAG) US Lounge Management, LLC to open a common use airport lounge at RNO, operating under the name of “Escape Lounges. The Escape Lounge will also generate additional non-airline revenue over its ten (10) year term of 7% of Gross Receipts on any amounts greater than the minimum annual guarantee of \$60,000 annually. The Escape Lounge is currently closed at RNO, pending the increase of passenger traffic.

In addition, after a competitive RFP process for additional specialty retail and/or food and beverage opportunities in the terminal, RTAA reached agreement with Vino Volo and Subway to open retail locations on the terminal connector and Concourse C, respectively. The two concessions are expected to contribute \$141,000 to the food and beverage concession revenue budget.

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The total budgeted food and beverage revenue for FY 2020-21 is \$734,600. This estimate reflects a decrease of \$1.011 million or 57.9% from the FY 2019-20 Budget and \$521,600 or 41.5% below the FY 2019-20 updated forecasts. The significant decrease in concession revenues from the food and beverage outlets operating at RNO is due to the decline in passenger traffic. SSP operated pre-security venues are currently closed and a number of post-security restaurants offer a limited menu, restricted hours of operations or temporarily closed.

Food And Beverage Revenue



Specialty Retail/ Travel Essentials – The retail concessions in the RNO terminal building are projected to provide RTAA with \$932,100 revenue in FY 2020-21. This amount is \$207,700 or 18.2% below the FY 2019-20 budgeted revenue and \$5,400 or 0.6% below the updated revenue forecast. Due to the significant decline in the passenger forecast in FY 2021-21, concession fees based on gross sales are below the minimum annual guarantee (MAG), and as a result, the RTAA revenue budget is based on MAG contractual obligations.

The primary, non-exclusive concession agreement for specialty retail / travel essentials (previously known as merchandise and news and gift) services was awarded to The Paradies Shops. In 2015, Lagardère Travel Retail acquired Paradies and merged Paradies and LS Travel Retail North America to create Paradies Lagardère (Paradies), a new market leader for airport concessions.

This agreement provides payment to RTAA based on a percentage of revenues ranging from 12% to 23% depending on product type or a Minimum Annual Guarantee (MAG), which is 85% of previous year’s payments but not less than \$932,145, whichever is greater. Due to the passenger growth in the last few years, the percentage of gross sales has exceeded the MAG in

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recent years. The weighted average percentage that Paradies typically pays RTAA is 15% of gross sales.



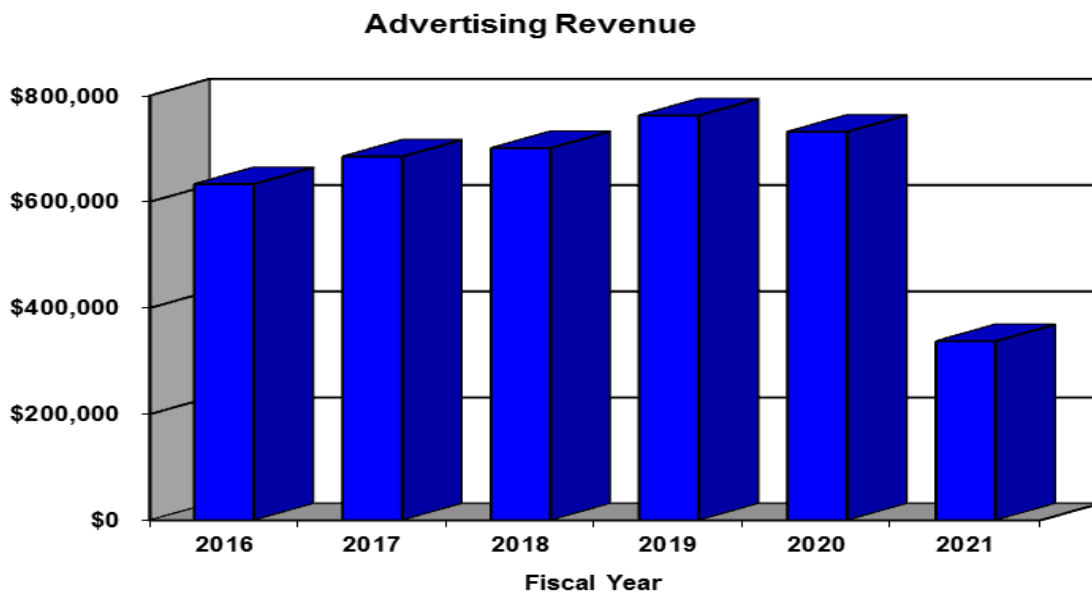
In FY 2017-18, Paradies invested over one million dollars to refurbish, make improvements and rebrand three of the four travel essential stores noted above (Summit Travel – previously Travelers Gifts, Plane Provisions – previously Travelmart, and Silver State Market Place – previously Adventure News). The objective was to create a more contemporary modern mountain design, including new storefront branding and signage, which was forecasted to increase sales and improve the passenger experience. In addition to the completion of improvements and rebranding of all three travel essentials stores at RNO, Paradies rolled out a new fresh and local grab-and-go food program with sandwiches, wraps and snacks provided by Reno based Rounds Bakery to provide the travelling public with fast access to food near the boarding gates.

The current specialty retail stores at RNO include No Boundaries, Brighton, and InMotion in the post-security concourse connector area and the PGA Tour Shop in the pre-security terminal lobby area. Paradies also has four travel essentials (previously known as news/gift) stores including the post-security Summit Travel on the B-Concourse, Plane Provisions on the C-Concourse, CNBC News on the concourse connector area, and Silver State Market Place in the pre-security terminal lobby area. Due to the COVID-19 pandemic, pre-security stores are closed until further notice. No Boundaries and Brighton stores are also currently closed.

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In June 2019, RNO celebrated the grand opening of a Harley Davidson specialty retail store located pre-security, next to Paradies’ Silver State Market Place. The store is currently closed due to the pandemic.

Advertising - Revenues are derived primarily from display ads located in the RNO terminal building, budgeted at \$337,500 for FY 2020-21. This amount is \$394,500 or 53.9% below the FY 2019-20 budgeted revenue and \$262,600 or 43.8% below the FY 2019-20 updated forecast.



Effective February 1, 2015, RTAA executed a new five-year Nonexclusive Advertising Program Concession License for advertising services with Clear Channel Airports. The RTAA Board of Trustees recently approved a four-year extension to the License with Clear Channel, and the RTAA is negotiating the final terms of the extension with Clear Channel.

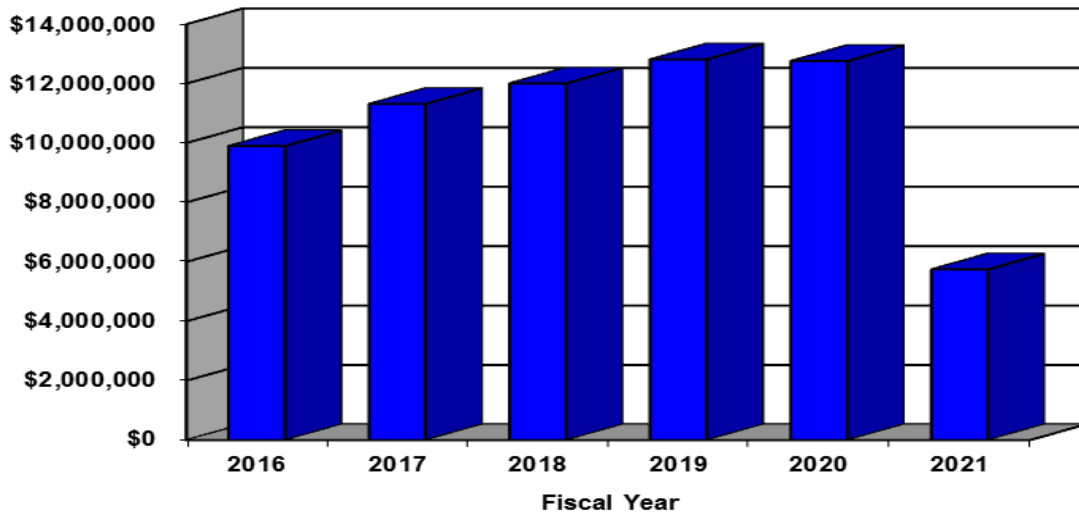
The terms of this agreement will compensate RTAA with the greater of 55% of all display sales and 15% of Clear Vision (digital screens on the concourses) or a minimum annual guarantee (MAG) of \$741,715. The contract calls for a MAG abatement if the number of enplaned passengers is in any month below 75% of the enplaned passengers registered in the same month of the prior year. Based on this contractual clause, and the significant decline in the enplaned passenger forecast, the FY 2020-21 Budget is forecasting advertising revenue based on a revenue per enplaned passenger estimate, not taking into account MAG. RTAA also receives approximately \$6,100 in advertising revenue associated with bins used by passengers going through security screening.

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PARKING AND GROUND TRANSPORTATION

Total auto parking and ground transportation revenues of \$5.747 million are forecasted to decline \$7.014 million or 55.0% from the prior year budget and \$3.823 million or 40.0% as compared to the updated FY 2019-20 projected revenues. Auto parking and ground transportation represent 15.3% of FY 2020-21 budgeted operating revenues and 24.6% of RTAA’s non-airline operating revenue budget.

Parking and Ground Transportation Revenue



The significant decline of \$6.769 million in public parking revenue from last year’s budget is due to the decline in passenger traffic as a result of the devastating effect of the COVID-19 pandemic. On the positive side, the FY 2020-21 Budget is forecasting revenue per transaction to be modestly higher than the prior year budget due to longer stay duration.

Ground transportation fees are projected to be \$183,300 in FY 2020-21, which is a decrease of \$245,000 or 57.2% from the FY 2019-20 Budget and \$126,100 or 40.8% from the FY 2019-20 updated revenue forecast. These fees are paid by transportation operators such as limousines, shuttle buses, transportation network companies (TNCs), and taxicabs. TNCs started to operate at RNO in January 2016. The fees assessed to TNCs are the same as those paid by taxis and pay limousines on a per trip basis (\$1/pick up).

TNCs have gained popularity at RNO over the last few fiscal years and are forecasted to continue on the growing trend for FY 2020-21. However, due to the significant decline in passengers, revenues generated by TNCs are budgeted to decrease \$83,100 or 51.4% below the

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FY 2019-20 Budget. The increase in TNC activity is impacting revenues received from taxis, as they are forecasted to decrease 62.1% in FY 2020-21 compared to the prior fiscal year.

REIMBURSED SERVICES

This category is comprised of reimbursement from the airlines, tenants, and the Transportation Security Administration (TSA) for services provided by RTAA in support of their daily operations including maintenance of the baggage handling system (BHS), trash disposal, utilities, ID badges, law enforcement at the security checkpoint and canine explosive detection teams. Reimbursed services revenue of \$1.789 million is budgeted in FY 2020-21, a decrease of \$1.052 million or 37.0% from the FY 2019-20 Budget. Approximately 40.6% of this revenue reflects reimbursement from the airlines for the BHS as outlined below. The BHS airline reimbursement is projected to decrease by \$1.003 million, or 57.9% from the prior year budget.

Baggage Handling System (BHS) - The reimbursement amount for the BHS is 100% cost recovery of the operating and maintenance services, utilities, supplies, and other direct costs of operating the system. The FY 2020-21 Budget anticipates these costs at \$1.483 million, a decrease of \$273,800 from the FY 2019-20 Budget primarily due to renegotiating the maintenance service contract in light of the significant decline in passenger traffic through RNO.

CALCULATION OF FY 2020-21 BAGGAGE HANDLING SYSTEM FEE

	FY 2018-19 Actual	FY 2019-20		FY 2020-21 Budget
		Budget	Forecast	
Operating Requirement				
O&M Expenses	\$ 1,461,202	\$ 1,757,154	\$ 1,628,154	\$ 1,483,364
O&M Reserve	10,916	16,274	16,274	-
Capital Projects	100,000	-	-	-
Less: TSA Reimbursement	(38,312)	(43,400)	(38,900)	(39,500)
Non-Signatory Airline BHS	(62,642)	(71,700)	(61,700)	(57,900)
CARES Act			(353,000)	(716,500)
Total Baggage System Charge Revenue	1,471,163	1,658,328	1,190,828	669,464
Total Number of Bags Processed - Signatory	1,279,694	1,333,111	957,450	538,289
Signatory Rate per Bag Processed	\$ 1.15	\$ 1.24	\$ 1.24	\$ 1.24
Non-Signatory Rate per Bag Processed	\$ 1.20	\$ 1.37	\$ 1.37	\$ 1.37

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Both signatory and non-signatory rates per processed bag are forecasted to remain flat based on this cost recovery methodology. With the assumption of 0.61 bags per passenger, the rate paid by signatory airlines in the FY 2020-21 Budget is \$1.24 per processed bag, same as the rate charged in FY 2019-20. In light of the significant decline in the enplaned passenger forecast and in an effort to limit the increase in operating costs of our airline partners, RTAA has allocated up to \$716,500 of its CARES Act funds to reduce the costs of operating the BHS.

Other Reimbursed Services

The remaining FY 2020-21 Budget of approximately \$1.062 million includes payments from the TSA for RTAA providing police services at the security checkpoints as well as for participation in the National Explosives Detection Canine Team Program. This category also includes reimbursement for waste disposal services and other RTAA provided utilities. The disposal services fees are based on RTAA's actual costs of providing the service and utilities are billed at the rates assessed by local utility providers.

NON-OPERATING REVENUE

The FY 2020-21 Budget also includes non-operating revenues of \$20.354 million, an increase of \$5.102 million or 33.5% from the FY 2019-20 Budget. Historically this category primarily consisted of Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) revenues, and other revenues from aviation fuel taxes and interest earnings. New to this category are grant reimbursements from the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. The approved FY 2020-21 Budget includes the allocation of up to \$12.857 million CARES Act funding to reimburse eligible RTAA costs. This is a new funding source initiated by the Federal Government and managed by the Federal Aviation Administration (FAA).

At the request of car rental companies, the FY 2020-21 Budget contains an increase in the CFC rate from \$4.50 per day to \$5.50 per day. CFC revenues are budgeted at \$3.062 million in FY 2020-21, and are derived from a daily fee assessed to each rental car per transaction day. The rate increase reflects RTAA efforts to fund the design and construction of a new Consolidated Rental Car (CONRAC) Facility identified in the RNO Master Plan approved by the Board.

PFC revenues of \$3.533 million are decreasing \$4.382 million or 55.4% from the prior year adopted budget due to the forecasted decline in enplaned passengers at RNO. The PFC program is a Federal program overseen by the Federal Aviation Administration (FAA). PFCs are collected by airlines on their passengers' tickets at \$4.50 and remitted monthly to RTAA. PFCs are designated to fund capital projects and equipment reviewed by the airlines in a process prescribed by the FAA, and cannot be spent on operation and maintenance expenses of the

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airport. PFC revenues must be segregated from all other airport revenues. For a complete explanation of the PFC program, please see Section 8 – Capital Projects.

Investment Interest for FY 2020-21 is budgeted at \$642,000, a 38.3% decrease compared to the FY 2019-20 Budget. This decline is due to lower cash balances available for investment. Also included in this category is restricted investment interest earned on the restricted cash balances such as revenue bond construction funds and PFC funds. The same investment policy restrictions apply to these funds, as outlined for all RTAA investments, and hence the same rate of return is used for this calculation. These investment earnings must be returned to the construction or PFC fund pursuant to the bond resolution and the PFC rules. They cannot be used to fund the operations of the airports.

RTAA's bond resolution, state laws, and RTAA investment policy limit the types of investments permitted for use by RTAA. The primary objectives, in priority order, of investment activities are safety, liquidity, and yield with most securities or deposits having federal government guarantees.

Non-Operating Revenue also includes aviation fuel tax revenues estimated to be \$260,100 in FY 2020-21. This revenue represents a \$0.01 per gallon fee collected by the State of Nevada and remitted to RTAA through Washoe County on aviation jet fuel sold, distributed, or used in the county. The use of Aviation Fuel Tax revenue is restricted to funding transportation projects related to airports including ground transportation improvements and promoting the use of RNO including efforts to increase the number and availability of flights.

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Summary of Budgeted Revenues

	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Budget	Percent Change
Landing Fees - Reno-Tahoe				
Signatory Airlines-Scheduled Carriers	\$ 6,624,390	\$ 7,884,329	\$ 4,474,092	
Signatory Airlines - Freight Carriers	1,611,909	1,672,573	1,799,348	
Non Signatory Airlines - Scheduled Carriers	286,473	259,744	188,418	
Charters, FBO's	48,997	-	-	
Non Signatory Airlines - Charters	19,980	-	-	
Non-Signatory Airlines - Air Freight Carriers	112,994	124,961	128,971	
Air Service Incentive- Landing Fees	(39,379)	(200,000)	(200,000)	
	8,665,365	9,741,607	6,390,829	-34%
Aircraft Fees - Reno-Tahoe				
Fuel Flowage	221,857	226,400	160,300	
Aircraft Parking	159,775	130,900	91,600	
Aviation Gas Tax Refunds	-	-	-	
Fuel Farm Use Fee and Ground Rent- RFFC	626,025	626,000	626,000	
Fuel Farm Use Fee - Jet West	18,874	18,200	18,900	
	1,026,531	1,001,500	896,800	-10%
Aircraft Fees - Reno-Stead				
Fuel Flowage	23,355	25,400	25,500	
Landing Fees	4,230	8,400	20,300	
	27,585	33,800	45,800	36%
TOTAL Aircraft Fees	\$ 9,719,481	\$ 10,776,907	\$ 7,333,429	-32%
Concession Revenue				
Gaming Revenue				
	\$ 1,116,447	\$ 1,162,300	\$ 340,800	-71%
Food and Beverage Revenue				
	1,581,646	1,745,600	734,604	-58%
Retail Revenue				
Speciality Retail/Travel Essentials				
	1,102,964	1,139,800	932,145	
	1,102,964	1,139,800	932,145	-18%
Other Concession Revenue				
FBO's and Ground Handling				
Fixed Base Operators - Reno-Tahoe	62,483	42,100	80,000	
Security Services	43,644	46,000	20,000	
Ground Handling/Support Services	363,754	334,800	199,200	
	469,881	422,900	299,200	-29%
Stead Concession Revenue				
Fixed Base Operators - Reno-Stead	27,467	21,600	28,900	
Other Concession Revenue	482	300	300	
	27,949	21,900	29,200	33%
Advertising Revenue				
	762,725	732,000	337,458	-54%
Miscellaneous Concession Revenue				
Other Concessions	26,217	29,200	18,600	
Luggage Carts	26,910	18,100	16,000	
ATM	133,313	137,000	59,000	
	186,440	184,300	93,600	-49%
Total Other Concession Revenue	1,446,994	1,361,100	759,458	-44%
Total Concession Revenue Excluding Auto Rental and Gaming	4,131,605	4,246,500	2,426,207	-43%
On Airport Auto Rental				
	7,838,835	7,958,300	3,313,580	
	7,838,835	7,958,300	3,313,580	-58%
TOTAL Concession Fees	\$ 13,086,886	\$ 13,367,100	\$ 6,080,587	-55%

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
Summary of Budgeted Revenues

	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Budget	Percent Change
Auto Parking and Ground Transportation				
Auto Parking/Traffic Control				
Public Parking Lot	12,015,396	11,929,700	5,175,800	
Off-Airport Parking	11,879	11,300	12,300	
Employee Parking	377,668	376,300	371,900	
Parking Fines	7,085	15,500	3,400	
	<u>12,412,029</u>	<u>12,332,800</u>	<u>5,563,400</u>	-55%
Ground Transportation				
Taxi Loop	71,086	74,500	28,200	
Transportation Network Companies	162,447	161,800	78,700	
Limousines	10,023	10,100	4,400	
Buses/Courtesy Shuttles	118,070	133,900	52,000	
Permit Fees	44,021	48,000	20,000	
	<u>405,647</u>	<u>428,300</u>	<u>183,300</u>	-57%
TOTAL Auto Parking and Ground Transportation	\$ 12,817,675	\$ 12,761,100	\$ 5,746,700	-55%
Space Rentals				
Terminal Rents, Signatory Airlines				
Ticket Counter	\$236,814	\$340,300	\$298,400	
Hold Room	\$1,055,260	1,516,300	1,458,400	
Back Office	\$377,990	543,100	507,200	
Bag Claim	\$886,809	1,274,200	1,284,800	
Bag Service Office	\$123,581	177,600	151,000	
Bag Makeup	\$888,237	1,276,300	1,286,800	
Baggage System	\$598,013	859,300	866,400	
Operations Space	\$441,272	628,400	593,400	
Common Use Drives	\$215,389	309,500	312,000	
Outside Storage	\$21,434	30,800	31,100	
Gate Use Charge/ Non-Signatory Use Fees	\$1,235,143	1,212,600	1,266,600	
Air Service Incentive- Terminal Rent	(\$54,660)	(200,000)	(200,000)	
	<u>\$6,025,282</u>	<u>\$7,968,400</u>	<u>\$7,856,100</u>	-1%
Terminal Rents, Other				
Government Agencies	284,883	283,400	353,700	
Car Rental Counters & Offices	272,056	269,400	284,300	
Other Terminal Rents	199,995	189,600	218,700	
	<u>756,935</u>	<u>742,400</u>	<u>856,700</u>	15%
Reno/Tahoe Non-Terminal Rents				
Building Rental	1,775,825	1,753,800	1,659,700	
Building Rental - Auto Rental	461,265	493,800	467,700	
Hangar Rental	1,043,502	1,068,500	1,043,800	
Land Rental	2,069,656	2,194,700	2,101,249	
Land Rental - Auto Rental	1,219,886	1,236,200	1,236,200	
	<u>6,570,135</u>	<u>6,747,000</u>	<u>6,508,649</u>	-4%
Reno Stead Rents				
Building Rental	7,137	7,200	15,500	
Hangar Rental	400,947	405,000	413,000	
Airfield Rental	54,672	55,200	56,400	
Land Rental	182,015	262,800	779,100	
Unmanned Aircraft System (UAS) Testing	700	4,000	-	
Sewer Use Fee	12,955	12,700	13,400	
Wash Rack	80	100	300	
Mini Warehouse Rent	15,326	15,000	15,800	
Other Rental	51,971	60,500	57,300	
	<u>725,802</u>	<u>822,500</u>	<u>1,350,800</u>	64%
TOTAL Space Rentals	\$ 14,078,154	\$ 16,280,300	\$ 16,572,249	2%

Reno-Tahoe Airport Authority
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ANNUAL BUDGET
Summary of Budgeted Revenues

	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Budget	Percent Change
Reimbursed Services				
Security Services	613,140	601,600	618,200	
Utilities	205,158	209,100	214,000	
Maintenance	18,935	7,700	19,500	
Disposal Fees	81,274	84,300	94,300	
Other	27,405	15,300	14,000	
Rental Car CFC Admin Costs	153,043	149,500	62,500	
BHS Reimbursement - Signatory Airline	1,471,163	1,658,328	669,464	
BHS Reimbursement - Non-Signatory Airline	62,642	71,700	57,900	
BHS - TSA Reimbursement	38,312	43,400	39,500	
TOTAL Reimbursed Services	2,671,072	2,840,928	1,789,364	-37%
Miscellaneous Revenue				
Miscellaneous Revenue	107,322	81,000	71,500	
Damage Claim Reimbursement	69,145	-	-	
	176,468	81,000	71,500	-12%
TOTAL OPERATING REVENUE	\$ 52,549,736	\$ 56,107,335	\$ 37,593,828	-33%
Non-Operating Revenue				
Investment Interest	1,176,551	812,800	528,900	
Investment Interest, CFC	-	-	-	
Investment Interest, Fuel Tax Fund	6,748	4,300	3,900	
Gain (Loss) on Sale of Fixed Assets	25,070	-	-	
Aviation Gas Tax	306,035	330,900	260,100	
CFC Revenue	-	-	-	
Miscellaneous	-	-	-	
TOTAL Non-Operating Revenue	1,514,403	1,148,000	792,900	-31%
TOTAL Pledged Revenue	\$ 54,064,139	\$ 57,255,335	\$ 38,386,728	-33%
Non-Pledged Revenue				
Investment Interest, Other Restricted	5	-	-	
Investment Interest, Consent Decree	-	11,000	6,700	
Investment Interest, CFC	117,860	118,800	42,500	
Investment Interest, PFC	400,060	92,900	60,000	
CARES Act	-	-	12,857,475	
CFC Revenue	4,613,478	5,966,100	3,061,700	
PFC Revenue	8,043,613	7,914,700	3,532,700	
Gain (Loss) on Investments Value	867,298	-	-	
Miscellaneous	-	-	-	
TOTAL Non-Pledged Revenue	\$ 14,042,682	\$ 14,103,500	\$ 19,561,075	39%
TOTAL REVENUES	\$ 68,106,821	\$ 71,358,835	\$ 57,947,803	-19%

**Reno-Tahoe Airport Authority
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ANNUAL BUDGET
Non-Airline Revenues**

	2018-19 Actual	2019-20 Budget	2019-20 Projected	2020-21 Budget	% Change 2021 Budget to	
					20 Budget	20 Projected
Non-Airline Revenues						
Auto Parking	12,412,029	12,332,800	9,260,474	5,563,400	-54.9%	-39.9%
Ground Transportation	405,647	428,300	309,400	183,300	-57.2%	-40.8%
Auto Rental	7,838,835	7,958,300	6,700,200	3,313,580	-58.4%	-50.5%
Non-Terminal Rents (RNO)	6,570,135	6,747,000	6,749,086	6,508,649	-3.5%	-3.6%
Reimbursed Services	2,671,072	2,840,928	2,343,228	1,789,364	-37.0%	-23.6%
Food & Beverage	1,581,646	1,745,600	1,256,176	734,604	-57.9%	-41.5%
Gaming Concession	1,116,447	1,162,300	652,800	340,800	-70.7%	-47.8%
Merchandising Revenue	1,102,964	1,139,800	937,500	932,145	-18.2%	-0.6%
Aircraft Fees	1,054,116	1,035,300	1,022,300	942,600	-9.0%	-7.8%
Reno Stead Rents	725,802	822,500	816,700	1,350,800	64.2%	65.4%
Other Terminal Rents	756,935	742,400	776,500	856,700	15.4%	10.3%
Advertising	762,725	732,000	600,100	337,458	-53.9%	-43.8%
Other Concessions	684,269	629,100	559,600	422,000	-32.9%	-24.6%
Miscellaneous	176,468	81,000	106,100	71,500	-11.7%	-32.6%
TOTAL REVENUES	\$ 37,859,089	\$ 38,397,328	\$ 32,090,164	\$ 23,346,899	-39.2%	-27.2%

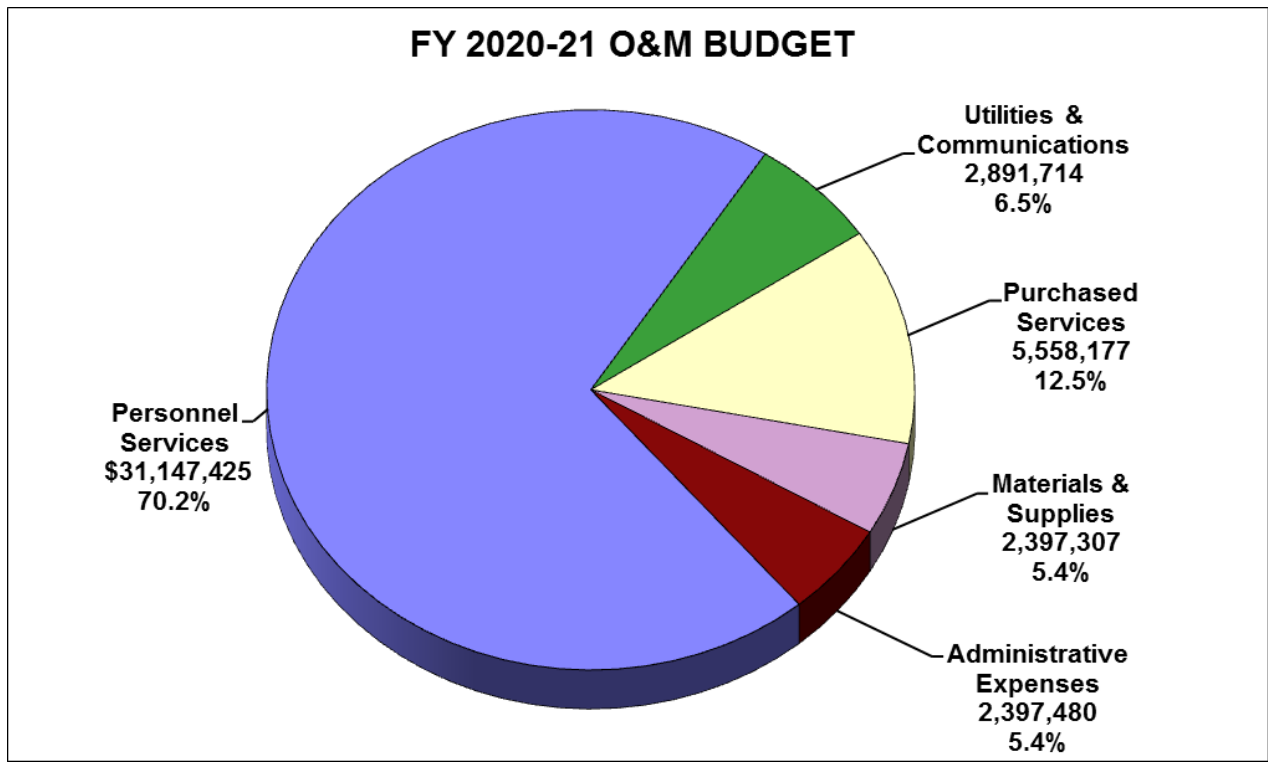
Section 7 – Expenditures

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

This section describes the FY 2020-21 Operating and Maintenance (O&M) Budget by category with analysis on changes from the prior budget year FY 2019-20. Categories include personnel services, utilities, services, supplies and administrative expenses. The budget process included a number of cost cutting measures to offset declining revenues due to the COVID-19 pandemic. These measures reduced O&M funding requirements by approximately \$8.3 million. Reduction measures included:

- Freezing 14 vacant positions (unfunded in the budget). Additional positions, as vacancies occur going forward, are considered for freezing based on priority and potential for additional budget reductions due to changing pandemic circumstances.
- Removed funding for salary increases and gain share incentives for management and Civil Service Plan employees. Funding is included for salary increases of represented employees as required by collective bargaining units.
- Removed funding for non-essential travel, supplies and services.

The FY 2020-21 O&M Budget totals \$44,392,102 and is grouped into the expense categories depicted in the chart below:



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Section 7 – Expenditures

The FY 2020-21 O&M Budget totals \$44,392,102. In comparison to FY 2019-20 budget, this is a decrease of \$2.350 million or 5.0%.

Account Group	2018-19 Actual	2019-20 Budget	2020-21 Budget	Percent Change
Personnel Services	\$ 29,334,325	\$ 32,247,216	\$ 31,147,425	-3.4%
Utilities & Communications	2,772,620	2,891,009	2,891,714	0.0%
Purchased Services	5,521,530	5,705,526	5,558,177	-2.6%
Materials & Supplies	2,045,295	2,434,638	2,397,307	-1.5%
Administrative Expenses	2,646,733	3,463,286	2,397,480	-30.8%
Total Operating Expenses	\$ 42,320,502	\$ 46,741,674	\$ 44,392,102	-5.0%

Personnel Services

The Personnel Services budget of \$31.147 million includes the salaries, wages and benefits cost for RTAA’s employees. In comparison to the prior fiscal year budget, expenses for personnel services are approximately \$1.100 million or 3.4 % lower. RTAA has 280.5 fulltime equivalent positions. Of these positions, 14 have are “frozen” and are not funded in the approved budget. For additional information on the number of positions by department and by classification, see Section 4 – Organizational Guide.

Personnel Services by Expense Category

	2019-20 Budget	2020-21 Budget	Difference	Percent Change
Salaries and Wages	20,355,274	19,177,634	(1,177,640)	-5.8%
Overtime	1,124,920	1,264,196	139,276	12.4%
Employee Benefits	4,595,122	4,680,395	85,273	1.9%
Retirement Contribution	6,171,900	6,025,200	(146,700)	-2.4%
Total	\$ 32,247,216	\$ 31,147,425	\$ (1,099,791)	-3.4%

Due to COVID-19 related budget reductions, the Salaries and Wages category does not include funding of salary increases or gain share incentives for employees within the management and Civil Service Plan groups. Salary increases are included for employees per collective bargaining agreements with the International Brotherhood of Teamsters (Teamsters), Reno Airport Fire Fighters Association (RAFFA), and the Airport Authority Police Officers’ Protective Association (AAPOPA). On June 11th RTAA entered into a new contract with the Teamsters bargaining unit effective July 1, 2020 through June 30, 2021. RAFFA and AAPOPA bargaining units entered into a new contract with RTAA effective July 1, 2017 through June 30, 2021.

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ANNUAL BUDGET
Section 7 – Expenditures

Employee Benefits includes expenses for group insurance premiums to provide healthcare, dental, and vision benefits for employees, and premiums for Workers’ Compensation insurance. Employee group healthcare insurance is the largest within this category estimated at \$3.508 million. Group healthcare insurance plans are brokered on behalf of RTAA to obtain the most competitive pricing and terms. Insurance premiums are budgeted to increase 23% as of January 1, 2021, the beginning of the next plan year. Workers’ Compensation insurance premiums have increased approximately \$40,000.

Overall other healthcare benefits, including dental, vision, life and long-term disability are anticipated to decrease approximately \$97,200 or 19.95% from the FY 2019-20 Budget. On October 10, 2019 the board approved a two year contract for dental and vision plans and a three year contract for life and disability plans effective January 1, 2020. The new contracts reflect a decrease of 16.7% for dental and vision plans and a 25% decrease for life and disability plans compared to FY 2019-20 rates.

Retirement benefits are provided by contract with the Nevada Public Employees’ Retirement System (PERS). Contribution rates are established by the Nevada Legislature during its biennial session that occurs during odd number years. The rates are based on the state’s actuarial valuation report adopted by the PERS Retirement Board. The established rates are 29.25% for regular employees and 42.50% for police/fire employees for all positions except those that have been frozen as a budget reduction. The rates are unchanged for FY 2020-21. The expense cost of \$6,025,200 decreased due to lower budget requirement of not funding the frozen positions.

Utilities and Communications

The Utilities and Communications category includes expense estimates for RTAA utilities, including electricity, water, sewer, natural gas and voice/data communication services. The FY 2020-21 Budget for this category is \$2,891,714, approximately the same as the prior budget year FY 2019-20.

	2019-20 Budget	2020-21 Budget	Difference	Percent Change
Electricity	1,762,600	1,666,986	(95,614)	-5.4%
Natural Gas	329,500	416,703	87,203	26.5%
Water	157,850	160,125	2,275	1.4%
Other Utilities	641,059	647,900	6,841	1%
Total	\$ 2,891,009	\$ 2,891,714	\$ 705	0%

Within this category the item of most consequence that changed is expected cost for natural gas due to the increase rates. Utility expenses to operate the baggage handling system equipment,

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including climate control systems and specialized inspection equipment, are separately metered and billed directly to the airlines through rates and charges

Purchased Services

The Purchased Services category accounts for professional or specialized service contracts necessary to meet the support needs of the RTAA, as well as maintenance and repair services for specialized systems/equipment, and related equipment rental. The FY 2020-21 Budget for this category includes expenses estimated at \$5.558 million, a decrease approximately \$147,300 or 2.6% from the FY 2019-20 Budget. Approximately \$514,800 of the funding for this category is from Customer Facility Charges (CFCs) collected from rental car customers in support of property management and repair and maintenance of rental car facilities owned by RTAA.

	2019-20	2020-21		Percent
	Budget	Budget	Difference	Change
Legal Services	400,000	475,000	75,000	18.8%
Data Processing	768,932	867,837	98,906	12.9%
Other Professional Services	817,450	560,710	(256,740)	-31.4%
Contracted Services	2,882,857	2,991,995	109,138	3.8%
Other Repair/Maintenance Svcs	577,671	445,268	(132,403)	-22.9%
Other Purchased Services	258,616	217,367	(41,249)	-15.9%
Total	\$ 5,705,526	\$ 5,558,177	\$ (147,349)	-2.6%

Notable changes in the approved budget as compared to the prior year budget are as follows:

- An increase in legal services of \$75,000 due to bargaining agreement negotiations, Dermody land development project at RTS, and the ConRAC project;
- An increase in data processing for software support services of \$98,900 due to new cloud-hosted virtual computing services and \$123,500 for offsite disaster recovery services. The increase is slightly offset by lower cost associated with the Airport Noise and Operations Monitoring System (ANOMS) maintenance contract of \$28,800.
- Decreases in other line items are due primarily to cost reduction measures in response to COVID-19 pandemic.

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Materials and Supplies

The Materials and Supplies category accounts for estimated expenses and items needed by RTAA personnel to maintain and supply RTAA facilities. The FY 2020-21 Budget estimates a total of \$2.397 million for this category, a decrease of 1.5% below the FY 2019-20 Budget.

	2019-20		2020-21		Percent
	Budget		Budget	Difference	Change
Office Supplies	157,600		145,010	(12,590)	-8.0%
Operating Supplies	616,515		591,969	(24,546)	-4.0%
Repair and Maintenance Supplies	972,606		677,900	(294,706)	-30.3%
Small Tool and Minor Equipment	687,917		982,428	294,511	42.8%
Total	\$ 2,434,638	\$	2,397,307	(37,332)	-1.5%

Estimated expenses related to office supplies, supplies and equipment have been reduced in response to the COVID-19 pandemic and efforts to reduce cost. The increase in small tools and equipment includes estimated costs for computer equipment.

Administrative Expenses

The Administrative Expenses category includes expense estimates for staff training, conferences, travel, air service development, insurance premiums and credit card processing fees.

	2019-20		2020-21		Percent
	Budget		Budget	Difference	Change
Educational & Professional Fees	554,834		344,200	(210,634)	-38.0%
Travel & Reimbursed Expense	365,962		82,800	(283,162)	-77.4%
Recruitment	7,300		9,300	2,000	27.4%
Air Service Development	592,000		118,300	(473,700)	-80.0%
Economic Development	25,000		25,000	-	0.0%
Conference Sponsorship	240,000		20,000	(220,000)	-91.7%
Community Outreach	147,500		83,300	(64,200)	-43.5%
Publications / Advertising	171,240		255,880	84,640	49.4%
Airport Insurance	1,057,000		1,284,900	227,900	21.6%
Credit Card Fees	302,450		173,800	(128,650)	-42.5%
Fines and Settlements	-		-	-	
Total	\$ 3,463,286	\$	2,397,480	\$ (1,065,806)	-30.8%

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In comparison to the prior year, this expense category decreased by \$1.066 million or 30.8% from the FY 2019-20 Budget. Expenses associated with professional development, travel, and training were significantly reduced due to COVID-19 cost reduction measures. Only essential travel is budgeted in FY 2020-21 and must be approved by the President/CEO or designee.

RTAA does extensive air service development through a variety of channels, from advertising campaigns, new air service announcements and inaugural events, to signage promoting air service partners and routes. Due to the COVID-19 pandemic and universal recommendations to social distance, RTAA has deferred the advertising campaign and annual air service video as a cost reduction measure. A number of events and airline headquarter meetings have been removed from the budget due to COVID-19 restrictions on travel and office visitors. Typical in-person meetings have since been accommodated by way of video conferencing. As a result, the budget for Air Service Development is decreasing by \$473,700 in FY 2020-21.

Conference Sponsorship is decreasing by \$220,000 due primarily to the cancellation of the Southwest Chapter of American Association of Airports annual summer conference, and the ACI-NA Jump Start Air Service Development Conference, in response to the COVID-19 pandemic.

Publications and Advertising is increasing by \$84,600 to address a communication campaign associated with the RTAA Recovery Plan in response to the COVID-19 pandemic.

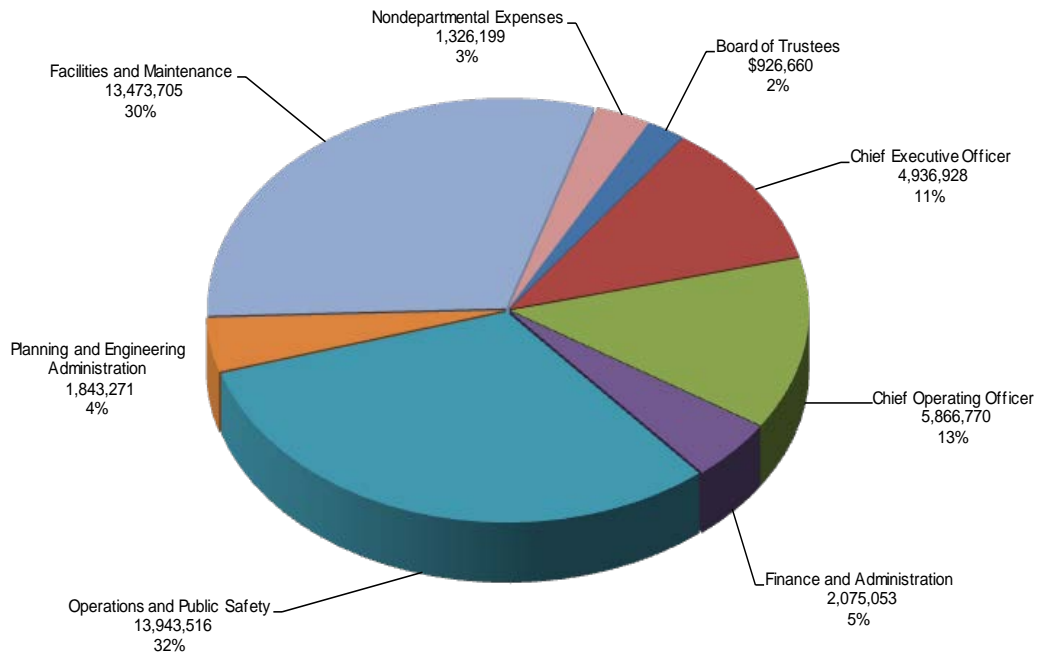
Airport property and liability insurance premiums are projected to increase by \$227,900 or 21.6% from the prior fiscal year due to cost increases in most lines of liability coverage. In the past two years the insurance market has deteriorated from stable (2018) to “mixed” (2019) to hard in 2020. The market is especially hard in the coverage lines of property, liability and professional lines.

The last item in this section reflects a proposed decrease of approximately \$128,700 in credit card transaction fees. This comes as a direct result of lower forecasted transaction volume due to lower passenger activity as an effect to the COVID-19 pandemic.

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Budgeted Expenses by Organizational Unit

FY 2020-21 O&M by Department



Department	
Board of Trustees	\$ 926,660
Chief Executive Officer	4,936,928
Chief Operating Officer	5,866,770
Finance and Administration	2,075,053
Operations and Public Safety	13,943,516
Planning and Engineering Administration	1,843,271
Facilities and Maintenance	13,473,705
Nondepartmental Expenses	<u>1,326,199</u>
Total	\$44,392,102

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Summary of Budgeted Expenditures

Account Group	2018-19 Actual	2019-20 Budget	2020-21 Budget	Percent Change
Personnel Services	\$ 29,334,325	\$ 32,247,216	\$ 31,147,425	-3.4%
Utilities & Communications	2,772,620	2,891,009	2,891,714	0.0%
Purchased Services	5,521,530	5,705,526	5,558,177	-2.6%
Materials & Supplies	2,045,295	2,434,638	2,397,307	-1.5%
Administrative Expenses	2,646,733	3,463,286	2,397,480	-30.8%
Total Operating Expenses	\$ 42,320,502	\$ 46,741,674	\$ 44,392,102	-5.0%
Property, Plant and Equipment	551,245	1,798,175	449,861	-75.0%
Total	\$ 42,871,747	\$ 48,539,849	\$ 44,841,963	-7.6%

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Resources Applied by Organizational Unit

	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	CHANGE
Board of Trustees Department				
Board of Trustees	\$178,456.64	\$ 147,330.00	\$ 122,250.00	-17.0%
Internal Audit	278,478	316,810	305,785	-3.5%
General Counsel	409,230	425,425	498,625	17.2%
Total	866,165	889,565	926,660	4.2%
President/CEO Department				
President/CEO	846,287	924,039	829,954	-10.2%
Air Service Development	498,689	763,154	502,108	-34.2%
Marketing and Public Affairs	1,662,327	1,748,121	1,366,635	-21.8%
Economic Development	1,244,892	1,369,700	1,078,100	-21.3%
Outside Properties	1,259,790	1,066,265	1,160,131	8.8%
Total	5,511,985	5,871,279	4,936,928	-15.9%
Executive Vice-President/COO Department				
Executive Vice-President/COO	447,883	457,680	315,030	-31.2%
Technology & Information Systems	2,302,020	3,260,949	3,400,869	4.3%
Reno-Stead Airport	1,021,404	1,090,367	1,081,566	-0.8%
Unmanned Aircraft Systems (UAS)	3,263	24,495	2,600	-89.4%
Human Resources	1,055,736	1,312,592	1,066,705	-18.7%
Total	4,830,307	6,146,083	5,866,770	-4.5%
Finance and Administration Department				
Accounting & Administration	1,013,295	1,131,975	1,115,364	-1.5%
Finance & Budget	314,204	359,600	310,940	-13.5%
Purchasing & Materials Management	577,390	695,337	648,749	-6.7%
Total	1,904,888	2,186,912	2,075,053	-5.1%
Operations and Public Safety Department				
Operations Administration	314,179	355,250	348,875	-1.8%
Airside Operations	2,238,104	2,513,566	2,628,685	4.6%
Landside Operations	1,647,412	1,613,579	1,559,868	-3.3%
Airport Fire	3,273,652	3,572,496	3,695,897	3.5%
Airport Police	3,459,405	3,792,576	3,961,956	4.5%
Security	1,581,876	1,757,012	1,748,235	-0.5%
Total	12,514,626	13,604,479	13,943,516	2.5%
Planning and Engineering Department				
Planning & Engineering Administration	-	336,165	311,160	-7.4%
Planning & Environmental Services	1,063,985	754,531	719,490	-4.6%
Engineering & Construction	788,653	857,006	812,621	-5.2%
Total	1,852,638	1,947,702	1,843,271	-5.4%
Facilities and Maintenance Department				
Facilities Administration	724,200	757,420	735,630	-2.9%
Airfield Maintenance	3,759,035	3,900,130	3,678,056	-5.7%
Building Maintenance	7,406,607	8,076,300	7,576,655	-6.2%
Baggage Handling System	1,461,202	1,757,154	1,483,364	-15.6%
Total	13,351,044	14,491,004	13,473,705	-7.0%
Non Departmental Operation and Maintenance Expenses				
Non Departmental	1,488,849	1,604,650	1,326,200	-17.4%
Total	1,488,849	1,604,650	1,326,200	-17.4%
Total Operations and Maintenance Expense	42,320,502	46,741,674	44,392,102	-5.0%
Property, Plant and Equipment	551,245	1,798,175	449,861	-75.0%
Total	\$42,871,747.12	\$48,539,848.52	\$44,841,963.20	-7.6%

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Board of Trustees

Mission Statement: Establish policies that govern the operation of the RTAA through the adoption of resolutions and awarding of contracts.

Key Duties and Responsibilities:

- Establish permanent and temporary Board Committees.
- Evaluate the President/CEO's performance.
- Exercise the authority granted under Statutes of Nevada through collective Board action.
- Disclose all conflicts and/or possible conflicts that might compromise a Board member's fiduciary duty.
- Adopt Policies, Regulations and Actions as guides for the action of those to whom it delegates authority.

General Counsel

Mission Statement: Provide legal services to the Board of Trustees and RTAA staff including legal opinions, litigation defense, contract and legal document review, regulatory and legislative consultation, and legal representation at Board meetings and other meetings as required, and performance of other duties as required.

Key Duties and Responsibilities:

- Provide legal advice.
- Advise on individual, labor and employment matters.
- Review personnel, fiscal and other policies, as well as RTAA by-laws and resolutions.
- Defend lawsuits, administrative claims, or other legal claims.
- Conduct litigation as necessary.
- Maintain knowledge of issues facing the RTAA and be prepared to offer legal opinions.
- Provide legal expertise in the following areas:
 - Airport and aviation-related matters
 - Airline Use and Lease Agreements
 - Employment and Labor Law
 - Collective Bargaining and arbitration
 - Environmental Law
 - Contract Law
 - Nevada Revised Statutes – Purchasing / Public Works
 - General Tort Law

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- Water Rights Law
- Property Development and commercial transactions
- Airline and Tenant Bankruptcy
- Noise abatement and/or mitigation
- Open Records Law
- Prepare, review, consult, and approve contracts.
- Advise on government grant and contract issues.
- Review and approve legislative documents.
- Advise on responses to subpoenas, court orders, and requests for information from third parties.
- Attend Board of Trustee and Committee meetings, as necessary.
- Attend work sessions and meetings with staff as required.
- Coordinate the services of outside legal firms and review all outside counsel invoices.

Internal Audit

Mission Statement: To enhance and protect organizational value, safeguard RTAA assets and improve operations through providing independent, risk-based and objective assurance reviews. Internal Audit brings a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes.

Key Duties and Responsibilities:

- Perform risk-based analysis of the RTAA to determine high priority engagements and incorporate this review into the preparation of the annual Audit Plan.
- Conduct audits that focus on value-added auditing techniques in conformity with the “International Standards for the Professional Practice of Internal Auditing”.
- Execute the annual Audit Plan including lease compliance audits.
- Review all accounts payable and travel expense reimbursements.
- Audit public parking revenues and operations in accordance with the audit program.
- Audit monthly the rental car companies for agreement compliance.
- Perform an Enterprise Risk and Fraud Risk Assessment to evaluate potential risk areas and assist in the development of the annual audit plan.
- Conduct value added Performance Risk Assessment Audits of internal divisions and other concessions with a focus on internal controls, accurate reporting, and reducing financial, reputational, and procedural risks.
- Perform special assignments, as requested.
- Prepare proposed fiscal year budgets for the Internal Audit Department and assist with the General Counsel Budget.

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BOARD OF TRUSTEES

Section 101

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$31,978	\$34,700	\$32,300	-7%
Trustee Stipend	41190	60,480	60,480	60,480	0%
Service Awards	41270	364	400	650	63%
Group Insurance	41340	2,251	3,700	4,200	14%
Retirement	41360	8,954	10,200	9,400	-8%
TOTAL PERSONNEL SERVICES		104,027	109,480	107,030	-2%
PURCHASED SERVICES					
Consultants - General	43140	51,398	0	0	0%
Maintenance Agreement-Copier	43345	1,656	1,800	1,900	6%
Freight Expense	43430	143	0	0	0%
Other Purchased Services	43490	2,752	400	500	25%
TOTAL PURCHASED SERVICES		55,949	2,200	2,400	9%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,294	2,000	2,000	0%
Paper	44110	150	100	400	300%
Postage	44120	3	50	20	-60%
Printing & Forms	44130	254	200	200	0%
Refreshments and Breakroom Supplies	44140	16	0	0	0%
Protocol Gifts and Promotional Supplies	44150	0	500	0	-100%
TOTAL MATERIALS & SUPPLIES		1,717	2,850	2,620	-8%
ADMINISTRATIVE EXPENSE					
Conference Registration Fees	45130	2,725	7,500	1,500	-80%
Training Expense	45140	0	700	700	0%
Meeting Expense	45150	5,212	9,600	5,000	-48%
Travel & Reimbursed Expense	45210	8,827	15,000	3,000	-80%
TOTAL ADMINISTRATIVE EXPENSES		16,764	32,800	10,200	-69%
TOTAL EXPENSES BEFORE FIXED ASSETS		178,457	147,330	122,250	-17%
FIXED ASSET ACQUISITION					
Fixed Asset Acquisition	48150	0	0	0	0%
TOTAL DEPARTMENT EXPENSES		<u>\$178,457</u>	<u>\$147,330</u>	<u>\$122,250</u>	<u>-17%</u>

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GENERAL COUNSEL

Section 102

	<u>ACCOUNT NO.</u>	<u>2018-19 ACTUAL</u>	<u>2019-20 BUDGET</u>	<u>2020-21 BUDGET</u>	<u>PERCENT CHANGE</u>
PURCHASED SERVICES					
Legal Contracted Service	43110	374,576	400,000	475,000	19%
Other Professional Services	43190	32,326	20,000	20,000	0%
Maintenance Agreement-Copier	43345	13	0	0	0%
Other Purchased Services	43490	622	625	625	0%
TOTAL PURCHASED SERVICES		407,537	420,625	495,625	18%
ADMINISTRATIVE EXPENSE					
Books & Subscriptions	45120	0	600	0	-100%
Conference Registration Fees	45130	0	1,800	1,200	-33%
Travel & Reimbursed Expense	45210	1,693	2,400	1,800	-25%
TOTAL ADMINISTRATIVE EXPENSES		1,693	4,800	3,000	-38%
TOTAL EXPENSES BEFORE FIXED ASSETS		409,230	425,425	498,625	17%
FIXED ASSETS					
Fixed Asset Acquisition	48150	0	0	0	0%
TOTAL SECTION EXPENSES		<u>\$409,230</u>	<u>\$425,425</u>	<u>\$498,625</u>	17%

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INTERNAL AUDIT

Section 204

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	129,000	203,600	198,800	-2%
Vacation Pay	41130	46,133	4,000	3,600	-10%
Sick Leave	41140	10,754	3,000	2,500	-17%
Holiday Pay	41150	9,483	0	0	0%
Comp Time	41160	457	0	0	0%
Payroll Accrual	41195	236	0	0	0%
Medicare	41320	2,801	3,000	2,900	-3%
Group Insurance	41340	23,830	28,700	32,500	13%
Disability Insurance	41342	1,655	2,400	1,800	-25%
Vision Insurance	41344	302	400	300	-25%
Dental Insurance	41347	2,282	3,000	2,700	-10%
Workers Comp	41350	252	200	200	0%
Retirement	41360	46,029	59,600	58,100	-3%
Accrued PERS Expense	41365	212	0	0	0%
TOTAL PERSONNEL SERVICES		\$273,427	\$307,900	\$303,400	-1%
PURCHASED SERVICES					
Maintenance Agreement-Copier	43345	9	500	0	-100%
Other Purchased Services	43490	25	0	0	0%
TOTAL PURCHASED SERVICES		34	500	0	-100%
MATERIALS & SUPPLIES					
Office Supplies	44100	97	250	150	-40%
Paper	44110	0	25	0	-100%
Postage	44120	0	25	25	0%
Printing & Forms	44130	55	0	0	0%
Furniture and Accessories	44415	97	0	0	0%
TOTAL MATERIALS & SUPPLIES		249	300	175	-42%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	980	1,210	1,210	0%
Books & Subscriptions	45120	444	500	500	0%
Conference Registration Fees	45130	0	1,700	0	-100%
Training Expense	45140	344	500	500	0%
Travel & Reimbursed Expense	45210	2,999	4,200	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		4,768	8,110	2,210	-73%
TOTAL SECTION EXPENSES		\$278,478	\$316,810	\$305,785	-3%

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President/CEO

Mission Statement: Implement Board policy to ensure the operation and maintenance of a safe, efficient, customer service oriented, and financially self-sufficient airport system. In addition, this department is responsible for the achievement of Board adopted strategic initiatives, maintaining strong relations with the community, and representing the RTAA's interests at the local, state, and federal government levels.

Key Duties and Responsibilities:

- Develop policies and plans for the safe and efficient operation of the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS).
- Direct and manage staff in the development and implementation of work plans to achieve the Strategic Priorities established by the Board of Trustees.
- Oversee the RNO air service development effort and promote air carriers and their services to the Reno-Tahoe community.
- Lead and/or work closely with the state and local economic development agencies and other community partners to attract and expand business opportunities and real estate development at both airports.
- Maintain continuing and pertinent communication with the Board of Trustees.
- Represent the RTAA's plans and initiatives through speaking engagements in professional meetings.
- Lead negotiations with regulators, major customers and other stakeholders.
- Communicate effectively with public, government, community and aviation industry leaders.

President/CEO - Initiatives:

FY 2019-20 Initiatives

- 1. Maintain an effective and positive working relationship with appointing governmental entities.**

Strategic Initiative: Customer Experience.

Long-Term Goal: RTAA Brand and Community Leadership.

Description: This initiative encourages communication and outreach to all airport stakeholders and appointing local government entities to further enhance cooperation, coordination, teamwork and enhance a positive working relationship.

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The RTAA is a quasi-municipal corporation that was created by the Nevada State Legislature and began operation on July 1, 1978. The nine-member Board of Trustees that governs the RTAA is appointed by the City of Reno (4 Trustees), City of Sparks (2 Trustees), Washoe County (2 Trustees) and the Reno Sparks Convention and Visitors Authority (1 Trustee).

Performance Measure: The President/CEO is to meet annually with all four (4) appointing governmental entities by June 30, 2020.

Progress: 25% Completed. The President/CEO provided a formal presentation at the RCSVA board meeting in January 2020. Three presentations were schedule in spring 2020, however due to the COVID-19 pandemic future presentations were cancelled.

2. Maintain and expand communication with TSA.

Strategic Initiative: Safety and Security.

Long-Term Goal: Emergency Response Preparedness.

Description: As safety and security risks evolve and expand beyond the traditional security screening program, it is imperative that the RTAA and TSA work together to prepare for ever changing emergency scenarios as well as expand our efforts to train RNO tenants and other community partners to enhance the collective response. This initiative is to expand the RTAA’s cooperation with the TSA to efficiently deploy resources and enhance communication.

Performance Measure: The President/CEO is to hold twelve (12) meetings with TSA by June 30, 2020.

Progress: 100% Completed. The President/CEO held 12 meetings with TSA during FY 2019-20.

3. Maintain and expand communication with Customs and Border Protection.

Strategic Initiative: Safety and Security.

Long-Term Goal: Emergency Response Preparedness.

Description: As security risks associated with visitors from foreign countries evolves and expands beyond the traditional screening and verification, it is imperative that the RTAA and CPB work together to prepare for ever changing scenarios, while making the

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customer experience as efficient and pleasant as possible. This initiative is to expand the RTAA's cooperation with the Customs and Border Protection (CPB) to efficiently deploy resources, enhance communication, coordinate law enforcement support and work toward enforcing the laws at the same time improving the experience of visitors to our region from across the globe.

Performance Measure: The President/CEO is to hold four (4) meetings with CBP by June 30, 2020.

Progress: 100% Completed. Four (4) meetings were held in FY 19-20.

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PRESIDENT/CEO

Section 201

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	336,394	\$431,400	\$366,500	-15%
Vacation Pay	41130	35,650	6,200	5,700	-8%
Sick Leave	41140	16,531	6,300	6,800	8%
Holiday Pay	41150	17,027	0	0	0%
Comp Time	41150	250	0	0	0%
Payroll Accrual	41195	(885)	0	0	0%
Automobile Allowance	41250	7,200	7,200	7,200	0%
Service Awards	41270	252	0	0	0%
Premium Payroll Accrual	41285	20	0	0	0%
Medicare	41320	5,941	6,300	5,300	-16%
Group Insurance	41340	14,284	14,800	16,600	12%
Disability Insurance	41342	2,406	4,100	2,900	-29%
Vision Insurance	41344	154	200	100	-50%
Dental Insurance	41347	1,077	1,000	900	-10%
Workers Comp	41350	504	400	400	0%
Retirement	41360	97,358	108,800	107,200	-1%
Accrued PERS Expense	41365	374	0	0	0%
TOTAL PERSONNEL SERVICES		534,538	586,700	\$519,600	-11%
PURCHASED SERVICES					
Other Professional Services	43190	161,810	188,000	160,000	-15%
Maintenance Agreement-Copier	43345	827	800	850	6%
Freight Expense	43430	230	200	250	25%
TOTAL PURCHASED SERVICES		162,868	189,000	161,100	-15%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,651	1,900	3,400	79%
Paper	44110	0	200	0	-100%
Postage	44120	74	125	125	0%
Printing & Forms	44130	218	300	500	67%
Refreshments and Breakroom Supplies	44140	614	500	850	70%
TOTAL MATERIALS & SUPPLIES		2,557	3,025	4,875	61%
ADMINISTRATION EXPENSES					
Membership Dues	45110	120,458	109,089	107,589	-1%
Books & Subscriptions	45120	75	90	90	0%
Conference Registration Fees	45130	2,455	4,125	700	-83%
Training Expense	45140	149	0	0	0%
Meeting Expense	45150	5,900	8,000	8,000	0%
Travel & Reimbursed Expense	45210	15,309	20,210	3,000	-85%
Relocation Expense	45220	0	0	25,000	%
Condolence/Sympathy/Customer Support	45397	1,918	2,800	0	-100%
Community Outreach	45398	59	1,000	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		146,324	145,314	144,379	-1%
TOTAL DEPARTMENT EXPENSES		\$846,287	\$924,039	\$829,954	-10%

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Air Service Development

Mission Statement: Maintain and/or increase the level of passenger and cargo air service at the Reno-Tahoe International Airport (RNO) by collaborating with community stakeholders to define critical markets and together aggressively pursue them with key airline decision makers.

Key Duties and Responsibilities:

- Communicate current airport status and promote air carriers and their destinations to the Reno-Tahoe community.
- Develop and present route analyses and business plans to airlines designed to maintain existing air service, as well as attract new air service opportunities.
- Develop air service marketing and advertising programs, in conjunction with the Marketing and Public Relations team, to promote local market demand and incorporate the business community in the messaging.
- Develop and present air cargo business plans to domestic and international cargo carriers.
- Meet with carriers, freight forwarders, end users and other air cargo entities; utilizing existing relationships, present comprehensive business cases to key staff and stakeholders in order to further the development process, leading to new service.
- Partner with community organizations that contribute to the air service and business development of RNO such as the Regional Air Service Corporation (RASC), Economic Development Authority of Western Nevada (EDAWN), Northern Nevada Development Authority (NNDA), Reno Sparks Convention and Visitors Authority (RSCVA), Nevada Commission of Tourism (NCOT) and the Governor’s Office of Economic Development (GOED), Tahoe North Visitors and Convention Bureau (TNVCB), and Lake Tahoe Visitors Authority (LTVA).
- Partner with business and professional organizations that are related to the travel industry such as the American Association of Airport Executives (AAAE), and Airports Council International- North America (ACI-NA).
- Increase knowledge of air passenger, air cargo and travel industry by participating in professional training, which may include seminars hosted by AAAE, ACI JumpStart, ACI Data Planning Seminar, and ACI Air Cargo conference.
- Proactively seek ad hoc opportunities to increase air passenger and/or cargo service i.e. charters, extra sections, larger aircraft.
- Pursue international charters.
- Build on relationships with RNO airline station managers and airline executive decision makers.
- Enhance relationships with local, national and international freight forwarders.
- Build on air service recovery by forging strong airline relationships through a combination of conference and headquarter meetings.

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- Use marketing and resort relationships to maintain status as the “Gateway to Lake Tahoe”.
- Determine and report the level of air carrier activity at RNO by completing a Monthly Flight Schedule.
- Gather and report the monthly and year-to-date passenger and air cargo activity at RNO.
- Research and monitor the current route health of existing flights at RNO.

Air Service Development - Initiatives:

FY 2019-20 Initiatives

1. Hold Meetings including route analyses and market opportunities.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Air Service Status Indicators

Description: This initiative involves the development of realistic business opportunities at RNO for air carriers including possible incentives, marketing support, and risk mitigation available from the community.

Performance Measure: The following goals have been established to monitor and report the marketing efforts and levels of air service to be achieved at RNO in FY 2019-20:

- ✓ Number of Passenger Airline Meetings: 25
- ✓ Average Number of Carriers: 8
- ✓ Average Number of Non-Stop Destinations: 20
- ✓ Number of Average Daily Seats: 7,569
- ✓ Retain and Grow Number of Domestic Non-Stop Destinations: 19
- ✓ Retain and Grow Number of International Non-Stop Destinations: 1
- ✓ Aircraft Landed Weight (Passenger): 3,077,897 (000) lbs.

Progress: Partially Achieved. Air Service staff held 26 one-on-one meetings with airlines. Most of the year, RNO served flights on nine commercial airlines. Due to COVID-19 pandemic the following initiatives were off target, as of June 30, 2020; non-stop flights destinations, average daily seats, number of domestic non-stop destinations, number of international non-stop destinations, and passenger landed weight.

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2. Conduct education sessions on the RTAA’s Air Service Development Program to local community and business stakeholders.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Community Awareness

Description: This initiative will conduct education sessions with tourism sales representatives, business leaders, and civic organizations to educate the community about air service development. These sessions will also promote increased loyalty to existing air carriers serving RNO.

Performance Measure: Hold at least six (6) community and business stakeholders sessions to educate and promote RTAA air service development by June 30, 2020.

In addition, RTAA staff will communicate airfare deals available at RNO through weekly emails (50 times annually) through RTAA’s extensive database to stakeholders and interested parties under the title of “RNO Explorer”.

Progress: Partially Achieved. Staff held 6 community and stakeholder sessions during FY 2019-20. Due to COVID-19 pandemic communicated airfare deals through weekly e-mails were off target as of June 30, 2020. In lieu of RNO Explorer weekly emails, PR and Marketing department created two social media contests with Re-live Your Best Trip & Your Best Trip.

3. Host airline representative visits to the Reno-Tahoe Region.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Air Service Status Indicator

Description: This initiative will bring airline representatives to the Reno-Tahoe region as guests to showcase the area through the use of private invitations, Air Service 101 participation, special event attendance and more. Experience has shown that first-hand knowledge and familiarity with the RNO catchment market improves the RTAA’s ability to demonstrate new business opportunities.

Performance Measure: Host Thirty (30) airline representative visits to Reno-Tahoe region by June 30, 2020.

Progress: 100% Achieved. Staff facilitated 31 airline representative visits to our region. Over 50% of these visits were in conjunction with the National Championship Air Races

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held in September 2019 at RTS. This week long event and the RTAA sponsored chalet provide an outstanding incentive for airline representatives to enjoy their passion for aviation and learn what our region has to offer.

4. Collaborate and coordinate with Regional Air Service Corporation (RASC) and other key stakeholders.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Air Service Status Indicators

Description: Under FAA policy, the RTAA is not permitted to provide any financial support to airlines other than the waiver of certain rates and charges and providing marketing of new routes. However, staff can facilitate relationships and cooperate closely with the Regional Air Service Corporation (RASC).

The RASC is a corporation formed for the purpose of supporting air service to the RNO catchment area. By retaining and expanding membership by local businesses, the available funding and marketing support of new air service through airline risk mitigation is expanded.

Performance Measure: RTAA staff to attend all RASC Marketing Committee, Executive Committee and Board Meetings.

Progress: 100% Achieved. Staff attended all of the RASC meetings in FY 2019-20. These meetings include quarterly board meetings, Marketing Committee meetings and Executive Committee meetings.

5. Hold meetings with cargo carriers.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Air Cargo Growth

Description: This initiative will involve direct meetings with carriers, forwarders, end users and other air cargo entities to enhance existing relationships and develop new opportunities. This effort will share new regional developments and enhance RTAA understanding of future cargo plans. These meetings will also include presenting a comprehensive business case in support of additional cargo air service in the Northern Nevada Region.

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Performance Measure: The following goals have been established to monitor and report the marketing efforts and levels of cargo service to be achieved at RNO in FY 2019-20. Hold three (3) meetings by June 30, 2020.

- ✓ Number of Cargo Carrier Meetings: 3
- ✓ Landed Weight for Cargo Carriers: 556,512 (000) lbs.
- ✓ Pound of Cargo Carried: 148,039,575 lbs.

Progress: Partially Achieved. Staff held three one-on-one meetings with cargo airlines. The airlines carried 143,983,647 pounds of air cargo in FY 2019-20, a year-over-year decrease of 2.7%. The landed weight for cargo carriers was over 625 million pounds.

6. Update annual plan for Air Service Development.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Maintenance of existing air service routes

Description: This initiative involves regular updating of the Air Service Development (ASD) plan by regularly assessing existing service, identifying opportunities, identifying major stakeholders, identifying and securing available resources, establishing and validating goals, as well as determining strategy and techniques.

Performance Measure: Air Service Staff to update RTAA Air Service Development Plan annually, no later than June 30, 2020.

Progress: 100% Completed. Staff completed the RTAA Air Service Development Plan in March 2020.

FY 2020-21 New Initiatives

1. Hold Meetings including route analyses and market opportunities.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Air Service Status Indicators

Description: This initiative involves the development of realistic business opportunities at RNO for air carriers including possible incentives, marketing support, and risk mitigation available from the community. Due to the COVID-19 pandemic and the universal recommendation to social distance, many airlines may be reluctant to schedule HDQ visits/meetings in the foreseeable future. Therefore, we are anticipating that most of

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staff's airline meetings with network planners will take place at airline/airport conferences. In addition, if necessary, we will hold these typically in-person meetings via video conferencing on platforms such as Zoom and Webex.

Performance Measure: The following goals have been established to monitor and report the marketing efforts and levels of air service to be achieved at RNO in FY 2020-21:

- ✓ Number of Passenger Airline Meetings: 25
- ✓ Average Number of Carriers: 6
- ✓ Average Number of Non-Stop Destinations: 10
- ✓ Number of Average Daily Seats: 4,323
- ✓ Retain and Grow Number of Domestic Non-Stop Destinations: 10
- ✓ Aircraft Landed Weight (Passenger): 1,443,502 (000) lbs.

2. Collaborate and coordinate with Regional Air Service Corporation (RASC) and other key stakeholders.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Air Service Status Indicators

Description: Under FAA policy, the RTAA is not permitted to provide any financial support to airlines other than the waiver of certain rates and charges and providing marketing of new routes. However, staff can facilitate relationships and cooperate closely with the Regional Air Service Corporation (RASC).

The RASC is a corporation formed for the purpose of supporting air service to the RNO catchment area. By retaining and expanding membership by local businesses, the available funding and marketing support of new air service through airline risk mitigation is expanded.

Performance Measure: RTAA staff to attend all RASC Marketing Committee, Executive Committee and Board Meetings.

3. Update annual plan for Air Service Development.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Maintenance of existing air service routes

Description: This initiative involves regular updating of the Air Service Development (ASD) plan by regularly assessing existing service, identifying opportunities, identifying

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major stakeholders, identifying and securing available resources, establishing and validating goals, as well as determining strategy and techniques.

Performance Measure: Air Service Staff to update RTAA Air Service Development Plan annually, no later than June 30, 2021.

4. Conduct education sessions on the RTAA’s Air Service Development Program to local community and business stakeholders.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Community Awareness

Description: This initiative will conduct education sessions with tourism sales representatives, business leaders, and civic organizations to educate the community about air service development. These sessions will also promote increased loyalty to existing air carriers serving RNO. Due to the COVID-19 pandemic and the directive from many states, including Nevada, to limit social interactions to small groups, these typically in-person meetings may be held via video conferencing on platforms such as Zoom and Webex.”

Performance Measure: Hold at least six (6) community and business stakeholders sessions to educate and promote RTAA air service development by June 30, 2021.

In addition, RTAA staff will communicate airfare deals available at RNO through weekly e-mails or RNO Explorer (26 times annually) through RTAA’s extensive database to stakeholders.

5. Hold meetings with cargo carriers.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Air Cargo Growth

Description: This initiative will involve direct meetings with carriers, forwarders, end users and other air cargo entities to enhance existing relationships and develop new opportunities. This effort will share new regional developments and enhance RTAA understanding of future cargo plans. These meetings will also include presenting a comprehensive business case in support of additional cargo air service in the Northern Nevada Region.

Performance Measure: The following goals have been established to monitor and report the marketing efforts and levels of cargo service to be achieved at RNO in FY 2020-21.

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Hold three (3) meetings by June 30, 2021.

- ✓ Number of Cargo Carrier Meetings: 3
- ✓ Landed Weight for Cargo Carriers: 597,002 (000) lbs.
- ✓ Pound of Cargo Carried: 143,983,647 lbs.

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AIR SERVICE BUSINESS DEVELOPMENT

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	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$184,343	235,800	\$236,100	0%
Vacation Pay	41130	19,808	2,100	2,700	29%
Sick Leave	41140	10,855	4,700	5,300	13%
Holiday Pay	41150	10,642	0	0	0%
Comp Time	41160	3,367	0	0	0%
Payroll Accrual	41195	(1,472)	0	0	0%
Medicare	41320	3,208	3,400	3,400	0%
Group Insurance	41340	32,921	34,500	39,100	13%
Disability Insurance	41342	2,435	2,900	2,200	-24%
Vision Insurance	41344	430	500	300	-40%
Dental Insurance	41347	3,381	3,700	3,100	-16%
Workers Comp	41350	756	600	600	0%
Retirement	41360	61,771	69,000	69,000	0%
Accrued PERS Expense	41365	248	0	0	0%
TOTAL PERSONNEL SERVICES		332,691	357,200	361,800	1%
PURCHASED SERVICES					
Maintenance Agreement-Copier	43345	79	200	0	-100%
Freight Expense	43430	1,317	1,000	500	-50%
Information and Data Access Services	43480	48,948	53,800	53,800	0%
Other Purchased Services	43490	236	75	80	7%
TOTAL PURCHASED SERVICES		50,579	55,075	54,380	-1%
MATERIALS & SUPPLIES					
Office Supplies	44100	581	500	150	-70%
Paper	44110	0	250	0	-100%
Postage	44120	6	50	25	-50%
Printing & Forms	44130	386	200	200	0%
Protocol Gifts and Promotional Supplies	44150	20,582	23,600	18,500	-22%
Sign and Sign Maintenance	44430	1,000	5,000	5,000	0%
TOTAL MATERIALS & SUPPLIES		22,555	29,600	23,875	-19%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	150	870	550	-37%
Conference Registration Fees	45130	8,994	20,109	10,303	-49%
Meeting Expense	45150	1,524	4,000	2,500	-38%
Meeting Exp-Air Svc Task Force	45151	56	0	0	0%
Travel & Reimbursed Expense	45210	31,316	60,000	16,400	-73%
Travel&Reimb Exp-Air Svc Task	45211	7,750	7,800	0	-100%
Employee Mileage Reimbursement	45240	0	0	500	%
Air Service Development	45350	14,271	54,000	17,300	-68%
Advertising & Promotion	45390	18,803	14,500	14,500	0%
Conference Sponsorship	45391	10,000	160,000	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		92,864	321,279	62,053	-81%
TOTAL SECTION EXPENSES		498,689	763,154	502,108	-34%

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Marketing and Public Affairs

Mission Statement: Provide public information 24 hours a day/7 days a week and support RTAA efforts to preserve and enhance its airport's image as forward thinking and community minded through public awareness activities and customer service.

Key Duties and Responsibilities:

- Provide airport information and community outreach through various forms of media and programs.
- Maintain and enhance customer service and community outreach by hosting staff and community meetings, as well as holding press conferences.
- Enhance service through the customer service feedback program, including answering Ask the Airport and social media questions.
- Work with RTAA staff, airlines, tenants and community partners to create targeted customer service programs that help passengers have a positive travel experience, especially during peak travel times.
- Optimize communication of airport activities, events and services.
- Emergency and crisis response programs.
- Provide equipment for the day-to-day operation and documentation of public relations, marketing and customer service programs.
- Utilize social media as a full-fledged marketing, public relations, and customer service tool.
- Use in-house graphic skills to enhance presentations, web site, social media, invitations, promotions and advertisements.
- Remain informed on media issues, record news stories and share media reports with staff.
- Compile and report quarterly statistics from media monitoring service.
- Provide airport information through media interviews and maintain positive media relations.
- Send alerts for every publicity opportunity to media outlets including press releases, social media, web and phone calls.
- Develop air service marketing and advertising programs, along with the Air Service development team, to promote local market demand and incorporate communication to the business community.
- Use magazine display advertising to promote convenience of using Reno-Tahoe International Airport (RNO) to potential regional and national passengers.
- Improve organizational communication through employee notices.
- Provide for an RTAA Art Plan and program.
- Maintain and update RTAA's Website.
- Communicate airport construction impacts to customers and community.

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- Coordinate at least four quarterly Community Outreach Committee (COC) Meetings.
- Continue RNO’s music events in the terminal building, including holiday and Artown performances.
- Design and help maintain land development marketing materials.
- Provide Holiday decorations.
- Coordinate with the Reno-Sparks Convention and Visitors Authority (RSCVA), airlines, Transportation Security Administration (TSA), tenants and staff to provide outstanding service to convention visitors.
- Maintain and enhance partnership marketing opportunities with organizations such as University of Nevada, Reno-Tahoe Open, American Century Celebrity Golf Tournament, Nevada Military Support Alliance, KNPB Public Television, Burning Man, State of Nevada Indian Commission and Nevada Mining Association.
- Provide supplies for showcasing honors, awards and RTAA milestones.

Marketing and Public Affairs - Initiatives:

FY 2019-20 Initiatives

1. Implement Air Service branding campaign.

Strategic Initiative: Air Service and Cargo

Long-Term Goal: Community Awareness

Description: The RTAA, and an award winning digital marketing firm named Noble Studios, will implement a combined air service education and airport branding campaign between July 1, 2019 and June 30, 2020. Customer surveys have shown the need for further education about the growing number of flights and markets served by Reno-Tahoe International Airport. Also, with the advent of a new strategic plan, RTAA staff created a new airport brand called We Move You. It celebrates the emotional connection the community has with the airport and the role it plays in people’s lives. It also emphasizes how the airport moves the regional economy forward through passenger numbers and cargo.

The new campaign will use digital and video platforms to inform the community of the air service available at a growing airport that truly cares, and plays a role, in the lives of its passengers and customers.

Performance Measure: Complete air service branding campaign by June 30, 2020.

Progress: 100% Completed. In September 2019, new creative was launched featuring the “We Move You” tag line on google search, YouTube, Facebook, and Instagram. Due to the

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COVID-19 pandemic, the campaign was suspended and a much smaller campaign budget was realized in May 2020. The campaign was changed to “We Move You, Safely” to align with the RTAA’s COVID-19 pandemic recovery program, with a new video and still photographs, as well as a new landing page.

2. Maintain effective communication through social media and respond efficiently to customer information requests through social media and the airport website.

Strategic Initiative: Customer Experience

Long-Term Goal: Passenger Empowerment

Description: With the growth of social media over the years, this communication tool has become vital in the ability of the RTAA to reach an increasing number of its customers. This initiative is to provide interesting content and provide timely information regarding airport operations and air service that expands the reach of this tool.

Performance Measure: The following goals have been established to monitor and report the progress of this initiative in FY2019-20:

- ✓ Total Social Media Post: 208
- ✓ Respond to social media and airport website within: 1 business day of receipt.

Progress: 100% Completed. In the past 12 months, 695 social media posts were made on Facebook, Instagram and Twitter. Nearly 100% of all 3,238 Public Affairs, Ask the Airport, Front Desk/Reception/Lost & Found emails were answered within one business day of receipt.

3. Create a customer friendly travel experience, reduce stress of the traveling public, and provide on-going monitoring of customer satisfaction.

Strategic Initiative: Customer Experience

Long-Term Goal: Passenger Empathy/ Positive Travel Experience

Description: The RTAA is known throughout the industry as a leader for being creative, innovative, and spontaneous. Traveling through an airport can be stressful for passengers and the RTAA’s focus is to help improve the experience, even if it’s only for an hour or two. This is critical since RNO may very well be their first and last impression. In recent years, award- winning customer service programs and innovative event planning have focused on creating a positive travel experience that provides a warm welcome to our community, engaging social media posts, and creative media events.

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One specific example is the Kindness Takes Flight (KTF) program made up of 23 people, all from different departments. The KTF team on average will complete one activity per month.

The RTAA also offers therapy and emotional support animals at RNO to provide improved passenger experiences through its Paws 4 Passengers (P4P) therapy dog teams. These teams operate in the RNO terminal during high-traffic, high-stress travel periods and during special events. P4P volunteers welcome community VIPs, Reno-Tahoe conference attendees, military Honor Flight participants, and even Olympic medalists. But perhaps their most meaningful interactions are one-on-one encounters with passengers who all seem to benefit greatly from positive moments spent with a therapy dog.

In addition, the price of an airline ticket also provides a ticket to an art exhibit, a play or a musical performance throughout the year including major holidays and special events such as Artown, Burning Man and a host of tournaments and conferences.

Performance Measure: The following goals have been established to monitor and report the progress of this initiative in FY 2019-20:

- ✓ P4P Number of Volunteer Hours: 1,718
- ✓ Kindness Takes Flight activities: 12
- ✓ Complete Quarterly Surveys: 4

Progress: Partially Completed. During March and June 2020 our P4P Teams worked limited hours, as opposed to April and May 2020 when the teams did not work at all. Kindness Takes Flight was able to achieve the performance measure of 12 activities by moving to a Kindness Takes Flight “Home Edition” during April, May, and June 2020. Three quarterly customer intercept surveys (quarters 1, 2, and 3) were conducted in FY 2019-20, to include 24/7, 365 electronic surveys available on the RNO website. An average of 272 surveys was completed in each of these quarters. The fourth quarter customer intercept survey was cancelled due to the COVID-19 pandemic. As of June 2020, the airport enjoys a 6.63 overall customer experience rating on a seven point scale.

4. **Maintain and enhance positive public relations through media interviews & events, Outreach and communication to local civic groups & community organizations, and Obtain stakeholder feedback through community outreach committee.**

Strategic Initiative: Customer Experience

Long-Term Goal: RTAA brand and community leadership.

Description: Conduct interviews to communicate with the community through local and

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national media outlets. This initiative is to plan and coordinate media events and visitor welcomes for major special events/conferences in the region, including Safari Club, the grand opening of a new terminal building sandwich shop and on-property hotel, and preparations for the 74th Annual SWAAAE Summer Conference by working cooperatively with media representatives to promote RTAA. In FY 2019-20, this initiative will use an enhanced media measuring service to quantify the reach and coverage of the RTAA's public relations and marketing efforts.

In addition, this initiative involves on-going community outreach to raise the awareness of the RTAA's value to the community and the services offered. This effort also includes broadening RTAA's relations with governmental partners and key stakeholders in the community to strengthen our leadership role and enhance our brand.

Performance Measure: The following goals have been established to monitor and report the progress of this initiative in FY 2019-20:

- ✓ Dollar value of RTAA marketing and public relations: \$14.3 million
- ✓ Number of presentations to local community groups: 12
- ✓ Community Outreach Committee (COC) Meetings: 4

Progress: Partially Completed. Due to the COVID-19 pandemic and the cancellation of many in person presentations, Performance Measure 2 was 67% achieved. Performance measure 1 and 3 were achieved. Presentations to local community groups, included: Sunrise Rotary, Western Airlines, TMCC, Kiwanis, EAR, Leadership Reno Sparks, NVAPA and the Reno/Sparks Chamber's Moving Forward program. The Community Outreach Committee met on August 15, 2019, October 17, 2019, January 23, 2020, and June 25, 2020.

5. Coordinate annual holiday special event bringing together GA community and airport stakeholders for Children's Cabinet.

Strategic Initiative: General Aviation

Long-Term Goal: GA Community Relationships

Description: Each December, the Reno-Tahoe International Airport GA Community hosts Operation Santa Claus. This holiday event brings the GA Community together to assist in providing Christmas to needy families served by the Children's Cabinet. In its 5th year, 25 families were adopted, treated to a Holiday Party in a GA Hangar, enjoyed an Aircraft Parade, and received gifts to make their Holiday Season special.

In addition to Operation Santa Claus, the Reno-Tahoe Airport Authority hosts an Annual

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RNO Tenant/Employee Appreciation Lunch. In its 7th year, this one-of-a-kind event includes food truck vendors, ice cream, music, prizes and fun. It's an opportunity for the Airport Authority to say thank you to the RNO family for all they do, to include the GA Community.

Performance Measure: Coordinate Operation Santa Clause and the Tenant/Employee Appreciation Lunch with the GA Community and airport stakeholders for the Children's Cabinet in FY 2019-20.

Progress: 100% Completed. Staff engaged in four events with the GA Community, including Operation Santa Claus, three User Committee meetings, and the Tenant appreciation BBQ.

6. Attend, participate and partner with military community at Reno-Tahoe Airport Authority (RNO)

Strategic Initiative: General Aviation

Long-Term Goal: Military Community Relationships

Description: The Reno-Tahoe International Airport hosts numerous departure activities for Nevada Honor Flights, transporting America's veterans to Washington, D.C. to visit those memorials dedicated to honor their service and sacrifices. Upon arrival back to Reno-Tahoe International, the Airport coordinates a large Welcome Home celebration to include veterans' family members, numerous military and non-profit organizations, and the general public. The Airport coordinates a similar welcoming for Military to the Mountain, a program dedicated to veterans that have suffered life-altering injuries serving their country. Military to the Mountains trains the warriors to adaptive ski in the sierras.

Performance Measure: Participate and partner in three (3) military community events by June 30, 2020.

Progress: 67% Completed. Staff participated in Honor Flights in September 2019 and February 2020. Due to the COVID-19 pandemic, Honor Flight Nevada cancelled all Veteran trips for the 2020 calendar year and Military to the Mountain cancelled their March 2020 event.

FY 2020-21 New Initiatives

1. Implement RNO Recovery Campaign

Strategic Initiative: Air Service & Cargo

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Long-Term Goal: Community Awareness and Support

Description: In order to support the new strategic plan tagline, “We Move You”, RTAA and digital marketing firm Noble Studios, planned to implement a combined air service education and airport branding campaign. In September 2019, new creative was launched featuring the “We Move You” tag line on google search, You Tube, Facebook, and Instagram. Due to the COVID-19 pandemic, the campaign was suspended and a much smaller campaign budget was realized in May 2020. The campaign was changed to “We Move You, Safely” to align with the RTAA’s COVID-19 recovery program, with a new video and still photographs, as well as a new landing page.

Performance Measure: Complete RNO Recovery Campaign by June 30, 2021.

2. Maintain effective communication through social media and respond efficiently to customer information requests through social media and the airport website.

Strategic Initiative: Customer Experience

Long-Term Goal: Passenger Empowerment

Description: With the growth of social media over the years, this communication tool has become vital in the ability of the RTAA to reach an increasing number of its customers. This initiative is to provide interesting content and provide timely information regarding airport operations and air service that expands the reach of this tool.

Performance Measure: The following goals have been established to monitor and report the progress of this initiative in FY2020-21:

- ✓ Total Social Media Post: 312
- ✓ Respond to social media and airport website within: 1 business day of receipt.

3. Create a customer friendly travel experience, reduce stress of the traveling public, and provide on-going monitoring of customer satisfaction.

Strategic Initiative: Customer Experience

Long-Term Goal: Provide Memorable, Positive Travel Experience

Description: The RTAA is known throughout the industry as a leader for being creative, innovative, and spontaneous. Traveling through an airport can be stressful for passengers and the RTAA’s focus is to help improve the experience, even if it’s only for an hour or two. This is critical since RNO may very well be their first and last impression.

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In recent years, award- winning customer service programs and innovative event planning have focused on creating a positive travel experience that provides a warm welcome to our community, engaging social media posts, and creative media events.

One specific example is the Kindness Takes Flight (KTF) program made up of 23 people, all from different departments. The KTF team on average will complete one activity every other month.

The RTAA also offers therapy and emotional support animals at RNO to provide improved passenger experiences through its Paws 4 Passengers (P4P) therapy dog teams. These teams operate in the RNO terminal during high-traffic, high-stress travel periods and during special events. P4P volunteers welcome community VIPs, Reno-Tahoe conference attendees, military Honor Flight participants, and even Olympic medalists. But perhaps their most meaningful interactions are one-on-one encounters with passengers who all seem to benefit greatly from positive moments spent with a therapy dog.

In addition, the price of an airline ticket also provides a ticket to an art exhibit, a play or a musical performance throughout the year including major holidays and special events such as Artown, Burning Man and a host of tournaments and conferences. Due to COVID-19, many of these activities have been modified or cancelled; however, the RTAA hopes to return to these customer experiences in the future.

Performance Measure: The following goals have been established to monitor and report the progress of this initiative in FY 2020-21:

- ✓ P4P Number of Volunteer Hours: 384
- ✓ Kindness Takes Flight activities: 6

4. Maintain and enhance positive public relations through media interviews & events, Outreach and communication to local civic groups & community organizations, and Obtain stakeholder feedback through community outreach committee.

Strategic Initiative: Customer Experience

Long-Term Goal: RTAA brand and community leadership.

Description: Conduct interviews to communicate with the community through local and national media outlets. This initiative is to plan and coordinate media events and visitor welcomes for major special events/conferences in the region, including an on-property hotel, and preparations for the 74th Annual SWAAAE Summer Conference. In FY 2020-21, Marketing & Public Affairs will once again use an enhanced media measuring service to quantify the reach and coverage of the RTAA’s public relations and

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marketing efforts.

In addition, this initiative involves on-going community outreach to raise the awareness of the RTAA's value to the community and the services offered. This effort also includes broadening RTAA's relations with governmental partners and key stakeholders in the community to strengthen our leadership role and enhance our brand.

Performance Measure: The following goals have been established to monitor and report the progress of this initiative in FY 2020-21:

- ✓ Dollar value of RTAA marketing and public relations: \$8 million
- ✓ Number of presentations to local community groups: 6
- ✓ Community Outreach Committee (COC) Meetings: 4

5. Coordinate annual holiday special event bringing together GA community and airport stakeholders for Children's Cabinet.

Strategic Initiative: General Aviation

Long-Term Goal: GA Community Relationships

Description: Each December, the Reno-Tahoe International Airport GA Community hosts Operation Santa Claus. This holiday event brings the GA Community together to assist in providing Christmas to needy families served by the Children's Cabinet. In its 6th year, 25 families were adopted, treated to a Holiday Party in a GA Hangar, enjoyed an Aircraft Parade, and received gifts to make their Holiday Season special.

In addition to Operation Santa Claus, the Reno-Tahoe Airport Authority hosts an Annual RNO gathering. In its 8th year, the RTAA is committed to making this work post COVID-19, as it's an opportunity for the Airport Authority to say thank you to the RNO family for all they do, to include the GA Community.

Performance Measure: Coordinate Operation Santa Clause and the Tenant/Employee Appreciation Lunch with the GA Community and airport stakeholders for the Children's Cabinet in FY 2020-21.

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MARKETING AND PUBLIC AFFAIRS

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	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$615,665	\$704,400	660,500	-6%
Temporary Employees	41120	33,326	38,000	35,500	-7%
Vacation Pay	41130	60,640	7,500	7,200	-4%
Sick Leave	41140	20,279	8,000	9,100	14%
Holiday Pay	41150	32,333	0	0	0%
Comp Time	41160	2,740	0	0	0%
Payroll Accrual	41195	(2,573)	0	0	0%
Overtime Pay	41210	1,341	3,500	3,500	0%
Standby	41220	11,160	8,000	0	-100%
Automobile Allowance	41250	4,800	4,800	4,800	0%
Service Awards	41270	20	0	0	0%
Premium Payroll Accrual	41285	(322)	0	0	0%
Medicare	41320	11,602	9,800	9,600	-2%
FICA	41321	2,012	0	2,000	%
Group Insurance	41340	56,102	73,400	69,800	-5%
Disability Insurance	41342	4,306	6,000	4,600	-23%
Vision Insurance	41344	688	900	600	-33%
Dental Insurance	41347	5,306	7,100	5,500	-23%
Workers Comp	41350	1,134	700	800	14%
Retirement	41360	194,479	197,900	193,200	-2%
Accrued PERS Expense	41365	614	0	0	0%
Uniform Allowance	41380	1,493	1,000	0	-100%
TOTAL PERSONNEL SERVICES		1,057,144	1,071,000	1,006,700	-6%
PURCHASED SERVICES					
Consultants - General	43140	0	5,000	0	-100%
Other Professional Services	43190	24,217	20,000	11,500	-43%
Maintenance Agreement-Copier	43345	2,147	1,600	1,800	13%
Other Repair/ Maintenance Svcs	43390	4,529	0	0	0%
Freight Expense	43430	1,733	1,000	1,000	0%
Information and Data Access Services	43480	14,438	18,518	21,150	14%
Other Purchased Services	43490	8,213	9,600	2,600	-73%
TOTAL PURCHASED SERVICES		55,278	55,718	38,050	-32%
MATERIALS & SUPPLIES					
Office Supplies	44100	4,047	7,200	5,200	-28%
Paper	44110	12	500	500	0%
Postage	44120	68	500	500	0%
Printing & Forms	44130	1,605	600	0	-100%
Refreshments and Breakroom Supplies	44140	1,922	3,500	1,000	-71%
Protocol Gifts and Promotional Supplies	44150	1,851	3,000	1,000	-67%
Small Office Furniture	44415	430	0	0	0%
Sign and Sign Maintenance	44430	3,567	1,000	6,000	500%
Holiday and Other Event Display	44435	1,531	2,000	1,000	-50%
Employee Uniform	44445	0	0	1,500	%
Safety Equipment	44450	33	0	0	0%
TOTAL MATERIALS & SUPPLIES		15,065	18,300	16,700	-9%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	5,004	7,080	19,200	171%
Books & Subscriptions	45120	552	300	600	100%
Conference Registration Fees	45130	2,815	4,183	2,345	-44%
Training Expense	45140	1,045	2,500	0	-100%

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MARKETING AND PUBLIC AFFAIRS

Section 203

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Meeting Expense	45150	4,821	6,500	3,500	-46%
Travel & Reimbursed Expense	45210	10,898	12,200	5,400	-56%
Air Service Development	45350	287,886	292,000	8,000	-97%
Advertising & Promotion	45390	54,866	50,340	164,340	226%
Conference Sponsorship	45391	28,129	80,000	20,000	-75%
Art Program	45393	1,977	4,000	1,000	-75%
Community Outreach	45398	136,847	144,000	80,800	-44%
TOTAL ADMINISTRATIVE EXPENSES		<u>534,840</u>	<u>603,103</u>	<u>305,185</u>	<u>-49%</u>
TOTAL EXPENSES BEFORE FIXED ASSETS		1,662,327	1,748,121	1,366,635	-22%
FIXED ASSETS					
Fixed Asset Acquisition	48150	15,875	0	0	0%
TOTAL SECTION EXPENSES		<u>\$1,678,202</u>	<u>\$1,748,121</u>	<u>1,366,635</u>	<u>-22%</u>

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Airport Economic Development

Mission Statement:

The Airport Economic Development (AED) Department serves to attract, retain, and expand the variety and number of in-terminal, non-airline revenue tenants, as well as its on- and off- airport tenant base, resulting in long-term leases and increased non-airline revenue. AED monitors and administers airline contract and tenant compliance (passenger, cargo and ground handlers), as well as rental car operators, in-terminal concessions, including food and beverage, retail, gaming, advertising, luggage carts, ATMs and other services. Additionally, AED oversees approximately 200 general aviation tenants and effectively manages real property assets at both Reno-Tahoe International Airport (RNO) and Reno-Stead Airport (RTS).

AED strives to maintain and increase non-airline revenues to keep operating costs as low as possible for the airlines through revenue sharing, provide exceptional food and beverage and retail concessions and service opportunities for the traveling public, offer superior general aviation facilities and services, provide supporting contract administration, provide property management and land development services, and attract new aviation-compatible businesses through land development opportunities.

Key Duties and Responsibilities:

- Manage approximately 1,000 leases/contracts for both RNO and RTS.
- Manage the Tenant Improvement process, oversee lease compliance and manage customer relations for all tenants at RNO and RTS, including government agencies such as the FAA, TSA, and the Nevada Air National Guard.
- Request RTAA-owned facility assessments to identify and correct deferred maintenance in order to increase utilization, occupancy rates, and revenue.
- Optimize the use of the property management software and focus on system updates and data monitoring to ensure the following: (1) accurate billing statements each month to secure revenue; (2) all active lease information is entered, monitored and maintained; and (3) effective management of all lease compliance activities.
- Provide excellent communication, service and product delivery to customers, stakeholders, and internal RTAA divisions.
- Support employee training to ensure staff stays current with industry knowledge, trends, and best practices.

Concessions

- Review the services and products offered to the traveling public with a focus on the following: (1) increasing sales; (2) refreshing services and products; (3) providing

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excellent value and customer satisfaction; (4) increasing the customer service performance of all retail, food and beverage, in-terminal services, and rental car operators; and (5) improving the airport environment and experience.

- Issue Requests for Proposals (RFPs) for concession opportunities, as appropriate, to optimize non-airline revenue and enhance customer experience.
- Provide contract support for community partnership agreements and specialty display opportunities.
- Work closely with the RTAA advertising concessionaire to: (1) update the advertising program; (2) review and revise, as necessary, the advertising locations and refresh the concepts to attract and diversify advertising clients; and (3) retain and expand client marketing opportunities.
- Participate in the Nevada Unified Certification Program (NUCP) for certification of Airport Concession Disadvantaged Business Enterprises (ACDBE) and, as a certifying agency, manage continuing certification compliance requirements.
- Oversee and manage rental car concession and service-storage facility leases at RNO including use of customer facility charge (CFC) revenue to maintain and improve RTAA-owned rental car facilities.

Airlines, Cargo, and Aviation Support Services

- Manage RNO terminal airline space including Airline Ticket Counter and Airline Ticket Office, Baggage Service Office, Operations, Gate and Holdroom space.
- Coordinate and ensure signatory and non-signatory airline contract compliance as outlined in the Airline-Airport Use and Lease Agreements and Airline Operating Agreements.
- Provide communication and maintain customer relations with local and corporate airline representatives including attending Airline Station Managers and Airline Airport Affairs Committee meetings.
- Originate and manage contracts and compliance for air cargo operations.
- Originate and manage contracts for all ground handler/aviation support services.
- Coordinate charter aircraft operations and compliance.

General Aviation (GA) at RNO and RTS

- Prepare leases and manage general aviation box hangars at RNO including billing, compliance and repair and maintenance.
- Work with the Fixed Based Operator (FBO) to manage general aviation T-hangar tenants at RNO including direct management of the T-Hangar tenant billing system.
- Attend regularly held general aviation meetings including the Stead Airport Users Association and the RTIA User Committee.

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- Develop, implement and revise General Aviation Minimum Standards (GAMS) for both airports.
- Encourage private capital investment for new GA facilities on vacant aeronautical land at both airports.
- Originate and manage Operating Agreements for Commercial Aeronautical Operators as defined in the GAMS.
- Originate and manage contracts for aviation fuel providers and related facilities at RNO.

Outside Properties

- Perform market rate surveys using best practices to remain competitive in marketing all RTAA owned non-aeronautical facilities.
- Perform needed repairs, preventative maintenance, and capital improvements, as appropriate, to maintain the facilities in leasable condition.
- Manage the Airport Mini-Warehouse, Park to Travel, 1280 Terminal Way, Hyatt Place Hotel and other commercial properties and government facilities with a focus on increasing utilization, occupancy and revenue.
- Negotiate and draft commercial leases.
- Provide full-service property management to all commercial tenants in RTAA-owned buildings.

Land and Economic Development at RNO and RTS

- Lead and/or work closely with the state and local economic development agencies and other community partners, to proactively attract and expand business opportunities and capital investment at both airports.
- Work with appraisers, surveyors, title companies and others to evaluate development potential and constraints on RTAA-owned lands.
- Meet with prospective tenants, prepare responses to Requests for Information, and maintain broker relations.
- Negotiate business terms with prospective tenants and secure Board approval.
- Prepare hold harmless and right of entry agreements, draft and negotiate ground leases, and prepare other legal documents in support of tenants and lease negotiations.
- Manage the Land Development Tenant Improvement process, working collaboratively with RTAA Planning & Engineering as well as City of Reno Community Development and tenants at both airports.
- Maintain relationships with tenants and manage contracts, including RTS Terminal tenants.
- Facilitate redevelopment of Airport-owned property as needed.
- Facilitate land disposal and acquisition as needed.

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- Work with the RTS master developer to support implementation of the Master Development Agreement.
- Negotiate, prepare and manage the Reno Air Racing Association (RARA) leases and event permits.
- Coordinate and manage existing easements and the granting of new easements to tenants and community partners to help facilitate development of both airports and the surrounding communities.
- Issue Requests for Proposals (RFPs) for land development opportunities, as appropriate, to support the implementation of the RNO Master Plan and to optimize non-airline revenue.

Airport Economic Development - Initiatives:

FY 2019-20 Initiatives

1. Facilitate and Conclude a Request for Proposals (RFP) for GA Development at RNO.

Strategic Initiative: General Aviation

Long-Term Goal: GA Service Providers and Private-Sector Capital Investment

Description: To implement the RNO Master Plan, complete the RNO GA Land Development RFP Phase 2: Due Diligence and Phase 3: Development Proposals submittal.

Performance Measure: Facilitate and Conclude an RFP for GA Development at RNO by June 30, 2020.

Progress: 100% Completed. The development proposal for Stellar Aviation of Reno-Tahoe, LLC (Stellar) was approved by the Board of Trustees in December 2019. The Board approved the development proposal submitted by Stellar to develop the parcels to the north and south of the Dassault facility in response to the RFP for GA Development at RNO and that approval concluded the RFP process. The Board also approved an interim FBO lease so that Stellar could operate out of RTAA-owned facilities immediately while they constructed their new facilities.

2. Market proactively and rent RNO GA Box and T Hangars.

Strategic Initiative: General Aviation

Description: GA User Needs and Market Demand

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Performance Measure: Achieve 85% or better hangar occupancy in FY 2019-20.

Progress: 100% Achieved. RTAA Staff archived a 96% occupancy rate as of June 30, 2020.

3. New Services and Product Offerings to Address Evolving Market Segments.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Financial Status Indicators

Description: Non-airline revenues comprised of rental car and terminal concessions, rents collected from tenants, and hangar and land leases generate 69% of total RTAA operating revenues. The net revenues allow the RTAA to reinvest back into facilities at both airports and lower airline costs at RNO through a revenue sharing arrangement with signatory passenger carriers. The RTAA has an opportunity to offer new services to meet changing consumer needs and preferences, which in turn can generate additional non-airline revenues.

Performance Measure: Non-airline revenues (terminal concession, rental car concession, other rents, and miscellaneous revenue) per enplaned passenger of \$9.89.

Progress: 100% Achieved. Non-Airline revenue per enplane passenger of \$11.78 was recorded at end of June 2020. FY 2019-20 was the first full year Subway operated at RNO. Subway helped drive revenue by adding a healthy quick serve option for passengers in addition to our existing food and beverage offerings.

4. Support Airport Gateway Development (Aloft Hotel).

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Non-Aeronautical Development at Both Airports

Description: The RTAA executed a ground lease with JMA Reno Holding, LLC (JMA) on February 28, 2017 for an Aloft Hotel at the Gateway Center located at the southwest corner of Plumb Lane and Terminal Way. JMA is proposing to develop the vacant land with a two-phased, master plan approach. JMA believes a “Master Planned Center” (Center) is critical for the success of the entire Gateway Center, including the existing Hyatt Place Hotel. JMA’s vision includes a mixture of hotels, Class A office space, and the right mix of restaurant(s) that create an energy and vitality to stand alone.

As the first phase of the Center development, JMA will construct the Aloft Hotel. This hotel will be operated under an agreement with Marriot International, Inc. (formerly Starwood). This firm owns, operates, franchises and manages hotels, resorts, spas, residences, and

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vacation ownership properties under its 11 owned brands.

Performance Measure: Complete Aloft Hotel Construction by June 30, 2020.

Progress: 100% Completed. The Aloft Hotel construction was completed in March 2020 and the Aloft opened for business on May 22, 2020.

5. Market and Proactively Rent RNO Outside Commercial Properties.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Non-Aeronautical Development at Both Airports

Description: Maintain facilities to maximize occupancy and non-airline revenue

Performance Measure: Achieve 85% or better occupancy in FY 2019-20.

Progress: 100% Achieved. RTAA Staff achieved a 99% occupancy rate as of June 30, 2020.

6. Adjust Customer Facility Charge (CFC) rate as needed to finance a Consolidated Rental Car Facility (CONRAC).

Strategic Initiative: Facilities for the Future

Long-Term Goal: Plan of Finance and Business/Intergovernmental Agreements

Description: Continue funding, for Phase I & II of the Consolidated Rental Car Facility (CONRAC) facility.

Performance Measure: After Consultation with rental car companies, increase the CFC rate by June 30, 2020 to begin funding the new CONRAC facility.

Progress: 100% Achieved. CFC increased to \$4.50 per transaction per day on July 1, 2019.

7. Continue Phase 1 CONRAC Development (feasibility study/discussion with rental car companies) and Initiate phase 2 CONRAC Development.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: Preliminary Phase I Study findings proposed CONRAC sites at the current

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QTA location and the additional location identified in the Board adopted RNO Master Plan. Present Phase 1 Feasibility Study for approval to Board of Trustees and Rental Car Companies and consider approval of Phase II Design, Development and Pricing.

Performance Measure: Present and approval of propose final Phase I feasibility study and initiate Phase II: Design, Development and Pricing of a RNO CONRAC by June 30, 2020.

Progress: 100% Completed. Staff presented the feasibility study to Board member in March 2020, Board voted to move to Phase II of the CONRAC project.

FY 2020-21 New Initiatives

1. Encourage and Foster New Services and Product Offerings to Address Evolving Market Segments and Customer Expectations.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Financial Status Indicators

Description: Non-airline revenues comprised of rental car and terminal concessions, rents collected from tenants, and hangar and land leases generate 62% of total RTAA operating revenues. The net revenues allow the RTAA to reinvest back into facilities at both airports and lower airline costs at RNO through a revenue sharing arrangement with signatory passenger carriers. The RTAA has an opportunity to offer new services to meet changing consumer needs and preferences, which in turn can generate additional non-airline revenues.

Performance Measure: Non-airline revenues (terminal concession, rental car concession, other rents, and miscellaneous revenue) per enplaned passenger of \$15.60.

2. Facilitate and Conclude an RFI for GA at RTS.

Strategic Initiative: General Aviation

Long-Term Goal: GA Service Providers

Description: Issue a RFI for GA development at RTS (FBO, MRO and/or market-driven facilities).

Performance Measure: Draft and issue an RFI for GA at RTS by June 30, 2021.

3. Market and Proactively Rent RNO Outside Commercial Properties.

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Strategic Initiative: Financial Diversification and Growth
Long-Term Goal: Non-Aeronautical Development at Both Airports

Description: Maintain facilities to maximize occupancy and non-airline revenue

Performance Measure: Achieve 85% or better occupancy in FY 2020-21.

4. Market proactively and rent RNO GA Box and T Hangars.

Strategic Initiative: General Aviation

Description: GA User Needs and Market Demand

Performance Measure: Achieve 85% or better hangar occupancy in FY 2020-21.

5. Adjust Customer Facility Charge (CFC) rate as needed to finance a Consolidated Rental Car Facility (CONRAC).

Strategic Initiative: Facilities for the Future

Long-Term Goal: Plan of Finance and Business/Intergovernmental Agreements

Description: Continue funding, for Phase II of the Consolidated Rental Car Facility (CONRAC) facility.

Performance Measure: After Consultation with rental car companies, increase the CFC rate by June 30, 2021 to begin funding the new CONRAC facility.

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ECONOMIC DEVELOPMENT

Section 304

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$608,428	\$809,400	\$650,400	-20%
Vacation Pay	41130	56,030	4,100	6,200	51%
Sick Leave	41140	29,139	3,300	3,300	0%
Holiday Pay	41150	35,700	0	0	0%
Comp Time	41160	195	0	0	0%
Payroll Accrual	41195	3,578	0	0	0%
Overtime Pay	41210	318	0	0	0%
Car Allowance	41250	4,800	4,800	4,800	0%
Premium Payroll Accrual	41285	(20)	0	0	0%
Medicare	41320	10,508	11,700	9,400	-20%
Group Insurance	41340	68,866	79,800	90,000	13%
Disability Insurance	41342	6,527	9,200	5,900	-36%
Vision Insurance	41344	806	1,000	700	-30%
Dental Insurance	41347	5,886	6,600	5,900	-11%
Workers Comp	41350	1,008	700	700	0%
Retirement	41360	195,641	236,700	190,200	-20%
Accrued PERS Expense	41365	1,463	0	0	0%
TOTAL PERSONNEL SERVICES		1,028,872	1,167,300	967,500	-17%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	657	700	700	0%
Water	42130	10,353	13,500	15,000	11%
Sewer	42140	21,855	23,000	21,750	-5%
TOTAL UTILITIES & COMMUNICATIONS		32,865	37,200	37,450	1%
PURCHASED SERVICES					
Legal Contract Service	43110	540	0	0	0%
Consultants - General	43140	3,200	10,000	7,500	-25%
Real Estate Appraising & Neg.	43170	24,500	10,500	5,000	-52%
Other Professional Services	43190	109,907	36,000	3,400	-91%
Land Rental	43240	4,488	4,500	5,000	11%
Contracted Services	43340	1,611	6,000	7,000	17%
Maintenance Agreement - Copier	43345	1,798	2,500	2,000	-20%
Other Repair/Maintenance Svcs	43390	3,022	1,000	1,000	0%
Freight Expense	43430	381	600	400	-33%
Permits & Fees	43460	63	50	50	0%
Airport Advertising	43470	0	5,000	4,000	-20%
Information and Data Service	43480	0	0	1,200	%
Other Purchased Services	43490	1,733	3,000	3,000	0%
TOTAL PURCHASED SERVICES		151,243	79,150	39,550	-50%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,692	1,800	1,000	-44%
Paper	44110	494	400	400	0%
Postage	44120	393	600	400	-33%

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ECONOMIC DEVELOPMENT

Section 304

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Printing & Forms	44130	1,212	2,000	1,000	-50%
Refreshments and Breakroom Supplies	44140	67	0	0	0%
Small Office Furniture	44415	1,187	0	0	0%
Sign and Sign Maintenance	44430	2,476	200	1,700	750%
TOTAL MATERIALS & SUPPLIES		7,521	5,000	4,500	-10%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	6,845	7,000	2,050	-71%
Books & Subscriptions	45120	1,130	0	0	0%
Conference Registration Fees	45130	2,199	5,300	0	-100%
Training Expense	45140	0	1,400	700	-50%
Meeting Expense	45150	3,562	1,000	1,000	0%
Travel & Reimbursed Expense	45210	7,668	15,000	0	-100%
Recruitment Expense	45230	378	0	0	0%
Employee reimbursed mileage	45240	0	350	350	0%
Legal Ads	45340	2,340	0	0	0%
Economic Development	45360	270	25,000	25,000	0%
Other Advertising & Promotion	45390	0	26,000	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		24,392	81,050	29,100	-64%
TOTAL SECTION EXPENSES		1,244,892	1,369,700	1,078,100	-21%

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OUTSIDE PROPERTIES

Section 306

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	91,400	113,800	98,800	-13%
Vacation Pay	41130	(19,751)	0	0	0%
Sick Leave	41140	6,395	300	0	-100%
Holiday Pay	41150	5,340	0	0	0%
Workers Comp Pay	41170	963	0	0	0%
Payroll Accrual	41195	450	0	0	0%
Overtime Pay	41210	633	1,000	1,000	0%
Overtime Call Back	41213	504	0	500	%
Shift Differential	41230	844	0	850	%
Employee Relocation	41240	142	0	0	0%
Holiday Worked Pay	41280	442	0	0	0%
Accrued Premium Payroll	41285	(24)	0	0	0%
Medicare	41320	1,695	1,700	1,400	-18%
Group Insurance	41340	29,068	28,700	29,200	2%
Disability Insurance	41342	813	900	600	-33%
Vision Insurance	41344	378	400	200	-50%
Dental Insurance	41347	2,971	3,000	2,000	-33%
Workers Comp	41350	252	200	200	0%
Retirement	41360	32,304	33,300	28,900	-13%
Accrued PERS Expense	41365	23	0	0	0%
TOTAL PERSONNEL SERVICES		154,843	183,300	163,650	-11%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	68,441	68,900	70,050	2%
Natural Gas	42120	11,434	11,000	12,250	11%
Water	42130	13,885	18,350	20,125	10%
Sewer	42140	18,215	24,939	24,150	-3%
Trash Disposal	42150	15,818	14,850	16,400	10%
TOTAL UTILITIES & COMMUNICATIONS		127,793	138,039	142,975	4%
PURCHASED SERVICES					
Data Processing	43130	7,232	8,600	8,650	1%
Consultants - Engineering	43150	11,970	50,000	0	-100%
Other Professional Services	43190	150,950	0	0	0%
Contracted Services	43340	636,383	471,301	676,111	43%
Other Repair/Maintenance Svcs	43390	139,550	181,000	133,500	-26%
Permits & Records Fees	43460	826	825	875	6%
Other Purchased Services	43490	457	8,000	8,000	0%
TOTAL PURCHASED SERVICES		947,367	719,726	827,136	15%
MATERIALS & SUPPLIES					
Office Supplies	44100	241	400	400	0%
Paper	44110	0	150	150	0%
Postage	44120	856	500	520	4%
Printing & Forms	44130	399	150	150	0%

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OUTSIDE PROPERTIES

Section 306

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Herbicides	44221	420	200	250	25%
Auto Fuel	44230	30	0	0	0%
Janitorial Supplies	44260	244	500	550	10%
Medical Supplies	44270	104	0	0	0%
Other Operating Supplies	44290	0	150	0	-100%
Repair & Maint. Supplies	44300	0	0	500	%
Vehicles	44310	99	0	0	0%
Locks & Hardware	44333	3,825	2,600	2,600	0%
Electrical Supplies	44360	67	0	0	0%
Other Repair and Maintenance	44390	70	0	0	0%
Small Tools - Minor Equipment	44400	1,099	0	0	0%
Administrative Equipent and Repair Parts	44410	34	0	0	0%
Sign and Sign Maintenance	44430	140	200	200	0%
TOTAL MATERIALS & SUPPLIES		7,628	4,850	5,320	10%
ADMINISTRATIVE EXPENSE					
Legal and Business Procurement Ads	45340	85	150	150	0%
Other Advertising & Promotion	45390	7,851	7,100	7,100	0%
Credit Card Fees	45500	14,223	13,100	13,800	5%
TOTAL ADMINISTRATIVE EXPENSES		22,159	20,350	21,050	3%
TOTAL SECTION EXPENSES		1,259,790	1,066,265	1,160,131	9%

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Executive Vice-President/Chief Operating Officer (COO)

Mission Statement: To support the mission of the RTAA and the goals and objectives of the Board of Trustees. The Executive Vice President/COO oversees the daily operations of the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS).

Key Duties and Responsibilities:

- Responsible for the safe and efficient operation of RNO and RTS.
- Develop policies and plans for the operation and maintenance of both airports.
- Provide airport information and community outreach through various forms of media and programs.
- Maintain and enhance customer service and community outreach by hosting staff and community meetings.
- In conjunction with the President/CEO, direct and manage staff in the development and implementation of work plans to achieve the Strategic Priorities established by the Board of Trustees.
- Establish resource allocation to enhance each operating division's ability to meet its mission and strategic initiatives.
- Enhance service through customer service feedback programs.
- Work with RTAA staff, airlines, tenants and community partners to create targeted customer service programs that help passengers have a positive travel experience, especially during peak travel times.

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EXECUTIVE VICE-PRESIDENT/COO

Section 251

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$239,284	\$279,000	\$196,600	-30%
Vacation Pay	41130	27,893	5,000	4,600	-8%
Sick Leave	41140	13,316	11,300	11,400	1%
Holiday Pay	41150	14,740	0	0	0%
Comp Time	41160	2,614	0	2,500	%
Payroll Accrual	41195	(8,214)	0	0	0%
Overtime	41210	392	2,500	0	-100%
Automobile Allowance	41250	4,800	4,800	3,400	-29%
Premium Payroll Accrual	41285	13	0	0	0%
Medicare	41320	4,811	4,500	3,300	-27%
Group Insurance	41340	21,164	20,300	17,300	-15%
Disability Insurance	41342	2,251	3,400	2,400	-29%
Vision Insurance	41344	299	300	200	-33%
Dental Insurance	41347	2,203	2,300	2,000	-13%
Workers Comp	41350	252	200	200	0%
Retirement	41360	73,582	81,600	57,500	-30%
Accrued PERS Expense	41365	254	0	0	0%
TOTAL PERSONNEL SERVICES		399,656	415,200	301,400	-27%
PURCHASED SERVICES					
Data Processing	43130	2,388	2,400	2,400	0%
Consultants - General	43140	25,271	16,000	5,000	-69%
Maintenance Agreement-Copier	43345	154	1,000	300	-70%
TOTAL PURCHASED SERVICES		27,813	19,400	7,700	-60%
MATERIALS & SUPPLIES					
Office Supplies	44100	256	300	300	0%
Paper	44110	140	100	35	-65%
Postage	44120	0	50	20	-60%
Printing & Forms	44130	139	150	150	0%
Medical Supplies	44270	267	175	250	43%
Furniture and Accessories	44415	0	560	0	-100%
TOTAL MATERIALS & SUPPLIES		802	1,335	755	-43%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,873	1,125	1,300	16%
Conference Registration Fees	45130	3,610	4,730	625	-87%
Meeting Expense	45150	1,516	500	250	-50%
Travel & Reimbursed Expense	45210	12,614	15,390	3,000	-81%
TOTAL ADMINISTRATIVE EXPENSES		19,612	21,745	5,175	-76%
TOTAL DEPARTMENT EXPENSES		\$447,883	\$457,680	\$315,030	-31%

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Human Resources

Mission Statement: To provide strategic, innovative and responsive human resource services to the RTAA.

Key Duties and Responsibilities:

- Monitor federal and state legislative changes, incorporating any applicable changes into current policies and procedures.
- Measure key organizational and Human Resource functions to provide meaningful and relevant data in support of organizational effectiveness.
- Oversee the RTAA Culture Club which includes the following: (1) Events Committee; (2) Communication Committee; (3) Recognition Committee; (4) Values Committee; (5) Caring Campaign; and (6) Innovation Team (iTeam) with the goal of enhancing and supporting a positive work environment.
- Conduct research, compile data, perform statistical analyses and prepare comprehensive technical reports and summaries on various Human Resources related issues.
- Provide excellent customer service to inquiries regarding job opportunities, the application and hiring process, requests for information and complaints.
- Build and maintain a robust workforce planning program to avoid talent surpluses or shortages related to both labor demand and skills.
- Develop and maintain a workforce plan to ensure an efficient employee/management team, maximize efficiencies and promote long-term success.
- Incorporate use of on-going succession planning program to develop a pool of identified successors for management and hard-to-fill positions.
- Provide on-going support to further promote THRIVE values throughout the organization. The acronym of THRIVE stands for “Teamwork for Results”, “Honesty and Integrity”, “Respect and Recognition”, “Inspire and Innovate”, “Versatility”, and “Enthusiasm for Excellence”.
- Plan and conduct employee recruitment and selection activities; confer with hiring authorities on job demands and appropriate requirements; develop job announcements, advertisements, supplemental applications and other recruitment materials; and incorporate THRIVE values into hiring process.
- Develop and administer job-related selection procedures and ensure that all phases of recruitment and selection comply with applicable federal, state and local laws, regulations and guidelines.
- Assist in orienting new employees by providing programs regarding policies and developing guiding/supporting materials that offer a comprehensive organizational overview and incorporate THRIVE values.

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- Provide managers with a framework and training for on-boarding their new employees to include checklists, discussion guides and additional resources.
- Conduct classification studies; prepare new or modified class specifications; recommend the classification of new or modified positions; conduct and participate in surveys and studies regarding compensation and benefits information.
- Provide on-going management training on the performance appraisal system. Support managerial efforts to review and update as necessary and support the completion of employee evaluations in a timely manner.
- Provide training to ensure proper administration and supervisory oversight of current and new provisions of the collective bargaining agreements.
- Insure that training offerings and opportunities operate in support of and maintain a close connection to the strategic plan and organizational values.
- Meet with managers, supervisors and staff to conduct needs analyses, identify performance barriers and training gaps and provide appropriate solutions.
- Within the framework of the Airport Authority University (AAU), plan, schedule, conduct and evaluate training programs and resources to all levels of the organization.
- Administer the employee emergency communications call system.
- Maintain the Human Resources Information System (HRIS).
- Support the organization's technology by offering continual training to increase end users' skill and comfort levels.
- Advise managers, supervisors and employees on a variety of employee and employee relations issues, including performance management, discipline and policy interpretation.
- Consult with employees and their representatives and assist in the resolution of routine grievances, disputes and contract interpretation.
- Coordinate labor contract negotiations, including development of management priorities, creation of bargaining proposals and facilitation of negotiation meetings.
- Administer, communicate and assist employees on employee benefit programs. These programs include the following: (1) medical, dental, vision, life, and accidental death and dismemberment, (2) long-term disability insurance, (3) Public Employee Retirement System (PERS), (4) tuition reimbursement, (5) deferred compensation, (6) Health Savings Accounts (HAS)/flexible spending accounts, and (7) worker's compensation.
- Coordinate the employee wellness program to foster healthier employee lifestyle choices.
- Administer programs such as employee recognition and incentive awards to increase engagement and support a more productive and satisfied workforce.
- Expand on existing celebrations and communications of employee achievements in real time via the HUB, e-mail, and all employee meetings; semi-annually and as achievements occur.
- Coordinate exiting processes and conduct employee exit interviews.
- Contribute to maintaining management turnover rate of no more than 7% due to bad attrition (i.e. voluntary separations for reasons other than retirement).
- Coordinate quarterly town hall meetings so that information can be shared from

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management to front line staff and vice versa.

- Coordinate employee satisfaction surveys and participate in the Best Place to Work program to identify areas of improvement to maintain a positive organizational culture.
- Enhance employee engagement and maximize the effectiveness of employee teams by facilitating annual departmental morale building activities.
- Conduct compensation surveys to assure that RTAA wages are appropriately competitive in order to maximize recruitment and retention efforts.
- Coordinate 360 Degree Feedback Surveys to provide management employees with more targeted feedback on their leadership effectiveness.

Human Resources - Initiatives:

FY 2019-20 Initiatives

- 1. Incorporate at least one goal for each manager/supervisor with direct reports related to survey improvement opportunities.**

Strategic Initiative: People

Long-Term Goal: Employee Satisfaction

Description: Based on feedback from the Employee Satisfaction survey completed in FY 2018-19, each senior leader will have goals incorporated into their annual performance evaluation related to an organizational-wide improvement opportunity; each manager/supervisor who manage employees will likewise have goals incorporated into their annual performance evaluation related to an improvement opportunity within their individual department.

Performance Measure: Each senior leader/manager/ supervisor will have a minimum of one improvement opportunity goal added by January 2020 into their FY 2019-20 annual performance evaluations.

Progress: 100% Completed. All Senior Leaders/Managers/Supervisors have at least one related goal for FY2019-20 annual performance evaluation.

- 2. Provide on-going support of the THRIVE organizational values through relevant activities.**

Strategic Initiative: People

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Long-Term Goal: THRIVE Organizational Values

Description: Provide ongoing support to the continued evolution and embedding of the THRIVE values into the RTAA culture in order to increase employee engagement and satisfaction.

Performance Measure: Ensure a minimum of 4 organizational values activities will be conducted by June 30, 2020.

Progress: 100% Completed. The THRIVE committee hosted the Graveyard Potluck, SRE Cookout, THRIVE Bingo, and Crawl/Walk/Run 5K and Fundraiser.

3. Maximize the effectiveness of our teams through annual, departmental morale building activities.

Strategic Initiative: People

Long-Term Goal: Employee Engagement

Description: Provide the opportunity for each division to identify and engage in an activity that promotes enhanced understanding and interaction between the members to improve team cohesiveness and enhanced morale.

Performance Measure: Each division will engage in one morale building activity by June 30, 2020.

Progress: 14% Achieved. Due to the COVID-19 pandemic, the morale activities budget was cut therefore, only three (3) departments out of 21 completed a morale building activity in FY2019-20.

4. Implement the 360 degree feedback survey for Senior Leadership Team.

Strategic Initiative: People

Long-Term Goal: RTAA Leadership Program

Description: To increase the amount of awareness and information that each member of the management team will need in order to grow their people leadership skills, and to further expand the level of trust that employees and managers need, 360 Degree Feedback Surveys will be implemented over a period of 3 years.

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Performance Measure: Starting with the Senior Leadership team, implement the 360 Degree Feedback Survey process by June 30, 2020.

Progress: 10% Completed. The 360 degree survey was designed and ready to launch however, due to the COVID-19 pandemic was postponed to FY 2020-21.

5. Develop parameters of an employment branding program.

Strategic Initiative: People

Long-Term Goal: Employer of Choice

Description: As an organization, we will THRIVE and grow only when we have a talented, committed, and engaged workforce. Our recruitment efforts need to reflect the vital and progressive organization that we are as embodied in our Mission, Vision, and Values. By creating and communicating a strong and cohesive identity, the RTAA will be better able to attract and retain the type of talent that we need for a successful future. This will differentiate us in a positive way from other airports as well other local employers.

Performance Measure: Implement the first phase of the Branding program by June 30, 2020.

Progress: 75% Completed. Phase 1 of the branding program was initiated consisting of completing a series of employee focus groups. All of the planning and preparation was completed, however due to COVID-19 pandemic and social distancing focus groups were postponed.

6. Develop talent profiles for employees on succession plans.

Strategic Initiative: People

Long-Term Goal: Succession Planning

Description: Utilize the Slates and Talent Profiles under the Succession Planning Program to support employee development, designed to increase the capacity of employees to fill progressively more responsible roles within the organization.

Performance Measure: At least 40% of employees on a succession slate will have a completed Talent Profile by June 30, 2020.

Progress: 100% Completed. More than 40% of applicable employees have completed talent

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profile.

7. Identify specific development goals in performance evaluations.

Strategic Initiative: People

Long-Term Goal: Succession Planning

Description: In order to move the existing RTAA succession planning program from a passive to a proactive process and to become more purposeful in moving employees on slates who are identified as ready in “1 to 3 years” to being “ready now”, there will be a defined development structure to address existing deficiencies and a plan to address them.

Performance Measure: At least 40% of employees on a succession slate will have at least 1 goal on their performance evaluation tied to their Talent Profile document by June 30, 2020.

Progress: 100% Completed. At least 40% of those with a talent profile have a goal that ties performance to developmental goals.

8. Monitor Progress of Diversity Plan through Quarterly review and report to CEO and COO.

Strategic Initiative: People

Long-Term Goal: Workforce Diversity

Description: Strengthen our focus on workforce diversity and inclusion to further enrich our workplace and more fully leverage our high-caliber workforce in producing creative and effective solutions that move our organization into the future.

Performance Measure: Implement the strategies outlined in the Diversity plan and monitor progress towards identified goals by June 30, 2020.

Progress: 100% Completed. Strategies outlined in the Diversity plan have been implemented and progress towards identified goals is being monitored through quarterly review and report to CEO and COO.

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FY 2020-21 New Initiatives

- 1. Provide on-going support of the THRIVE organizational values through relevant activities.**

Strategic Initiative: People

Long-Term Goal: THRIVE Organizational Values

Description: Provide ongoing support to the continued evolution and embedding of the THRIVE values into the RTAA culture in order to increase employee engagement and satisfaction.

Performance Measure: A minimum of four (4) activities supported by the various RTAA Culture Clubs will be conducted by June 30, 2021.

- 2. Maximize the effectiveness of our teams through annual, departmental morale building activities.**

Strategic Initiative: People

Long-Term Goal: Employee Engagement

Description: Provide the opportunity for each division to identify and engage in an activity that promotes enhanced understanding and interaction between the members to improve team cohesiveness and enhanced morale.

Performance Measure: Each division will engage in one (1) morale building activity by June 30, 2021.

- 3. Provide increased visibility to the RTAA Management staff on the effectiveness of their leadership through more targeted, 360 degree feedback.**

Strategic Initiative: People

Long-Term Goal: RTAA Leadership Program

Description: To increase the amount of awareness and information that each member of the management team will need in order to grow their people leadership skills, and to further expand the level of trust that employees and managers need, 360 Degree Feedback Surveys

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will be implemented over a period of three (3) years.

Performance Measure: Begin the 360 Degree Feedback Survey process with a pilot group of at least three (3) Senior Leadership team members by June 30, 2021.

- 4. In collaboration with key stakeholders in our organization, continue creation of an employment branding program that sets the RTAA apart in the recruitment marketplace as an employer of choice.**

Strategic Initiative: People

Long-Term Goal: Employer of Choice

Description: As an organization, we will THRIVE and grow only when we have a talented, committed, and engaged workforce. Our recruitment efforts need to reflect the vital and progressive organization that we are as embodied in our Mission, Vision, and Values. By creating and communicating a strong and cohesive identity, the RTAA will be better able to attract and retain the type of talent that we need for a successful future. This will differentiate us in a positive way from other airports as well other local employers.

Performance Measure: Implement second phase of the Branding program by June 31, 2020.

- 5. Maximizing the effectiveness of the RTAA Succession Planning Program through development of talent profiles for employees on succession slates.**

Strategic Initiative: People

Long-Term Goal: Employee Satisfaction

Description: Utilize the Slates and Talent Profiles under the Succession Planning Program to support employee development, designed to increase the capacity of employees to fill progressively more responsible roles within the organization.

Performance Measure: At least 60% of employees on a succession slate will have a completed Talent Profile by June 30, 2021.

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- 6. Maximizing the effectiveness of the RTAA Succession Planning Program through identification of specific developmental goals in performance evaluations to further expand management development.**

Strategic Initiative: People

Long-Term Goal: Succession Planning

Description: In order to move the existing RTAA succession planning program from a passive to a proactive process and to become more purposeful in moving employees on slates who are identified as ready in “1 to 3 years” to being “ready now”, there will be a defined development structure to address existing deficiencies and a plan to address them.

Performance Measure: At least 60% of employees on a succession slate will have at least one (1) goal on their performance evaluation tied to their Talent Profile document by June 30, 2021.

- 7. Monitor the progress of the RTAA Diversity Plan to enrich our workplace by developing a more diverse workforce.**

Strategic Initiative: People

Long-Term Goal: Workforce Diversity

Description: Strengthen our focus on workforce diversity and inclusion to further enrich our workplace and more fully leverage our high-caliber workforce in producing creative and effective solutions that move our organization into the future.

Performance Measure: Continue to maintain strategies outlined in the Diversity plan and monitor progress towards identified goals by June 30, 2021 through quarterly review and reporting to CEO and COO.

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HUMAN RESOURCES

Section 252

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$436,489	\$506,900	\$497,500	-2%
Temporary Employees	41120	0	80,831	0	-100%
Vacation Pay	41130	44,041	8,900	5,100	-43%
Sick Leave	41140	14,459	10,500	9,800	-7%
Holiday Pay	41150	24,142	0	0	0%
Comp Time	41160	161	0	0	0%
Payroll Accrual	41195	(2,251)	0	0	0%
Overtime Pay	41210	0	0	770	%
Automobile Allowance	41250	923	0	4,800	%
Incentive Awards and Employee Recognition	41260	36,845	61,600	49,525	-20%
Service Awards	41270	5,285	5,980	5,550	-7%
Premium Payroll Accrual	41285	92	0	0	0%
Physical Exam Expense	41310	16,426	17,780	14,645	-18%
Medicare	41320	7,392	7,300	7,200	-1%
FICA	41321	0	0	800	%
Wellness Program	41330	1,543	3,650	1,550	-58%
Group Insurance	41340	51,977	56,300	63,500	13%
PEBP Subsidy	41341	128,486	124,700	122,000	-2%
Disability Insurance	41342	3,959	5,500	4,100	-25%
Vision Insurance	41344	602	700	500	-29%
Dental Insurance	41347	4,371	5,100	4,500	-12%
Section 125 Flex Plan	41349	5,804	6,000	6,000	0%
Workers Comp	41350	630	500	500	0%
Retirement	41360	133,144	148,300	145,500	-2%
Accrued PERS Expense	41365	612	0	0	0%
Unemployment	41370	3,605	20,000	12,000	-40%
TOTAL PERSONNEL SERVICES		918,737	1,070,541	955,840	-11%
PURCHASED SERVICES					
Consultants - General	43140	0	48,500	5,500	-89%
Other Professional Services	43190	21,800	18,700	5,925	-68%
Maintenance Agreement-Copier	43345	1,665	1,800	1,500	-17%
Other Repair/Maintenance Svcs	43390	534	0	0	0%
Freight Expense	43430	323	300	300	0%
Permits and Recorders Fees	43460	1,524	1,750	1,750	0%
Information & Data Access Services	43480	1,044	1,750	2,160	23%
Other Purchased Services	43490	15,787	17,145	14,145	-17%
TOTAL PURCHASED SERVICES		42,676	89,945	31,280	-65%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,627	1,700	1,700	0%
Paper	44110	346	425	425	0%
Postage	44120	229	380	300	-21%
Printing & Forms	44130	344	800	1,060	33%
Refreshments and Breakroom Supplies	44140	71	150	150	0%
Administrative Equipment and Repair Parts	44410	195	0	0	0%
Furniture and Accessories	44415	1,923	950	900	-5%
Sign and sign maintenance	44430	0	100	500	400%
TOTAL MATERIALS & SUPPLIES		4,735	4,505	5,035	12%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	578	1,086	1,085	0%
Books & Subscriptions	45120	1,305	560	560	0%

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Section 252

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Conference Registration Fees	45130	10,613	14,300	6,000	-58%
Training Expense	45140	1,178	1,450	1,100	-24%
Organizational Training	45141	31,538	45,875	5,865	-87%
Meeting Expense	45150	1,993	1,200	1,200	0%
Tuition Reimbursement	45160	11,789	35,000	22,000	-37%
Accreditation Incentive Program	45180	0	1,500	1,500	0%
Travel & Reimbursed Expense	45210	17,973	32,430	15,000	-54%
Interview Expense	45230	2,612	7,300	9,300	27%
Legal and Business Procurement Ads	45340	9,130	6,000	10,440	74%
Condolence/Sympathy/Customer Support	45397	880	900	500	-44%
TOTAL ADMINISTRATIVE EXPENSES		<u>89,587</u>	<u>147,601</u>	<u>74,550</u>	<u>-49%</u>
TOTAL EXPENSES BEFORE FIXED ASSETS		1,055,736	1,312,592	1,066,705	-19%
FIXED ASSETS					
Fixed Asset Acquisition	48150	<u>10,400</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL SECTION EXPENSES		<u>\$1,066,136</u>	<u>\$1,312,592</u>	<u>\$1,066,705</u>	<u>-19%</u>

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Reno-Tahoe Airport Authority
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Technology and Information Systems (TIS)

Mission Statement: To facilitate the implementation, proper use, security, and convenience of information technologies at RTAA.

Key Duties and Responsibilities:

- Maintain and repair the following information technology areas:
 - ✓ Computer workstations and printers
 - ✓ Data communications network infrastructure
 - ✓ Application and database servers
 - ✓ System backup and security
 - ✓ Safety and security systems
 - ✓ Passenger information systems
 - ✓ Business information systems
 - ✓ Customs and Border Protection (CBP) Passport kiosks
 - ✓ Policy and legal compliance
- Implement new Technology and Information Systems in support of passenger information, cyber security, financial systems, and emergency communication and security/safety systems.
- Limit access to RTAA information technology resources to authorized users. This includes email, data storage areas, and internet access.
- Manage and maintain software and hardware for airport security system equipment (Access Control and Alarm Monitoring Systems (ACAMS), incident management software (WebEOC), and closed circuit televisions (CCTV)) including project management for upgrades.
- Comply with Purchasing Card Industry (PCI) security and privacy standards, as well as Nevada Revised Statute (NRS) 597.970 Electronic Data Privacy requirements.
- Implement and audit policies and procedures designed to further protect the RTAA's systems and data.

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Technology and Information Systems - Initiatives:

FY 2019-20 Initiatives

1. Complete replacement and install upgrades to safety and security systems.

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancement

Description: New technologies are continually being developed to increase safety and security, as well as provide an enhanced customer experience and continuity of operations during an emergency. As such, the RTAA is evaluating the benefits of those new tools and incorporating them as appropriate.

Performance Measure: The following goals have been established to be completed by June 30, 2020 to advance the RTAA's safety and security systems program:

- ✓ Annually Update Completed Cyber Security Plan
- ✓ Determine security system needs and schedule of implementation
- ✓ Complete PCI Data Security Standards (DSS) Requirements Assessment
- ✓ Implement ACAMS and CCTV Remote Connectivity Upgrade at Six Remote Locations
- ✓ Implement Baggage Handling System Camera Replacement

Progress: 90% Completed. All safety and security related goals (listed above) have been completed during FY2019-20, with a few exceptions: the cyber security plan update, and determining the security system needs have been deferred to FY 2020-21 due to the COVID-19 pandemic.

2. Replacement of Security Systems Network

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancement

Description: The existing security systems network supports Access Control and video surveillance and is 12 years old. The equipment is well beyond its 7-year recommended useful life and must be replaced.

Performance Measure: 100% Replacement of security systems network by June 30, 2020.

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

Progress: Not completed. Due to the COVID-19 pandemic and budget restrictions, the project was deferred.

3. Select and Negotiate a 24/7 Maintenance Agreement for Airport Security Systems

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancement

Description: Airport safety and security systems are currently maintained on a time-and-materials basis. A comprehensive Service Level Agreement (SLA) -driven support agreement is required to provide consistent support.

Performance Measure: Execute agreement by June 30, 2020.

Progress: 60% Completed. Vendor selection completed; final negotiations underway, however, on hold due to the COVID-19 pandemic and budget constraints.

4. Complete Uninterruptable Power Supply (UPS) Replacement at AVA 3 Computer Room.

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancement

Description: The current UPS is 12 years old and does not offer a bypass capability. It must be replaced due to age and to allow for zero-downtime maintenance for the Airport Communication Center (AIRCOMM).

Performance Measure: 100% Replacement of UPS by June 30, 2020.

Progress: 80% Completed. Installation scheduled to begin June 24, 2020 and estimate completion on July 1, 2020.

5. Implement 100% Offsite Data Backup.

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancements

Description: Data backups are currently stored at the Reno-Stead Airport. An additional copy of data needs to be stored in an offsite location not owned and operated by RTAA.

Reno-Tahoe Airport Authority
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Performance Measure: Complete implementation of offsite data storage by June 30, 2020.

Progress: 50% Completed. Delay due to the COVID-19 pandemic. Implementation in progress with anticipated completion by August 28, 2020.

6. Complete police records management system replacement.

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancements

Description: The CAD and RMS systems have been operating for more than five years. Both systems are past end-of-life and must be replaced. In addition, federal and state agencies are requiring all U.S. law enforcement agencies to transition to the National Incident-Based Reporting System (NIBRS) standard. Our current system is unable to provide the data necessary for the new requirements. The replacement and integration of these critical systems will enable the Reno-Tahoe Airport Authority Police Department, to meet the required reporting structure.

Performance Measure: Complete 75% of project by June 30, 2020.

Progress: 60% Completed. Implementation underway, anticipated completion date December 31, 2020.

7. Select and Negotiate an Agreement for the replacement of airport operation’s systems (Part 139, CMMS, GIS,).

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancements

Description: The current Part 139 Inspections database was created approximately 14 years ago by an employee who is no longer working for the RTAA. The software is limited and cannot be maintained. Part 139 Inspection software helps Airport Operations automate the daily self-inspections for safety and FAA compliance. The Part 139 Inspection software is custom designed to fit the needs of each airport.

Performance Measure: 100% Completion of the planning phase of the replacement project.

Progress: 40% Completed. Request for Proposals (RFPs) being created; anticipate solicitations in February 2020. On hold due to COVID-19 pandemic and budget constraints.

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8. Replace and upgrade Microsoft software on all computer workstations and laptops.

Strategic Initiative: Sustainability

Long-Term Goal: Operational Efficiency

Description: The workstations are eight (8) years old and have reached the recommended useful life. Microsoft desktop productivity applications are eight (8) years old and are no longer supportable. Microsoft Office 365 will be installed on all computer workstations and laptops.

Performance Measure: 100% replacement and upgrade of Microsoft software on all computer workstations.

Progress: 80% Completed. Currently researching mission-critical application compatibility; on hold due to COVID-19 pandemic and budget constraints. Completion anticipated by August 31, 2020.

FY 2020-21 New Initiatives

1. Replacement of Security Systems Network, Phase II

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancement

Description: The existing security systems network supports Access Control is 13 years old. The equipment is well beyond its 7-year recommended useful life and must be replaced. Replace the remaining half of security systems network switches.

Performance Measure: 50% Replacement of security systems network by June 30, 2021.

2. Replacement of Financial System Replacement, Phase II

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancement

Description: Facilitate replacement of Finance, Accounting, Revenue Management, and Project Accounting Systems.

Performance Measure: Complete 100% of implementation by June 30, 2021.

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3. Replacement of Legacy Surveillance Cameras

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/Security Systems Compliance / Enhancement

Description: The existing video surveillance is 13 years old. The equipment is well beyond its 7-year recommended useful life and must be replaced. Replace 25 analog security cameras.

Performance Measure: Replace 25 cameras by June 30, 2021.

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TECHNOLOGY AND INFORMATION SYSTEMS

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	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$586,413	\$1,044,344	\$945,700	-9%
Vacation Pay	41130	57,956	14,400	12,500	-13%
Sick Leave	41140	39,399	9,700	10,500	8%
Holiday Pay	41150	34,978	0	0	0%
Comp Time	41160	169	0	0	0%
Payroll Accrual	41195	1,092	0	0	0%
Medicare	41320	10,235	15,100	13,700	-9%
Group Insurance	41340	83,777	129,900	129,900	0%
PEBP Subsidy	41341	(17,196)	0	0	0%
Disability Insurance	41342	6,345	10,900	7,800	-28%
Vision Insurance	41344	1,056	1,600	1,100	-31%
Dental Insurance	41347	7,741	11,300	8,800	-22%
Workers Comp	41350	1,008	900	900	0%
Retirement	41360	195,972	304,000	276,600	-9%
Accrued PERS Expense	41365	1,076	0	0	0%
TOTAL PERSONNEL SERVICES		1,010,023	1,542,144	1,407,500	-9%
UTILITIES AND COMMUNICATIONS					
Communications	42210	311,428	330,000	315,000	-5%
TOTAL UTILITIES & COMMUNICATIONS		311,428	330,000	315,000	-5%
PURCHASED SERVICES					
Data Processing	43130	632,765	752,101	851,321	13%
Contracted Services	43340	0	125,000	57,000	-54%
Maintenance Agreement-Copier	43345	74	600	600	0%
Other Repair/Maintenance Svcs	43390	102,198	62,500	130,000	108%
Freight Expense	43430	602	500	500	0%
TOTAL PURCHASED SERVICES		735,640	940,701	1,039,421	10%
MATERIALS & SUPPLIES					
Office Supplies	44100	896	1,500	1,000	-33%
Paper	44110	0	0	200	%
Postage	44120	7	100	100	0%
Printing & Forms	44130	55	100	100	0%
Electrical Supplies	44360	2,437	65,000	30,000	-54%
Small Tools - Minor Equipment	44400	238	500	500	0%
Computer Hardware and Accessory Supplies	44405	97,486	34,500	34,500	0%
Administrative Equipment and Repair Parts	44410	6,218	2,500	0	-100%
Furniture and Accessories	44415	418	16,000	1,000	-94%
Software	44420	101,295	263,770	551,598	109%
Telephone Equipment and Labor	44460	11,169	17,000	17,000	0%
TOTAL MATERIALS & SUPPLIES		220,219	400,970	635,998	59%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	2,365	0	300	%
Books & Subscriptions	45120	1,226	2,200	2,200	0%
Conference Registration Fees	45130	1,724	1,294	0	-100%
Training Expense	45140	14,769	17,730	0	-100%

Reno-Tahoe Airport Authority
 FY 2020-21
 ANNUAL BUDGET

TECHNOLOGY AND INFORMATION SYSTEMS

Section 253

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Meeting Expense	45150	498	450	450	0%
Travel & Reimbursed Expense	45210	4,128	25,460	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		<u>24,710</u>	<u>47,134</u>	<u>2,950</u>	<u>-94%</u>
TOTAL EXPENSES BEFORE FIXED ASSETS		2,302,020	3,260,949	3,400,869	4%
FIXED ASSETS					
Fixed Asset Acquisition	48150	15,168	910,000	90,000	-90%
TOTAL SECTION EXPENSES		<u>\$2,317,188</u>	<u>\$4,170,949</u>	<u>\$3,490,869</u>	<u>-16%</u>

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
Section 7 – Expenditures

Reno – Stead Airport

Mission Statement: The Reno-Stead Airport (RTS) staff will provide a safe, well-maintained, and efficiently run general aviation airport by maintaining facilities to RTAA’s high standards and promoting common rules and regulation that enables the quiet enjoyment by all users and visitors.

Key Duties and Responsibilities:

- Maintain and preserve:
 - ✓ Airfield and roadway pavements and markings
 - ✓ Airfield lighting systems
 - ✓ RTS vehicle and equipment fleet
 - ✓ RTAA owned facilities
 - ✓ RTS landscapes
 - ✓ Unmanned Aircraft System (UAS) Range safety and operational support and management
 - ✓ Airport security fence and systems
 - ✓ Fire break system on 5,000 + acre facility to protect airport and neighbor properties
- Provide support for the National Championship Air Races.
- Support neighborhood relations by hosting the North Valleys Citizen Advisory Board, the North Valleys Neighborhood Advisory Board, and other community aviation meetings/events as requested.
- Represent the President/CEO at RTS on routine and emergency matters during non-business hours.
- Facilitate the safe, secure, and effective operations of RTS.
- In cooperation with other RTAA departments; ensure leases, tenant information and safety inspections are managed in a timely, cooperative manner.
- Work with Airport Economic Development to increase revenue opportunities at RTS.
- Provide required Occupational Safety Health Administration (OSHA) safety training.
- Ensure RTS representation during planning and execution of construction activities.
- Review and manage the RTS snow removal plan and operation.
- Provide RTAA liaison for FAA approved safety programs and training opportunities at RTS.
- Sustain readiness to execute the Airport Emergency Plan.
- Provide outstanding customer service to staff, tenants, aviation users, and the public.
- Provide logistical, operational and management support to UAS operations on and around RTS.

**Reno-Tahoe Airport Authority
FY 2020-21
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Section 7 – Expenditures**

FY 2019-20 Initiatives

1. Communicate Reno-Stead Airport (RTS) capital projects and potential General Aviation (GA) impact to GA tenants.

Strategic Initiative: General Aviation

Long-Term Goal: GA Community Relations

Description: To foster and encourage GA services, facilities and operations growth, the RTAA is committed to proactively engage with all facets of the GA community. This initiative is to promote and support GA operations at RTS.

Performance Measure: Update GA tenants quarterly or as needed regarding any impacts on GA Community due to RTS Capital projects.

Progress: 75% Completed. Reno-Stead Airport Staff held Reno-Stead Airport Association (RSAA) meetings on August 13, 2019, November 12, 2019, and December 10, 2019.

2. Accommodate aeronautical requests for airfield use at RTS.

Strategic Initiative: General Aviation

Long-Term Goal: GA User Needs and Market Demand

Description: General Aviation (GA) includes all civil and military operations other than scheduled passenger and cargo airline operations. GA flights are conducted for pleasure, private business and public service that require more flexible transportation than scheduled commercial airlines offer. To foster and encourage GA services, facilities and operations growth, the RTAA is committed to proactively engage with all facets of the GA community. This initiative is to promote and support GA operations at RTS.

Performance Measure: RTS will accommodate 85% of all aeronautical requests for airfield use by the GA and Military Communities during FY 2019-20.

Progress: 100% Completed. RTS staff accommodated 23 of 24 approved aeronautical requests, as of June 30, 2020.

FY 2020-21 New Initiatives

1. Partner with Reno-Stead Airport Association (RSAA) Community.

Reno-Tahoe Airport Authority
FY 2020-21
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Section 7 – Expenditures

Strategic Initiative: General Aviation

Long-Term Goal: GA Community Relations

Description: To foster and encourage GA services, facilities and operations growth, the RTAA is committed to proactively engage with all facets of the GA community. This initiative is to promote and support GA operations at RTS.

Performance Measure: Host three (3) aviation community airport information meetings/events annually.

2. Accommodate aeronautical requests for airfield use at RTS.

Strategic Initiative: General Aviation

Long-Term Goal: GA User Needs and Market Demand

Description: General Aviation (GA) includes all civil and military operations other than scheduled passenger and cargo airline operations. GA flights are conducted for pleasure, private business and public service that require more flexible transportation than scheduled commercial airlines offer. To foster and encourage GA services, facilities and operations growth, the RTAA is committed to proactively engage with all facets of the GA community. This initiative is to promote and support GA operations at RTS.

Performance Measure: RTS will accommodate 85% of all aeronautical requests for airfield use by the GA and Military Communities during FY 2020-21.

3. Conduct four Community Partner Events/Activities.

Strategic Initiative: General Aviation

Long-Term Goal: GA Community Relations

Description: Proactively engage with the community to position Stead as a valued community partner by facilitating events and activities that connect with our neighbors in the non-aviation community like the Santa Fly-in, Young Eagles, and the Biggest Little Parade.

Performance Measure: Conduct four (4) events/ activities by June 30, 2021.

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RENO STEAD AIRPORT

Section 254

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$347,516	\$427,200	\$435,400	2%
Vacation Pay	41130	30,976	3,000	4,300	43%
Sick Leave	41140	26,843	5,600	4,700	-16%
Holiday Pay	41150	19,550	2,300	2,500	9%
Comp Time	41160	2,156	1,700	1,700	0%
Workers Comp Pay	41170	0	1,000	1,000	0%
Payroll Accrual	41195	(543)	0	0	0%
Overtime Pay	41210	14,612	16,000	15,500	-3%
Overtime Call Back	41213	1,508	300	500	67%
Standby	41220	69	0	0	0%
Shift Differential	41230	1,667	2,200	2,200	0%
Automobile Allowance	41250	450	0	0	0%
Holiday worked Pay	41280	4,236	3,800	4,000	5%
Premium Payroll Accrual	41285	245	0	0	0%
Medicare	41320	6,398	7,042	6,300	-11%
Group Insurance	41340	82,126	85,300	96,800	13%
Disability Insurance	41342	3,643	4,300	3,400	-21%
Vision Insurance	41344	1,007	1,100	800	-27%
Dental Insurance	41347	7,559	8,200	7,200	-12%
Workers Comp	41350	10,584	8,600	10,000	16%
Retirement	41360	114,436	125,000	127,400	2%
Accrued PERS Expense	41365	535	0	0	0%
Uniform Allowance	41380	3,213	2,800	0	-100%
Meal Allowance	41390	103	0	200	%
TOTAL PERSONNEL SERVICES		678,890	705,442	723,900	3%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	66,564	86,000	75,000	-13%
Natural Gas	42120	12,708	9,000	13,000	44%
Water	42130	13,486	16,000	15,000	-6%
Sewer	42140	22,423	23,500	23,500	0%
Solid Waste Disposal	42150	7,667	6,900	7,000	1%
Dump Fees	42152	147	0	0	0%
Hazardous Waste Disposal	42180	799	600	600	0%
TOTAL UTILITIES & COMMUNICATIONS		123,794	142,000	134,100	-6%
PURCHASED SERVICES					
Professional Services	43100	5,539	0	2,000	%
Other Professional Services	43190	170	500	500	0%
Equipment Rental	43211	45	1,000	1,000	0%
Contracted Services	43340	57,807	47,500	55,921	18%
Maintenance Agreement-Copier	43345	305	500	500	0%
Other Repair/Maintenance Svcs	43390	11,062	18,000	18,000	0%
Freight Expense	43430	318	250	250	0%
Permits & Records Fees	43460	2,265	3,125	3,625	16%
Other Purchased Services	43490	11	0	0	0%
TOTAL PURCHASED SERVICES		77,521	70,875	81,796	15%
MATERIALS & SUPPLIES					
Office Supplies	44100	789	900	1,500	67%
Paper	44110	71	100	150	50%
Postage	44120	0	50	50	0%
Printing & Forms	44130	189	100	200	100%
Refreshments and Breakroom Supplies	44140	558	600	600	0%
Oil and Lubricants	44210	262	2,000	2,500	25%
Chemicals	44220	136	0	0	0%
Herbicides	44221	11,278	13,200	13,000	-2%
Fertilizer	44222	69	150	350	133%
Auto Fuel	44230	5,818	7,000	6,000	-14%
Diesel Fuel	44240	10,401	9,500	8,000	-16%

**Reno-Tahoe Airport Authority
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RENO STEAD AIRPORT

Section 254

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Janitorial Supplies	44260	1,560	2,000	2,000	0%
Medical Supplies	44270	702	700	700	0%
Other Operating Supplies	44290	3,477	4,000	4,000	0%
Repair & Maintenance Supply	44300	27	0	0	0%
Vehicles	44310	2,523	5,000	5,000	0%
Heating & Air Conditioning	44320	0	900	5,000	456%
Filters	44321	0	0	500	%
Machinery	44330	17,892	24,000	22,000	-8%
Locks & Hardware	44333	401	700	700	0%
Plant Stock	44340	5,565	1,500	1,500	0%
Irrigation Supplies	44341	722	800	500	-38%
Landscape Materials	44342	1,445	1,000	1,000	0%
Plumbing Supplies	44350	2,831	500	500	0%
Electrical Supplies	44360	3,612	2,000	2,000	0%
Runway/Taxiway	44361	804	2,000	2,500	25%
Ramp Lighting	44362	0	2,000	1,500	-25%
Lumber & Building Supplies	44370	2,735	2,200	2,000	-9%
Paint Supplies	44380	3,848	2,600	11,000	323%
Other Repairs-Maint Supplies	44390	(177)	0	0	0%
Small Tools - Minor Equipment	44400	7,615	3,500	3,500	0%
Administrative Equipment and Repair Parts	44410	199	0	0	0%
Furniture and Accessories	44415	378	0	0	0%
Sign and Sign Maintenance	44430	5,930	1,000	3,000	200%
Employee Uniform	44445	0	0	2,900	%
Safety Equipment	44450	1,152	2,000	2,000	0%
Patch Material	44513	0	0	8,000	%
Pavement Treatment Supplies	44515	33,123	45,000	13,000	-71%
Runways/taxiway Repair	44530	3,781	22,000	5,000	-77%
Fence and Gate Repair Parts	44540	1,723	2,000	2,000	0%
TOTAL MATERIALS & SUPPLIES		131,440	161,000	134,150	-17%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	325	720	720	0%
Conference Registration Fees	45130	639	1,030	1,200	17%
Training Expense	45140	1,249	3,300	1,500	-55%
Meeting Expense	45150	325	500	500	0%
Travel & Reimbursed Expense	45210	1,387	2,500	700	-72%
Other Advertising & Promotion	45390	0	500	500	0%
Community Outreach	45398	5,835	2,500	2,500	0%
TOTAL ADMINISTRATIVE EXPENSES		9,760	11,050	7,620	-31%
TOTAL EXPENSES BEFORE FIXED ASSETS		1,021,404	1,090,367	1,081,566	-1%
FIXED ASSETS					
Fixed Asset Acquisition	48150	0	43,316	0	-100%
TOTAL SECTION EXPENSES		\$1,021,404	\$1,133,683	\$1,081,566	-5%

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Unmanned Aircraft Systems**

Section 255

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PURCHASED SERVICES					
Equipment Rental	43211	0	1,000	500	-50%
Contracted Services	43340	0	2,500	1,000	-60%
TOTAL PURCHASED SERVICES		0	3,500	1,500	-57%
MATERIALS & SUPPLIES					
Office Supplies	44100	0	500	0	-100%
Other Operating Supplies	44290	0	500	500	0%
TOTAL MATERIALS & SUPPLIES		0	1,000	500	-50%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	0	600	600	0%
Conference Registration Fees	45130	(639)	1,640	0	-100%
Meeting Expense	45150	686	1,000	0	-100%
Travel & Reimbursed Expense	45210	3,216	16,755	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		3,263	19,995	600	-97%
TOTAL EXPENSES BEFORE FIXED ASSETS		3,263	24,495	2,600	-89%
FIXED ASSETS					
Fixed Asset Acquisition	48150	0	0	0	0%
TOTAL SECTION EXPENSES		<u>\$3,263</u>	<u>\$24,495</u>	<u>\$2,600</u>	<u>-89%</u>

Reno-Tahoe Airport Authority
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Accounting

Mission Statement: Provide accurate and timely financial and statistical information; maintain a strong internal control system; maximize investment earnings within prudent standards; bill and collect all RTAA revenue; and provide timely paying of bills. This section is responsible for maintenance, reporting, and management of all accounting services in support of the RTAA's financial goals and objectives.

Key Duties and Responsibilities:

- Prepare the Comprehensive Annual Financial Report (CAFR) including an introduction, management's discussion and analysis, footnotes, statistical section, and compliance.
- Process accounts payable biweekly including check issuance and wire transfer to ensure vendors are paid timely and accurately.
- Process purchasing cards payments on a timely basis and review reporting online.
- Prepare accounts receivable invoices twice monthly. Conduct monthly meetings to review outstanding accounts receivable and report to Senior Leadership all outstanding receivables over 60 days.
- Complete Payrolls bi-weekly. Assure compliance with all Internal Revenue System (IRS) wage and reporting regulations.
- Compile financial and statistical reports monthly and review for accuracy. Perform analytical reviews and reports for Senior Leadership.
- Develop and issue monthly financial statements and management reports.
- Record and track fixed assets including construction in progress and recognition of depreciation expenses.
- Record and report all FAA Airport Improvement Program grants and Passenger Facility Charge revenue activity.
- Administer Transportation Security Administration (TSA) grants associated with the canine explosive detection teams and law enforcement officer coverage of the security checkpoints.
- Account for Customer Facility Charge (CFC) revenue and expenditures associated with fees collection to maintain and repair rental car facilities.
- Coordinate staff member work with independent auditors to compile the annual financial statements.
- Invests all RTAA funds in accordance with the investment policy with a focus on safety, liquidity and yield.
- Reconcile all bank balances and resolve outstanding issues.
- Attend industry seminars and keep current on official pronouncements of accounting practice.

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- Participate and provide financial support to ad-hoc and standing RTAA committees, which may include employee relations and strategic planning.
- Obtain the Government Finance Officers Association (GFOA) Award of Certificate of Achievement for Excellence in Financial Reporting.
- Complete and update annually the financial portion of the RTAA’s Fraud Risk Assessment.
- Obtain and update annually the RTAA’s Conflict of Interest Statements.
- Administer and manage RTAA debt pursuant to bond resolutions.

Accounting - Initiatives:

FY 2019-20 Initiatives

1. Implement New Time Report, Payroll, and Human Resource System.

Strategic Initiative: Sustainability

Long-Term Goal: Operational Efficiency

Description: Replace current employee systems with new comprehensive and integrated human resource and payroll processing solution.

Performance Measure: Complete 50% of Implementation by June 30, 2020.

Progress: Exceeded the 50% implementation target. The cutover to the new payroll system is anticipated for July 1, 2020.

FY 2020-21 New Initiatives

1. Implement New Financial System.

Strategic Initiative: Sustainability

Long-Term Goal: Operational Efficiency

Description: Implement new financial system, including: general ledger, accounts payable / receivable, billing, capital assets, cash management and project / grant accounting.

Performance Measure: Complete implementation by June 30, 2021.

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ACCOUNTING AND ADMINISTRATION

Section 302

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$525,619	\$633,200	\$609,900	-4%
Vacation Pay	41130	46,295	7,100	6,200	-13%
Sick Leave	41140	26,673	6,100	6,800	11%
Holiday Pay	41150	29,947	0	0	0%
Comp Time	41160	225	0	0	0%
Payroll Accrual	41195	(10,895)	0	0	0%
Overtime Pay	41210	0	0	350	%
Automobile Allowance	41250	3,323	4,800	4,800	0%
Premium Payroll Accrual	41285	92	0	0	0%
Medicare	41320	9,185	9,200	8,800	-4%
Group Insurance	41340	64,355	76,500	94,700	24%
Disability Insurance	41342	5,367	7,100	5,300	-25%
Vision Insurance	41344	728	900	800	-11%
Dental Insurance	41347	4,916	5,900	6,500	10%
Workers Comp	41350	882	600	700	17%
Retirement	41360	165,688	185,200	178,400	-4%
Accrued PERS Expense	41365	393	0	0	0%
TOTAL PERSONNEL SERVICES		872,795	936,600	923,250	-1%
PURCHASED SERVICES					
Accounting and Auditing	43120	30,870	54,900	64,000	17%
Data Processing	43130	162	250	0	-100%
Banking Services and Fees	43180	28,124	46,185	47,185	2%
Other Professional Services	43190	20,018	57,220	59,200	3%
Contract Services	43340	19,000	0	0	0%
Maintenance Agreement-Copier	43345	2,543	2,500	2,700	8%
Freight Expense	43430	6	200	200	0%
Other Purchased Services	43490	5,740	5,500	5,800	5%
TOTAL PURCHASED SERVICES		106,463	166,755	179,085	7%
MATERIALS & SUPPLIES					
Office Supplies	44100	3,862	3,900	4,000	3%
Paper	44110	773	900	1,000	11%
Postage	44120	3,010	3,800	3,900	3%
Printing & Forms	44130	604	1,100	1,200	9%
Refreshments and Breakroom Supplies	44140	10	0	0	0%
Furniture and Accessories	44415	1,413	1,000	0	-100%
TOTAL MATERIALS & SUPPLIES		9,671	10,700	10,100	-6%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	1,579	2,020	1,929	-5%
Books & Subscriptions	45120	0	800	600	-25%
Conference Registration Fees	45130	2,130	2,970	0	-100%
Training Expense	45140	6,744	3,500	0	-100%
Meeting Expense	45150	879	400	400	0%
Travel & Reimbursed Expense	45210	4,437	8,230	0	-100%
Relocation Expense	45220	8,547	0	0	0%
Bonds Employees/Officers	45440	50	0	0	0%
TOTAL ADMINISTRATIVE EXPENSES		24,366	17,920	2,929	-84%
TOTAL SECTION EXPENSES		\$1,013,295	\$1,131,975	\$1,115,364	-1%

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Purchasing and Materials Management

Mission Statement: To ensure that all materials, supplies, equipment, and services required to operate Reno-Tahoe International Airport (RNO) and Reno Stead Airport (RTS) are acquired in a timely manner, at the lowest possible cost, consistent with the quality required, and in compliance with all applicable procurement legislation.

Key Duties and Responsibilities:

- Purchase materials, supplies, equipment and services needed for day-to-day operation in a timely, cost effective manner in compliance with applicable laws.
- Comply with the requirements for competitive bidding contained in NRS 332 and 338 and the Airport Improvement Project Handbook by preparing bids and proposal requests.
- Inventory stored property and assist Departments/Divisions in identifying property for continued storage, addition to stock, or disposal.
- Review items in warehouse inventory to establish appropriate items and stock levels.
- Conduct bi-annual inventory of RTAA fixed assets, as statutorily mandated, utilizing barcoding equipment.
- Continue monitoring usage of and updates to the procurement card system and its interface with the RTAA's accounting system.
- Receive and issue materials and supplies for work order-based purchases.
- Order and receive stock inventory to support RTAA maintenance and operation.
- Ensure proper licensing and recording of all RTAA driver-operated vehicles and designated equipment with the Department of Motor Vehicles.
- Maintain and operate storeroom, stock locations and bins on a daily on-going basis.
- Prepare and dispose of surplus property in bi-annual public auctions in accordance with statutory requirements.
- Evaluate Purchasing and Materials Management processes and procedures with a focus on continual improvement.
- Cross train employees on customizing Professional Service Agreements and managing Request for Proposal processes.
- Coordinate and administer RTAA's use of the Nevada Government eMarketplace (NGEM) procurement system including issuing new solicitations and encouraging vendor registration.
- Coordinate and administer RTAA's use of the Contracts Management database in the NGEM system to update current and input new contracts.
- Administer succession planning for Purchasing and Material Management positions.
- Serve as the Resource Group Leader/ Logistics Section Chief in RTAA emergency situations. This includes acquisition and delivery of supplies, food and other support to responders.

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Purchasing - Initiatives:

FY 2019-20 Initiatives

1. Develop New Purchasing Policies and Best Practices Procedural Manual.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Sound Financial Practices

Description: A reference document is needed to provide consistent and clear instructions on the purchase of goods, services, and equipment.

Performance Measure: Complete development of a manual by June 30, 2020.

Progress: 70% Completed. Initiative needs to align final processes and procedures with the implementation of the new Enterprise Resource Planning (ERP) system.

FY 2020-21 New Initiatives

1. Implement New Purchasing System.

Strategic Initiative: Sustainability

Long-Term Goal: Operational Efficiency

Description: Implement new purchasing system, including: requisition, purchase orders, inventory and contracts modules.

Performance Measure: Complete implementation by June 30, 2021.

2. Develop New Purchasing Policies and Best Practices Procedural Manual.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Sound Financial Practices

Description: A reference document is needed to provide consistent and clear instructions on the purchase of goods, services, and equipment.

Performance Measure: Complete development of a manual by June 30, 2021.

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PURCHASING AND MATERIALS MANAGEMENT

Section 303

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$317,022	\$404,500	\$402,600	0%
Vacation Pay	41130	25,308	4,200	4,200	0%
Sick Leave	41140	13,282	3,300	3,700	12%
Holiday Pay	41150	18,561	0	0	0%
Payroll Accrual	41195	2,447	0	0	0%
Overtime Pay	41210	81	500	500	0%
Service Awards	41270	172	0	0	0%
Medicare	41320	5,267	5,900	5,800	-2%
Group Insurance	41340	48,864	59,200	67,000	13%
Disability Insurance	41342	3,506	4,400	3,300	-25%
Vision Insurance	41344	556	700	500	-29%
Dental Insurance	41347	3,926	4,900	4,500	-8%
Workers Comp	41350	3,906	5,400	6,200	15%
Retirement	41360	101,806	118,300	117,700	-1%
Accrued PERS Expense	41365	677	0	0	0%
Uniform Allowance	41380	211	400	0	-100%
TOTAL PERSONNEL SERVICES		545,593	611,700	616,000	1%
PURCHASED SERVICES					
Consultants- General	43140	5,881	0	0	0%
Other Professional Services	43190	1,254	0	3,000	%
Office Equipment Rental	43210	1,140	1,140	0	-100%
Repairs	43310	6	0	0	0%
Contracted Services	43340	2,020	1,000	3,000	200%
Maintenance Agreement-Copier	43345	588	500	750	50%
Other Repair/Maintenance Svcs	43390	130	55,721	890	-98%
Freight Expense	43430	1,424	500	1,799	260%
Other Purchased Services	43490	0	0	500	%
TOTAL PURCHASED SERVICES		12,443	58,861	9,939	-83%
MATERIALS & SUPPLIES					
Office Supplies	44100	3,404	3,000	2,600	-13%
Paper	44110	278	300	300	0%
Postage	44120	157	50	160	220%
Printing & Forms	44130	305	500	475	-5%
Refreshments and Breakroom Supplies	44140	53	100	100	0%
Janitorial Supplies	44260	28	50	50	0%
Medical Supplies	44270	251	400	400	0%
Other Operating Supplies	44290	963	650	2,005	208%
Paint Supplies	44380	60	0	0	0%
Other Repairs- Maint Supplies	44390	8	0	2,600	%
Small Tools - Minor Equipment	44400	609	600	2,880	380%
Computer Hardware and Accessory Supplies	44405	0	300	300	0%
Administrative Equipment and Repair Parts	44410	386	500	600	20%
Furniture and Accessories	44415	1,465	1,500	300	-80%
Employee Uniform	44445	0	0	1,590	%
Safety Equipment	44450	673	500	400	-20%
Purchase Price Variance	44750	(198)	0	0	0%
TOTAL MATERIALS & SUPPLIES		8,442	8,450	14,760	75%
ADMINISTRATIVE EXPENSES					
Membership Dues	45110	1,350	1,896	500	-74%
Books & Subscriptions	45120	333	350	350	0%
Conference Registration Fees	45130	1,225	2,400	0	-100%
Training Expense	45140	159	3,800	1,000	-74%

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PURCHASING AND MATERIALS MANAGEMENT

Section 303

	<u>ACCOUNT NO.</u>	<u>2018-19 ACTUAL</u>	<u>2019-20 BUDGET</u>	<u>2020-21 BUDGET</u>	<u>PERCENT CHANGE</u>
Meeting Expense	45150	277	200	200	0%
Travel & Reimbursed Expense	45210	1,655	3,180	0	-100%
Legal and Business Procurement Ads	45340	5,912	4,500	6,000	33%
TOTAL ADMINISTRATIVE EXPENSES		<u>10,911</u>	<u>16,326</u>	<u>8,050</u>	<u>-51%</u>
TOTAL SECTION EXPENSES		<u>\$577,390</u>	<u>\$695,337</u>	<u>\$648,749</u>	<u>-7%</u>

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Finance and Budgeting

Mission Statement: To provide financial analysis and budgeting services with a focus on effective resource utilization, asset protection, long-term strategic planning, and financial stability. This department is responsible for (1) budgeting and forecasting revenue and expense outcomes, (2) calculating airline rates, fees, and charges, (3) funding capital improvement project needs, and (4) providing risk management services through coordination with insurance brokers and securing insurance coverage at reasonable costs.

Key Duties and Responsibilities:

- Coordinate the RTAA’s annual operating budget including the forecast of revenues to assist in the establishment of expenditure targets.
- Obtain the Governmental Finance Officer Association (GFOA) “Distinguished Budget Presentation” award.
- Prepare the monthly financial package at the Finance and Business Development Committee meetings.
- Calculate airline rates and charges and perform the mid-year review and year end settlement analysis.
- Provide cost estimates for airlines considering air service to the RNO.
- Prepare financial feasibility analysis to evaluate the ability of the RTAA to afford future capital improvement programs and maintain prudent cash and liquidity reserves.
- Update and maintain the extensive financial models used to prepare the annual budget, calculate airline rates and charges, and forecast financial results under various scenarios.
- Administer the Passenger Facility Charge (PFC) program including development of new applications and quarterly reporting.
- Review Board memo fiscal impacts and other analyses as requested.
- Complete insurance applications, provide insurance company tours, administer RTAA liability claims, and review RTAA contract insurance requirements.
- Perform analytical reviews and reports for Senior Leadership.
- Each staff member, in conjunction with Accounting, will work with independent auditors to compile the annual financial statements.
- Set training goals and encourage all staff to take advantage of all appropriate RTAA in-house training opportunities.
- Attend industry seminars and keep current on developing finance trends including public-private partnerships (P3s).
- Continue to aggressively apply for federal grants and maximize the use of PFCs to fund capital improvement projects.

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Finance and Budgeting - Initiatives:

FY 2019-20 Initiatives

1. Prepare and Submit Passenger Facility Charge (PFC) Application #15.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Plan of Finance and Business/Intergovernmental Agreements

Description: With the adoption of the RNO Master Plan, various improvements to modernize the RNO terminal building were identified. The PFC application will request funding for programmatic design of the ticketing project.

Performance Measure: Prepare the application and submit to FAA by June 30, 2020.

Progress: 95% Completed. Staff has obtained approval from both Airlines and the Board of Trustees to submit PFC application #15 to the FAA for approval. The application is awaiting the FAA's environmental approval, necessary to submit the official application. The Board of Trustees authorized submittal for PFC #15 on June 11, 2020, however due to the impact of the COVID-19 pandemic and FAA short staffing the environmental study has not been completed by FAA.

2. Renew or Negotiate New Airline Agreement.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Financial Status Indicator

Description: Current airline agreement expires June 30, 2020. Options would be to renew existing agreement or negotiate new agreement.

Performance Measure: Approval of amended or new airline agreement by June 30, 2020.

Progress: 100% Completed. On June 11, 2020, board approved amendment to extend agreement 3 years through June 30, 2023. New provision includes \$20 million funded by rates and charges for the Ticketing Hall design and construction project.

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FY 2020-21 New Initiatives

1. Obtain FAA Approval of PFC Application #15.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Plan of Finance and Business/Intergovernmental Agreements

Description: Finalize pending application, submit to FAA and obtain approval. The PFC application will request funding for Loop Road Reconstruction and Terminal Escalators.

Performance Measure: Obtain approval from FAA by June 30, 2021.

2. Implement New Budgeting System.

Strategic Initiative: Sustainability

Long-Term Goal: Operational Efficiency

Description: Implement new budgeting system to improve budget preparation activities, analytics, and budgetary controls.

Performance Measure: Complete implementation by June 30, 2021.

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FINANCE AND BUDGETING

Section 305

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	166,480	\$183,900	\$184,000	0%
Vacation Pay	41130	17,808	3,200	3,600	13%
Sick Leave	41140	7,361	2,700	2,300	-15%
Holiday Pay	41150	7,815	0	0	0%
Comp Time	41160	134	0	0	0%
Payroll Accrual	41195	(2,527)	0	0	0%
Medicare	41320	2,429	2,700	2,700	0%
Group Insurance	41340	20,128	22,900	26,000	14%
Disability Insurance	41342	1,820	2,100	1,600	-24%
Vision Insurance	41344	239	300	200	-33%
Dental Insurance	41347	1,987	2,300	2,200	-4%
Workers Comp	41350	252	200	200	0%
Retirement	41360	48,624	53,800	53,800	0%
Accrued PERS Expense	41365	(48)	0	0	0%
TOTAL PERSONNEL SERVICES		272,504	274,100	276,600	1%
PURCHASED SERVICES					
Consultants - General	43140	32,320	75,000	30,000	-60%
Office Equipment Rental	43210	540	500	540	8%
Maintenance Agreement-Copier	43345	240	500	0	-100%
Freight Expense	43430	574	300	500	67%
Other Purchased Services	43490	25	0	0	0%
TOTAL PURCHASED SERVICES		33,700	76,300	31,040	-59%
MATERIALS & SUPPLIES					
Office Supplies	44100	327	500	500	0%
Paper	44110	0	50	0	-100%
Postage	44120	347	200	200	0%
Printing & Forms	44130	115	0	200	%
TOTAL MATERIALS & SUPPLIES		789	750	900	20%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,930	1,500	1,500	0%
Books & Subscriptions	45120	0	100	0	-100%
Conference Registration Fees	45130	0	2,000	0	-100%
Training Expense	45140	0	300	300	0%
Meeting Expense	45150	0	0	100	%
Travel & Reimbursed Expense	45210	4,119	4,100	0	-100%
Legal Ads	45340	1,163	450	500	11%
TOTAL ADMINISTRATIVE EXPENSES		7,212	8,450	2,400	-72%
TOTAL SECTION EXPENSES		\$314,204	\$359,600	\$310,940	-14%

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NONDEPARTMENTAL

Section 900

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	289,090	\$350,000	\$0	-100%
Temporary Employees	41120	0	(450,000)	(450,000)	0%
Sick Leave	41140	19,569	20,000	10,000	0%
PEBP Subsidy	41341	0	0	0	0%
Self Funded Rx	41343	0	0	0	0%
Vision Service Plan	41344	0	0	0	0%
Dental Insurance	41347	0	0	0	0%
Retiremebt (PERS)	41360	0	0	0	0%
Pension Expense	41361	(137,196)	0	0	0%
TOTAL PERSONNEL SERVICES		171,464	(80,000)	(440,000)	0%
PURCHASED SERVICES					
Air Service Studies	43193	31,849	50,000	50,000	0%
Contracted Services	43340	264,678	279,000	286,800	3%
Freight Expense	43430	0	650	0	-100%
TOTAL PURCHASED SERVICES		296,528	329,650	336,800	2%
MATERIALS & SUPPLIES					
Office Supplies	44100	70	0	0	0%
Paper	44110	1,038	2,000	1,500	-25%
Inventory Adjustments	44292	(8,940)	0	0	0%
TOTAL MATERIALS & SUPPLIES		(7,832)	2,000	1,500	-25%
ADMINISTRATIVE EXPENSE					
Air Service Development	45350	123,479	\$246,000	\$93,000	-62%
Miscellaneous Expense	45370	(285)	0	0	0%
Other Advertising & Promotion	45390	50,000	50,000	50,000	0%
Airport Liability	45410	131,062	140,200	118,500	-15%
Vehicle Liability	45420	71,646	83,800	99,000	18%
Bonds Employees/Officers	45440	11,056	13,900	15,200	9%
Buildings & Contents	45450	626,552	670,800	873,000	30%
Public Officials Liability	45460	62,458	63,500	81,100	28%
Public Safety Liability	45470	47,032	59,800	48,100	-20%
Other Insurance	45490	0	25,000	50,000	100%
TOTAL ADMINISTRATIVE EXPENSES		1,123,001	1,353,000	1,427,900	6%
FIXED CHARGES					
Int Exp 2015 Bonds	71125	0	414,013	337,975	-18%
TOTAL FIXED CHARGES		0	414,013	337,975	-18%
TOTAL SECTION EXPENSES		<u>\$1,583,160.12</u>	<u>\$2,018,663</u>	<u>\$1,664,175</u>	<u>-18%</u>

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Operations and Public Safety Administration

Mission Statement: Ensure leadership and direction in managing, coordinating and integrating all aspects of airfield rescue and firefighting (ARFF), airside and terminal operations, landside operations, police, and security in compliance with regulations for an efficient, safe and seamless experience for all users.

Key Duties and Responsibilities:

- Provide direction and establish and maintain cohesive relationships and interoperability across all Operations Departments: ARFF, Airside Operations and Communications, Landside Operations, Police, and Security.
- Ensure RNO is continually in compliance with 14 CFR 139 Certification of Airports and 14 CFR 1542 Airport Security.
- Successfully complete a Part 1542 annual security exercise.
- Successfully complete required Part 139 annual mass casualty emergency and table-top exercises.
- Represent the President/CEO on routine and emergency matters during non-business hours.
- Ensure the safe, secure, and effective operation of the airport during non-business hours.
- Sustain parking and ground transportation net revenues.
- Convey indications and warnings to RTAA staff and tenants on a timely basis about situations that may negatively impact safe, secure, efficient airport operations.
- Sustain decision-grade information/situation reporting.
- Train for and expand emergency response capabilities.
- Ensure operational readiness of the Airfield Rescue and Firefighting (ARFF) department.
- Manage the Emergency Operations Center (EOC) during emergencies.
- Activate EOC as required and ensure staff is trained to the National Incident Management System (NIMS) standards.
- Ensure operational readiness of the RNO Police department including participation in the Transportation Security Administration (TSA) National Explosive Detection Canine Team Program.
- Maintain Police affiliation and certification with the Commission on Accreditation for Law Enforcement (CALEA).
- Conduct security and disaster training as required by the Federal Aviation Administration (FAA).
- Provide required Occupational Safety Health Administration (OSHA) safety training.

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- Ensure Operations representation during planning and execution of construction activities.
- Review snow season activities and manage the update of Snow and Ice Control Plan including coordination of pre-season meetings.
- Posture RTAA Operations staff for FAA proposed Safety Management System implementation.
- Publish and train staff on the Airport Emergency Plan.
- Effectively orient and train new organizational leaders on Operational Division missions, constraints, restrictions, and opportunities.
- Provide outstanding customer service to staff, tenants, aviation users, and the public from parking to the runways and back again.

Operations and Public Safety Administration – Initiatives:

FY 2019-20 Initiatives

1. Cross-functional Operations and Public Safety Division training / familiarization.

Strategic Initiative: Safety and Security

Long-Term Goal: Risk Management and Business Continuity

Description: Develop additional expertise within the Operations and Public Safety division and increase the understanding of the roles, challenges and perspective between the members of the division. This initiative is designed to educate employees in the requirements of other public safety and operational areas to enhance emergency and business continuity plans.

Continue providing cross-functional familiarization training for Operations & Public Safety staff across all Divisions.

Performance Measure: All new hires and 100% of existing staff will receive training in other operational department areas with the Operations and Public Safety Division by June 30, 2020.

Progress: 64% Completed. Due to the COVID-19 pandemic, training has been put on hold.

2. Develop a RTAA continuity of Operations plan.

Strategic Initiative: Safety and Security and Financial Diversification

Long-Term Goal: Risk Management and Business Continuity

Reno-Tahoe Airport Authority
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Description: Develop continuity of operations plan (COOP) in cooperation with Washoe County (WC) Emergency Management. The WC Emergency Manager will include the RTAA in the regional plan and provide support in developing the RTAA COOP through an annual grant application process.

Performance Measure: Complete RTAA Continuity of Operations Plan by June 30, 2020.

Progress: 85% Completed. Initial planning meeting held in fall of 2019, and kickoff meeting held in February 2020.

3. Coordinate Emergency Drills to Maintain Preparedness.

Strategic Initiative: Safety and Security

Long-Term Goal: Emergency Response Preparedness

Description: Conduct exercises and training for emergency evacuation and other focused training like Stop the Bleed. In addition to training RTAA personnel, the objective of strategic goal is to ensure terminal tenant company participation in Airport opportunities.

Performance Measure: Complete four (4) emergency drills by June 30, 2020.

Progress: 100% Completed. RTAA staff completed Four (4) emergency drills; including testing procedures for a hazardous substance, tabletop exercise, a door force drill and K-9 and patrol drill by June 30, 2020.

4. Develop a Plan to Hold Drills to Test Staff/Tenant’s Adherence to Standard Operating Procedures.

Strategic Initiative: Safety and Security

Long-Term Goal: Emergency Response Preparedness

Description: Conduct drills to test staff response to unannounced situations thru adherence of standard operating procedures and/or guidelines.

Performance Measure: Participation by no less than 50% of terminal tenant companies by June 30, 2020.

Progress: 0% Completed. Plan is deferred until further notice; Plan was never fully developed and is for all intents and purposes not going to be implemented.

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FY 2020-21 New Initiatives

1. Cross-functional Operations and Public Safety Division training / familiarization.

Strategic Initiative: Safety and Security

Long-Term Goal: Risk Management and Business Continuity

Description: Develop additional expertise within the Operations and Public Safety division and increase the understanding of the roles, challenges and perspective between the members of the division. This initiative is designed to educate employees in the requirements of other public safety and operational areas to enhance emergency and business continuity plans.

Continue providing cross-functional familiarization training for Operations & Public Safety staff across all Divisions.

Performance Measure: All new hires and 100% of existing staff will receive training in other operational department areas with the Operations and Public Safety Division by June 30, 2021.

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Operations Administration

Section 401

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$173,492	\$219,100	\$219,200	0%
Vacation Pay	41130	20,533	3,600	3,400	-6%
Sick Leave	41140	9,874	6,500	6,500	0%
Holiday Pay	41150	10,156	0	0	0%
Comp Time	41160	1,090	0	0	0%
Payroll Accrual	41195	(1,836)	0	0	0%
Overtime Pay	41210	0	300	0	-100%
Medicare	41320	3,015	3,200	3,200	0%
Group Insurance	41340	24,505	25,500	28,800	13%
Disability Insurance	41342	2,000	2,600	2,000	-23%
Vision Insurance	41344	285	300	200	-33%
Dental Insurance	41347	2,049	2,200	2,000	-9%
Workers Comp	41350	1,890	200	200	0%
Retirement	41360	57,365	64,100	64,100	0%
Accrued PERS Expense	41365	234	0	0	0%
TOTAL PERSONNEL SERVICES		304,653	327,600	329,600	1%
PURCHASED SERVICES					
Office Equipment Rental	43210	0	0	0	0%
Other Purchased Services	43490	0	0	50	%
TOTAL PURCHASED SERVICES		0	0	50	%
MATERIALS & SUPPLIES					
Office Supplies	44100	409	300	300	0%
Paper	44110	138	200	200	0%
Postage	44120	0	25	50	100%
Printing & Forms	44130	0	100	100	0%
Refreshments and Breakroom	44140	10	0	0	0%
TOTAL MATERIALS & SUPPLIES		557	625	650	4%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	0	275	275	0%
Conference Registration Fees	45130	1,450	1,150	0	-100%
Training Expense	45140	4,070	3,000	0	-100%
Meeting Expense	45150	102	600	300	-50%
Disaster Exercise Expense	45170	0	18,000	18,000	0%
Travel & Reimbursed Expense	45210	3,347	4,000	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		8,969	27,025	18,575	-31%
TOTAL EXPENSES BEFORE FIXED ASSETS		314,179	355,250	348,875	-2%
FIXED ASSET ACQUISITION					
Fixed Asset Acquisition	48150	40,394	0	0	0%
TOTAL DEPARTMENT EXPENSES		\$354,573	\$355,250	\$348,875	-2%

Reno-Tahoe Airport Authority
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Airside Operations and Communications

Mission Statement: Ensure a safe and efficient means of integrated transportation for the public within the Reno-Tahoe Airport Authority (RTAA) system; ensure compliance with 14 CFR Part 139 of the Federal Aviation Regulations; provide effective communications support to staff, tenants, customers, and supporting entities; prepare to act decisively to protect life and property by organizing appropriate responses to public safety and emergency events.

Key Duties and Responsibilities:

- Ensure RNO is continually in compliance with 14 CFR 139 FAA Certification of Airports and the annual FAA Certification Inspection is passed.
- Represent the President/CEO on routine and emergency matters during non-business hours to ensure continuing operation.
- Successfully complete Airside Operations duties as part of the Federal Aviation Administration (FAA) required annual table-top and triennial exercises.
- Mitigate the risk of bird strikes and animal strikes in accordance with the Wildlife Hazard Mitigation Plan (WHMP).
- Develop and administer airfield driving regulations and airport rules and regulations.
- Conduct training on Safety Management System (SMS) and Operational Risk Management. Assess and mitigate hazards.
- Manage Emergency Operations Center (EOC) during emergencies.
- Provide staff and tenant training on the revised Airport Emergency Plan (AEP).
- Effectively manage ramp space to meet air carrier, cargo, general aviation, and Customs/Immigration operations.
- Ensure all team members are capable of managing communications for the first 45 minutes of an Alert III response and capable of operating communications in the Mobile Command Vehicle.
- Dispatch all routine and emergency calls for ARFF, maintenance, police, operations, and security.
- Prepare and perform Snow Desk duties and update the Snow and Ice Control Plan.
- Activate emergency alert notifications, recall essential personnel, and open the Emergency Operations Center (EOC).
- Administer and provide user training on the Authority's 800 MHz radio system and participation in the Washoe County Radio Communications System Joint Operating Committee.
- Monitor door alarms and access control points, verify badge access and print access point reports upon request; dispatch police and/or security to access control point violations.
- Operate airport telephone paging system, answer questions from the public, direct operational phone inquiries, and operate direct phone lines with the FAA Tower and

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

- Airport Fire and Rescue division.
- Monitor Fire Alarm System for the terminal building, parking structures, U.S. Customs building and airfield maintenance.
 - Monitor and operate the National Crime Information Center computer for incoming information from outside police agencies and for the Department of Homeland Security bulletins.
 - Maintain software and hardware for communications.
 - Coordinate Airport Communications rehabilitation project efforts.
 - Coordinate new handheld, vehicle and workstation console radio equipment and accessories.
 - Maintain Commission on Accreditation for Law Enforcement (CALEA) accreditation.
 - Continue Air Communications dispatcher certification process.

Airside Operations and Communications – Initiatives:

FY 2019-20 Initiatives

1. Pass FAA Part 139 Annual Inspection.

Strategic Initiative: Safety and Security

Long-Term Goal: FAA Part 139 Compliance

Description: Public safety and security is always the top priority of the RTAA. The FAA issues operating certificates to airports to ensure safety in air transportation. FAA Part 139, certification of airports requires annual inspection to maintain a commercial operating certificate.

Performance Measure: Pass the Part 139 Annual Airport Certification Inspection with less than eight (8) discrepancies noted by the FAA.

Progress: 100% Complete. Inspection conducted August 20-22, 2019 with one correction noted.

2. Complete Wildlife Hazard Management Plan.

Strategic Initiative: Safety and Security

Long-Term Goal: FAA Part 139 Compliance

Description: Based on the Wildlife Hazard Assessment completed in 2018, the Wildlife

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

Hazard Management Plan identifies and recommends abatement options for identified wildlife hazards.

Performance Measure: Contract with a vendor and complete the Wildlife Hazard Management Plan by June 30, 2020.

Progress: 98% Completed. Draft of Wildlife Hazard Management Plan is ready to be sent to FAA for approval, as of June 30, 2020.

FY 2020-21 New Initiatives

1. Pass FAA Part 139 Annual Inspection.

Strategic Initiative: Safety and Security

Long-Term Goal: FAA Part 139 Compliance

Description: Public safety and security is always the top priority of the RTAA. The FAA issues operating certificates to airports to ensure safety in air transportation. FAA Part 139, certification of airports requires annual inspection to maintain a commercial operating certificate.

Performance Measure: Pass the Part 139 Annual Airport Certification Inspection with less than eight (8) discrepancies noted by the FAA.

2. Conduct an annual FAA Part 139 Table Top Disaster exercise.

Strategic Initiative: Safety and Security

Long-Term Goal: FAA Part 139 Compliance

Description: FAA Part 139, Certification of Airports requires an annual tabletop to maintain a Commercial Operating Certificate for RNO.

Performance Measure: Complete exercise with twenty-five (25) participating outside agencies and receive verification of acceptance of the exercise by the FAA Certification Inspector by June 30, 2021.

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AIRSIDE OPERATIONS

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	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$1,105,702	\$1,440,100	\$1,446,900	0%
Vacation Pay	41130	108,084	10,900	12,300	13%
Sick Leave	41140	44,679	14,800	21,000	42%
Holiday Pay	41150	62,886	15,000	20,000	33%
Comp time	41160	1,146	0	0	0%
Payroll Accrual	41195	(5,337)	0	0	0%
Overtime Pay	41210	59,644	24,500	45,000	84%
Overtime Call Back	41213	674	1,500	1,500	0%
Shift Differential	41230	24,677	20,000	20,000	0%
Holiday worked Pay	41280	19,384	23,000	25,000	9%
Premium Payroll Accrual	41285	755	0	0	0%
Medicare	41320	20,194	20,900	21,000	0%
Group Insurance	41340	188,507	238,500	279,700	17%
Disability Insurance	41342	12,837	16,100	12,500	-22%
Vision Insurance	41344	2,285	2,900	2,200	-24%
Dental Insurance	41347	16,561	20,900	18,700	-11%
Workers Comp	41350	15,372	14,700	18,900	29%
Retirement	41360	359,915	421,200	423,200	0%
Accrued PERS Expense	41365	575	0	0	0%
Uniform Allowance	41380	1,344	3,000	0	-100%
TOTAL PERSONNEL SERVICES		2,039,886	2,288,000	2,367,900	3%
PURCHASED SERVICES					
Other Professional Services	43190	89,728	69,445	55,000	-21%
Contract Services	43340	69,158	87,473	151,636	73%
Maintenance Agreement-Copier	43345	589	800	800	0%
Other Repair/Maintenance Svcs	43390	2,902	12,000	13,000	8%
Freight Expense	43430	64	400	1,000	150%
Information and Data Access Services	43480	0	1,700	1,700	0%
Other Purchased Services	43490	733	800	150	-81%
TOTAL PURCHASED SERVICES		163,173	172,618	223,286	29%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,499	3,500	3,600	3%
Paper	44110	208	400	400	0%
Postage	44120	62	150	150	0%
Printing & Forms	44130	59	700	725	4%
Refreshments and Breakroom Supplies	44140	9	0	400	%
Medical Supplies	44270	98	100	100	0%
Other Operating Supplies	44290	132	6,200	6,499	5%
Other Repairs- Maint Supplies	44390	15	0	0	0%
Computer Hardware and Accessory Supplies	44405	193	0	200	%
Office Small Equipment	44410	0	2,000	2,000	0%
Furniture & Accessories	44415	2,150	0	4,000	0%
Employee Uniform	44445	0	0	3,500	0%
Communications Equipment	44465	9,013	6,000	6,000	0%
TOTAL MATERIALS & SUPPLIES		13,438	19,050	27,574	45%

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AIRSIDE OPERATIONS

Section 402

	<u>ACCOUNT NO.</u>	<u>2018-19 ACTUAL</u>	<u>2019-20 BUDGET</u>	<u>2020-21 BUDGET</u>	<u>PERCENT CHANGE</u>
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,523	1,775	3,425	93%
Books & Subscriptions	45120	0	250	250	0%
Conference Registration Fees	45130	1,169	3,200	0	-100%
Training Expense	45140	8,955	15,163	5,500	-64%
Meeting Expense	45150	676	750	750	0%
Travel & Reimbursed Expense	45210	9,281	12,760	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		<u>21,605</u>	<u>33,898</u>	<u>9,925</u>	<u>-71%</u>
TOTAL EXPENSES BEFORE FIXED ASSETS		2,238,104	2,513,566	2,628,685	5%
FIXED ASSETS					
Fixed Asset Acquisition	48150	<u>37,777</u>	<u>47,342</u>	<u>0</u>	<u>-100%</u>
TOTAL SECTION EXPENSES		<u><u>\$2,275,881</u></u>	<u><u>\$2,560,908</u></u>	<u><u>\$2,628,685</u></u>	<u><u>3%</u></u>

Reno-Tahoe Airport Authority
FY 2019-20
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Section 7 – Expenditures

Landside Operations

Mission Statement: To enhance parking and ground transportation revenue, provide exceptional customer service to all Landside Operations end users, and maximize technological advances to ensure efficient and effective operations.

Key Duties and Responsibilities:

- Provide and maintain all aspects of Ground Transportation to provide services, collect all appropriate revenue, and maintain compliance with all RTAA regulations.
- Maximize revenue by continued personnel training, exploration of potential new sources, and utilization of proven advanced technologies.
- Provide the highest quality of parking services, and provide real value while maintaining safe and secure facilities.
- Communicate with ground transportation (GT) providers and staff to ensure high quality customer service and compliance with RTAA regulations and guidelines.
- Maintain and review landside operations policies and procedures to ensure continuity of staff processes such as cash handling, customer service and minor system maintenance and repairs.
- Closely monitor Transportation Network Companies (TNCs) such as Uber and Lyft and adjust operating guidelines and technology.

Landside Operations – Initiatives:

FY 2019-20 Initiatives

1. Maintain and enhance parking and ground transportation revenue.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Public Parking / Rental Car / Ground Transportation Revenues

Description: Public parking and rental car concession and facility leases are the main source of RTAA non-airline revenues. This initiative is to optimize parking and ground transportation revenues consistent with policy.

Performance Measure: Achieve total public parking and ground transportation revenue of \$12,761,000 during FY 2019-20.

Reno-Tahoe Airport Authority
FY 2019-20
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Progress: Not Achieved. Parking revenues were on target to exceed budget through mid-March, however, due to the COVID-19 pandemic FY 2019-20 parking revenues were \$10,009,872.

2. Evaluate new product, service and pricing options.

Strategic Initiative: Financial Diversification and Growth

Long-Term Goal: Public Parking / Rental Car / Ground Transportation Revenues

Description: Evaluate rate strategies and possible rate increases for Parking and Ground Transportation. For example- Parking rates have not changed in the past decade and Taxi and TNC rates are the lowest in the nation amongst the top 65 airports. This analysis will look at introducing new technologies into the parking program, for example- Online booking system and App based technology.

Performance Measure: Complete evaluation of products, services and pricing options by June 30, 2020.

Progress: 100% Completed. A parking consultant was hired and presented staff with detailed rate recommendation report. Staff was to present rate recommendations to the Board in April 2020. Talk of rate increases was put on hold until further notice. Staff presented technology options to the board in February 2020, with recommendations to install a Parking Guidance System and a Parking Reservation System. Due to the COVID-19 pandemic both of these projects have also been put on hold.

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LANDSIDE OPERATIONS

Section 403

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	507,326	\$644,800	\$638,500	-1%
Temporary Employees	41120	215	0	0	0%
Vacation Pay	41130	38,770	900	600	-33%
Sick Leave	41140	17,911	2,100	2,800	33%
Holiday Pay	41150	29,285	0	0	0%
Workers Comp Pay	41170	1,137	0	0	0%
Payroll Accrual	41195	1,404	0	0	0%
Overtime Pay	41210	34,088	25,000	36,000	44%
Shift Differential	41230	22,159	23,000	24,000	4%
Holiday worked Pay	41280	20,243	20,000	24,000	20%
Premium Payroll Accrual	41285	677	0	0	0%
Medicare	41320	9,348	9,300	9,300	0%
Group Insurance	41340	159,155	186,000	206,900	11%
Disability Insurance	41342	5,676	6,800	5,100	-25%
Vision Insurance	41344	1,915	2,300	1,700	-26%
Dental Insurance	41347	13,691	16,500	14,600	-12%
Workers Comp	41350	20,286	18,800	21,500	14%
Retirement	41360	170,733	188,600	186,800	-1%
Accrued PERS Expense	41365	380	0	0	0%
Uniform Allowance	41380	1,120	1,400	0	-100%
TOTAL PERSONNEL SERVICES		1,055,521	1,145,500	1,171,800	2%
PURCHASED SERVICES					
Data Processing	43130	1,753	2,115	2,000	-5%
Equipment Rental	43211	13,773	34,788	13,188	-62%
Contracted Services	43340	277,455	70,000	170,400	143%
Maintenance Agreement-Copier	43345	599	1,500	800	-47%
Other Repair/Maintenance Svcs	43390	0	2,500	1,000	-60%
Freight Expense	43430	813	500	500	0%
Contracted Services - Towing	43450	0	1,000	200	-80%
TOTAL PURCHASED SERVICES		294,392	112,403	188,088	67%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,684	1,500	2,000	33%
Paper	44110	214	250	250	0%
Postage	44120	19	50	50	0%
Printing & Forms	44130	13,532	12,000	12,000	0%
Refreshments and Breakroom Supplies	44140	240	0	0	0%
Janitorial Supplies	44260	125	0	0	0%
Medical Supplies	44270	57	75	80	7%
Other Operating Supplies	44290	3,252	3,750	4,450	19%
Machinery	44330	1,969	34,256	13,000	-62%
Small Tools - Minor Equipment	44400	0	1,000	1,000	0%
Furniture and Accessories	44415	399	1,000	0	-100%

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LANDSIDE OPERATIONS

Section 403

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Sign and Sign Maintenance	44430	2,390	6,000	4,000	-33%
Employee Uniform	44445	0	0	2,600	%
Safety Equipment	44450	250	500	250	-50%
TOTAL MATERIALS & SUPPLIES		24,131	60,381	39,680	-34%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,470	995	0	-100%
Conference Registration Fees	45130	934	1,550	0	-100%
Training Expense	45140	0	200	300	50%
Meeting Expense	45150	41	0	0	0%
Travel & Reimbursed Expense	45210	2,221	3,200	0	-100%
Credit Card Fees	45500	268,702	289,350	160,000	-45%
TOTAL ADMINISTRATIVE EXPENSES		273,367	295,295	160,300	-46%
TOTAL SECTION EXPENSES		<u>\$1,647,412</u>	<u>\$1,613,579</u>	<u>\$1,559,868</u>	-3%

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Airport Fire

Mission Statement: Respond to emergencies including aircraft rescue and firefighting (ARFF) services, hazardous materials spill response, and emergency first aid services. In addition, Airport Fire conducts fire and safety inspections, provides fire prevention activities, and training for RTAA employees and tenants in various environmental, health and safety programs.

Key Duties and Responsibilities:

- Maintain emergency response capabilities by ensuring equipment and staffing is kept at an appropriate level.
- Validate effectiveness of Driver/Operator and Acting Captain certification training programs.
- Provide aircraft refueling vehicle inspection training for all Airport Fire Division employees due to rotation of inspection program.
- Encourage participation in external training to maintain current fire and emergency services certifications.
- Participate in training employees in fire prevention practices, confined space, fire extinguisher and hazardous materials subjects.
- Maintain ARFF facilities and vehicles in operational readiness.
- Ensure operational status of all department vehicles, tools and equipment. Ensure a safe, clean and operational station. Order supplies and equipment as needed.
- Provide supervisory training for Fire Captains to include administrative duties and Incident Commander organizational responsibilities.
- Respond to emergencies on RTAA property to provide protection of life, property and the environment.
- Provide specified inspections of all buildings, hangars, aircraft refueling vehicles, and other equipment. Provide hazardous operations standbys as required.
- Conduct scheduled fire and safety inspections on airport property at RNO including tenants and annually at Reno Stead Airport (RTS).
- Enhance fire prevention inspection program for RNO and RTS.
- Maintain high priority focus on safety during firefighting operations and for RNO employees during their daily assigned duties.
- Conduct disaster training as required by the FAA and provide required OSHA safety training and familiarize with new Airport Emergency Plan procedures.
- Prepare all firefighters for bi-annual Emergency Medical Technician re-certification.
- Train with local mutual aid agencies focusing on equipment capabilities, communications, incident command procedures and ARFF firefighting techniques.

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Section 7 – Expenditures

Airport Fire – Initiatives:

FY 2019-20 Initiatives

1. Execute Triennial Disaster Drill Exercise with participating agencies.

Strategic Initiative: Safety and Security

Long-Term Goal: FAA Part 139 Compliance

Description: FAA Part 139, Certification of Airports requires an annual drill to maintain a Commercial Operating Certificate. Every three years a full-scale triennial drill is required.

Performance Measure: Complete Triennial Disaster Drill with at least 25 participating agencies.

Progress: Not Achieved. Exercise deferred for 90 days into FY 2020-21, due to the COVID-19 pandemic.

FY 2020-21 New Initiatives

1. Execute FAA Part 139 Triennial Disaster Drill Exercise with participating agencies.

Strategic Initiative: Safety and Security

Long-Term Goal: FAA Part 139 Compliance

Description: FAA Part 139, Certification of Airports requires an annual drill to maintain a Commercial Operating Certificate. Every three years a full-scale triennial drill is required. Disaster Drill Exercise was deferred in FY2019-20 due to COVID 19 pandemic.

Performance Measure: Complete Triennial Disaster Drill with at least 25 participating agencies by June 30, 2021.

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AIRPORT RESCUE AND FIRE

Section 404

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$1,353,082	\$1,799,900	\$1,852,400	3%
Vacation Pay	41130	126,504	2,700	3,000	11%
Sick Leave	41140	93,033	6,000	6,100	2%
Holiday Pay	41150	26,545	66,636	35,000	-47%
Comp time	41160	214,091	159,650	222,654	39%
Workers Comp Pay	41170	7,079	0	0	0%
Payroll Accrual	41195	13,848	0	0	0%
Overtime Pay	41210	173,717	120,750	180,665	50%
FLSA Overtime Pay	41211	43,906	61,800	45,662	-26%
Overtime Call Back	41213	4,913	4,120	5,109	24%
Incentive Awards	41260	0	0	750	%
Premium Payroll Accrual	41285	1,531	0	0	0%
Medicare	41320	28,973	25,800	26,500	3%
Group Insurance	41340	274,710	289,800	293,400	1%
Disability Insurance	41342	6,088	8,700	8,000	-8%
Vision Insurance	41344	226	400	300	-25%
Dental Insurance	41347	1,782	2,900	2,500	-14%
Workers Comp	41350	33,900	34,000	39,300	16%
Retirement	41360	637,571	734,800	759,400	3%
Accrued PERS Expense	41365	3,966	0	0	0%
Uniform Allowance	41380	9,945	17,250	0	-100%
Post Employment Health Plan	41410	42,093	42,000	43,000	2%
TOTAL PERSONNEL SERVICES		3,097,505	3,377,206	3,523,740	4%
PURCHASED SERVICES					
Legal Contracted Service	43110	200	0	0	0%
Contracted Services	43340	5,033	9,940	14,149	42%
Maintenance Agreement-Copier	43345	487	1,000	1,000	0%
Other Repair/Maintenance Svcs	43390	13,429	4,430	9,258	109%
Freight Expense	43430	1,761	3,300	3,300	0%
Permits and Fees	43460	0	380	380	0%
Information and Data Access Services	43480	0	600	0	-100%
Other Purchased Services	43490	382	1,800	3,075	71%
TOTAL PURCHASED SERVICES		21,292	21,450	31,162	45%
MATERIALS & SUPPLIES					
Office Supplies	44100	1,425	2,100	2,100	0%
Paper	44110	174	340	340	0%
Postage	44120	32	30	50	67%
Printing & Forms	44130	174	650	300	-54%
Chemicals	44220	3,932	4,660	6,450	38%
Firefighting Agent AFFF	44225	0	9,000	9,975	11%
Janitorial Paper Supplies	44250	622	525	600	14%
Janitorial Supplies	44260	1,529	1,800	2,000	11%
Medical Supplies	44270	14,897	18,610	12,610	-32%
Trash Can Liners	44280	73	0	0	0%
Other Operating Supplies	44290	1,922	720	2,050	185%
Turn Outs	44291	10,362	0	8,200	%
Steel and Sheet Metal	44332	0	4,000	2,000	-50%
Electrical Supplies	44360	268	100	100	0%
Other Repairs-Maint Supplies	44390	322	800	800	0%
Small Tools - Minor Equipment	44400	15,149	11,178	24,182	116%

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AIRPORT RESCUE AND FIRE

Section 404

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Administrative Equipment and Repair Parts	44410	1,162	1,896	0	-100%
Furniture and Accessories	44415	8,374	2,353	800	-66%
Sign and Sign Maintenance	44430	112	0	0	0%
Employee Uniform	44445	0	0	20,648	%
Safety Equipment	44450	16,929	28,669	15,000	-48%
Hazardeous Materials Response	44451	3,058	6,700	0	-100%
Emg. Preparedness Stations	44453	8,362	11,115	0	-100%
TOTAL MATERIALS & SUPPLIES		88,879	105,246	108,205	3%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,934	2,970	3,570	20%
Books & Subscriptions	45120	3,940	3,575	3,720	4%
Conference Registration Fees	45130	6,405	10,100	0	-100%
Training Expense	45140	18,279	31,760	25,000	-21%
Meeting Expense	45150	210	600	500	-17%
Travel & Reimbursed Expense	45210	35,207	19,589	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		65,975	68,594	32,790	-52%
TOTAL EXPENSES BEFORE FIXED ASSETS		3,273,652	3,572,496	3,695,897	3%
FIXED ASSETS					
Fixed Asset Acquisition	48150	0	0	359,861	%
TOTAL SECTION EXPENSES		<u>\$3,273,652</u>	<u>\$3,572,496</u>	<u>\$4,055,758</u>	<u>14%</u>

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Airport Police

Mission Statement: Provided law enforcement services to ensure Reno-Tahoe International Airport (RNO) provides a safe and secure facility in accordance with Transportation Security Regulation (TSR), Part 1542 and Nevada Revised Statutes.

Key Duties and Responsibilities:

- Provide Airport Police Officer vehicle and foot patrols for the safety of the traveling public.
- Meet the requirements of Transportation Security Regulation (TSR) Part 1542 and assist air carriers with requirements for TSR Part 1542 and 1544.
- Provide Field Training Officer Program for new officer(s) and continue professional development training and annual training requirements in accordance with Nevada Peace Officer Standards and Training (P.O.S.T.).
- Supply and maintain uniforms and equipment.
- Document criminal activity and conduct investigations occurring on airport property. Conduct investigations of criminal incidents occurring on airport property.
- Participate and comply in the Transportation Security Administration (TSA) National Explosive Detection Canine Team Program.
- Maintain affiliation and certification with the Commission on Accreditation for Law Enforcement (CALEA).
- Provide law enforcement support for Customs and Border Protection (CBP) during arriving international flights.

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AIRPORT POLICE

Section 405

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$1,627,753	\$2,066,800	\$2,101,500	2%
Vacation Pay	41130	136,785.66	10,100	10,800	7%
Sick Leave	41140	80,750.06	25,300	25,400	0%
Holiday Pay	41150	83,415.29	15,000	15,000	0%
Comp time	41160	21,173.85	30,000	30,000	0%
Payroll Accrual	41195	2,673.09	0	0	0%
Overtime Pay	41210	159,615.20	105,000	155,000	48%
FLSA Overtime	41211	4,237.92	5,000	5,000	0%
Overtime Call Back	41213	582.08	1,500	1,500	0%
Standby	41220	1,515.36	0	5,045	%
Shift Differential	41230	58,408.87	60,000	60,000	0%
Holiday worked Pay	41280	55,588.14	50,000	55,000	10%
Premium Payroll Accrual	41285	2,321.88	0	0	0%
Medicare	41320	31,489.44	29,700	30,200	2%
Group Insurance	41340	255,684.97	304,400	348,200	14%
Disability Insurance	41342	14,904.47	18,800	14,600	-22%
Vision Insurance	41344	3,067.44	3,700	2,900	-22%
Dental Insurance	41347	22,639.48	27,300	25,600	-6%
Workers Comp	41350	41,958.01	40,900	47,300	16%
Retirement	41360	758,230.33	844,900	878,600	4%
Accrued PERS Expense	41365	3,364.11	0	0	0%
Uniform Allowance	41380	17,281.11	18,000	0	-100%
Meal Allowance	41390	46.60	0	0	0%
Post Employment Health Plan	41410	0	1,000	0	-100%
TOTAL PERSONNEL SERVICES		3,383,487	3,657,400	3,811,645	4%
PURCHASED SERVICES					
Data Processing	43130	0	3,466	3,466	0%
Contracted Services	43340	4,305	7,000	10,000	43%
Maintenance Agreement-Copier	43345	1,059	1,500	1,500	0%
Freight Expense	43430	1,530	700	700	0%
Permits & Fees	43460	26	0	0	0%
Other Purchased Services	43490	971	3,000	3,000	0%
TOTAL PURCHASED SERVICES		7,891	15,666	18,666	19%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,772	4,000	4,000	0%
Paper	44110	70	250	250	0%
Postage	44120	191	100	100	0%
Printing & Forms	44130	275	500	500	0%
Refreshments and Breakroom Supplies	44140	240	0	0	0%
Medical Supplies	44270	276	200	300	50%
Other Operating Supplies	44290	4,034	5,000	5,000	0%
Firearms	44293	6,151	7,000	8,000	14%
Canine	44294	5,535	8,500	8,500	0%
Small Tools - Minor Equipment	44400	4,433	20,000	45,500	128%
Office Small Equipment	44410	60	500	500	0%
Furniture and Accessories	44415	6,629	10,000	0	-100%
Employee Uniform	44445	0	0	18,000	%

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AIRPORT POLICE

Section 405

	<u>ACCOUNT NO.</u>	<u>2018-19 ACTUAL</u>	<u>2019-20 BUDGET</u>	<u>2020-21 BUDGET</u>	<u>PERCENT CHANGE</u>
Safety Equipment	44450	4,247	10,000	13,000	30%
TOTAL MATERIALS & SUPPLIES		34,913	66,050	103,650	57%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	5,840	5,920	5,945	0%
Conference Registration Fees	45130	3,685	7,140	1,750	-75%
Training Expense	45140	8,841	11,800	12,800	8%
Meeting Expense	45150	289	0	0	0%
Travel & Reimbursed Expense	45210	14,459	28,600	7,500	-74%
TOTAL ADMINISTRATIVE EXPENSES		33,114	53,460	27,995	-48%
TOTAL EXPENSES BEFORE FIXED ASSETS		3,459,405	3,792,576	3,961,956	4%
FIXED ASSETS					
Fixed Asset Acquisition	48150	107,884	46,000	0	-100%
TOTAL SECTION EXPENSES		<u>\$3,567,289</u>	<u>\$3,838,576</u>	<u>\$3,961,956</u>	<u>3%</u>

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Airport Security

Mission Statement: Provide airport security services to ensure Reno-Tahoe International Airport (RNO) provides a secure facility in accordance with U.S. Code of Federal Regulations, Part 1542 and other Transportation Security Administration (TSA) security directives.

Key Duties and Responsibilities:

- Write, maintain and ensure compliance with the TSA approved Airport Security Program.
- Provide 24/7/365 patrols and staffing to ensure security of terminal, ground transportation areas and airfield access gates.
- Develop security plans to serve as guidelines to employees, tenants and contractors to meet the applicable standards of 49 CFR 1542 and the RTAA rules and regulations.
- Ensure all RNO security access badge applicants meet TSA requirements with regard to Criminal History Records Checks and Security Threat Assessments.
- Provide input and review construction plans of RNO projects to ensure that the physical security and TSA requirements for protecting facilities are met.
- Attend industry seminars and keep current on security related news and trends.
- Provide security training to all security badge holders and ensure the relevance and accuracy of Interactive Employee Training.
- Attend necessary meetings both within and outside RTAA to provide input and gather information on security related matters.
- Ensure general maintenance and safe operation of all Security Division vehicles and bicycles.
- Provide for the professional growth of Security Specialists through training, staff meetings, and feedback on work performance.
- Meet requirements of 14 CFR Part 1542 and other Transportation Security Administration (TSA) security directives.
- Facilitate the annual aviation security tabletop exercise.
- Provide for the security of the traveling public through responses to door alarms, inspections of badges, badge holders and deliveries.

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Airport Security - Initiatives:

FY 2019-20 Initiatives

1. Pass TSA 1542 Inspections.

Strategic Initiative: Safety and Security

Long-Term Goal: TSA Part 1542 Compliance

Description: The Part 1542 Airport Security Inspection process is to ensure the RTAA provides for the safety and security of persons and property on an aircraft against an act of criminal violence, aircraft piracy, and/or the introduction of an unauthorized weapon, explosive, or incendiary device onto an aircraft. TSA 1542 inspection measures compliance with all federal regulations related to security.

Performance Measure: Pass the Part 1542 Airport Security Inspection with No Letters of Investigation (LOI).

Progress: 100% Completed. Comprehensive inspection completed in July 2019 with no LOIs issued

2. Conduct a Part 1542 Annual Security Exercise.

Strategic Initiative: Safety and Security

Long-Term Goal: TSA Part 1542 Compliance

Description: TSA Part 1542 requires annual review of plans for response to security related emergencies.

Performance Measure: Complete the exercise with ten (10) participating agencies by June 30, 2020.

Progress: 100% Completed. Tabletop exercise held on October 23, 2019 with 57 participants representing 25 agencies and organizations.

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FY 2020-21 New Initiatives

1. Pass TSA 1542 Inspections.

Strategic Initiative: Safety and Security

Long-Term Goal: TSA Part 1542 Compliance

Description: The Part 1542 Airport Security Inspection process is to ensure the RTAA provides for the safety and security of persons and property on an aircraft against an act of criminal violence, aircraft piracy, and/or the introduction of an unauthorized weapon, explosive, or incendiary device onto an aircraft. TSA 1542 inspection measures compliance with all federal regulations related to security.

Performance Measure: Pass the Part 1542 Airport Security Inspection with No Letters of Investigation (LOI).

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AIRPORT SECURITY

Section 407

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$746,788	\$962,232	\$947,500	-2%
Vacation Pay	41130	65,836	4,900	4,700	-4%
Sick Leave	41140	41,287	9,200	9,500	3%
Holiday Pay	41150	43,865	30,000	30,000	0%
Workers Comp Pay	41170	0	0	0	0%
Payroll Accrual	41195	1,724	0	0	0%
Overtime Pay	41210	23,836	20,000	23,000	15%
Shift Differential	41230	30,866	31,000	31,000	0%
Holiday worked Pay	41280	26,256	26,000	28,000	8%
Premium Payroll Accrual	41285	260	0	0	0%
Medicare	41320	13,799	13,900	13,700	-1%
Group Insurance	41340	197,563	227,800	234,600	3%
Disability Insurance	41342	7,557	9,200	6,900	-25%
Vision Insurance	41344	2,366	2,800	1,900	-32%
Dental Insurance	41347	16,932	19,700	15,800	-20%
Workers Comp	41350	28,980	27,300	31,600	16%
Retirement	41360	255,481	280,000	277,100	-1%
Accrued PERS Expense	41365	898	0	0	0%
Uniform Allowance	41380	6,977	10,000	0	-100%
TOTAL PERSONNEL SERVICES		1,511,273	1,674,032	1,655,300	-1%
PURCHASED SERVICES					
Other Professional Services	43190	40,000	0	0	0%
Office Equipment Rental	43210	0	0	0	0%
Contracted Services	43340	596	41,000	46,300	13%
Maintenance Agreement-Copier	43345	175	300	300	0%
Other Repair/Maintenance Svcs	43390	434	900	1,500	67%
Freight Expense	43430	368	400	400	0%
TOTAL PURCHASED SERVICES		41,573	42,600	48,500	14%
MATERIALS & SUPPLIES					
Office Supplies	44100	16,399	23,000	25,000	9%
Paper	44110	69	150	150	0%
Postage	44120	8	25	25	0%
Printing & Forms	44130	1,873	2,000	2,000	0%
Refreshments and Breakroom Supplies	44140	258	500	500	0%
Medical Supplies	44270	196	300	300	0%
Small Tools - Minor Equipment	44400	1,064	2,250	2,760	23%
Office Small Equipment	44410	0	300	0	-100%
Furniture and Accessories	44415	555	0	0	0%
Employee Uniform	44445	0	0	11,000	%
Safety Equipment	44450	452	1,500	1,500	0%
TOTAL MATERIALS & SUPPLIES		20,874	30,025	43,235	44%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	320	550	550	0%
Conference Registration Fees	45130	2,725	800	0	-100%

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AIRPORT SECURITY

Section 407

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Training Expense	45140	149	2,000	0	-100%
Meeting Expense	45150	54	150	150	0%
Travel & Reimbursed Expense	45210	4,445	5,855	0	-100%
Other Advertising & Promotion	45390	462	1,000	500	-50%
TOTAL ADMINISTRATIVE EXPENSES		<u>8,156</u>	<u>10,355</u>	<u>1,200</u>	<u>-88%</u>
TOTAL EXPENSES BEFORE FIXED ASSETS		1,581,876	1,757,012	1,748,235	0%
FIXED ASSETS					
Fixed Asset Acquisition	48150	89,871	0	0	0%
TOTAL SECTION EXPENSES		<u>\$1,671,747</u>	<u>\$1,757,012</u>	<u>\$1,748,235</u>	<u>0%</u>

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VP of Planning, Environmental and Engineering Administration

Mission Statement: Oversee the Planning and Engineering Departments for the development and implementation of capital projects at Reno-Tahoe International Airport (RNO) and Reno-Stead Airport (RTS) that satisfy aviation demand and provide safe, efficient, economical and environmentally acceptable air transportation facilities.

Key Duties and Responsibilities:

- Coordinate with the FAA on various projects.
- Airport Improvement Program (AIP) funding.
- Implement Airport Master Plan projects for the Reno-Tahoe International Airport.
- Project Programming and Cost Estimating for ACIP, PFC, CFC and CIP programs.
- Operate and maintain an enterprise GIS at Reno-Tahoe International Airport.
- Coordinate the submittals of FAA-required aeronautical studies (obstruction evaluations and airport airspace analyses) for RTAA construction projects.
- Conduct and coordinate with outside agencies and internal stakeholders regarding aviation development planning.
- Submit annual Airport Capital Improvement Programs (ACIP) for Reno-Tahoe International Airport and Reno-Stead Airport.
- Maintain and update Airport Layout Plans for Reno-Tahoe International Airport and Reno-Stead Airport.
- Engineering and Construction Management Services for RTAA Project Sponsors.
- Architecture, CAD, and graphics technical support.
- Technical Support Services for Tenant Improvements.
- Project Management for RTAA's AED and Facilities sponsored Capital Projects.
- Management of Qualified Consultants List and RFQ Solicitation.
- Solicitation, negotiation, and management of professional services contracts.
- Construction contract procurement and administration.
- Disadvantaged Business Enterprise (DBE) program management and compliance.
- Coordinate yearly pavement management services for airside and landside pavements for Reno-Tahoe International Airport and Reno-Stead Airport.
- Coordinate environmental planning programs including the Environmental Management System.
- Track, monitor, and evaluate annual sustainability initiatives and update the Annual Sustainability Report.
- Fulfill environmental compliance and regulatory programs.
- Track and monitor new flight procedures.
- Operate and maintain a permanent noise and operations monitoring system.

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- Prepare annual noise contours for Reno-Tahoe International Airport.
- Receive, review, and respond to all noise complaint calls and sound insulation program queries.

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VP of PLANNING AND ENGINEERING

Section 501

	<u>ACCOUNT NO.</u>	<u>2018-19 ACTUAL</u>	<u>2019-20 BUDGET</u>	<u>2020-21 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	\$0	\$214,300	\$199,100	-7%
Vacation Pay	41130	0	1,300	1,000	-23%
Sick Leave	41140	0	2,800	2,800	0%
Automobile Allowance	41250	0	4,800	4,800	0%
Medicare	41320	0	3,100	2,900	-6%
Group Insurance	41340	0	24,600	27,900	13%
Disability Insurance	41342	0	2,500	1,900	-24%
Vision Insurance	41344	0	300	200	-33%
Dental Insurance	41347	0	2,300	2,000	-13%
Workers Comp	41350	0	200	200	0%
Retirement	41360	0	62,700	58,300	-7%
TOTAL PERSONNEL SERVICES		0	318,900	301,100	-6%
PURCHASED SERVICES					
Maintenance Agreement-Copier	43345	0	2,000	2,250	13%
Other Repair/Maintenance Svcs	43390	0	1,120	1,120	0%
Freight Expense	43430	0	650	325	-50%
Other Purchased Services	43490	0	200	0	-100%
TOTAL PURCHASED SERVICES		0	3,970	3,695	-7%
MATERIALS & SUPPLIES					
Office Supplies	44100	0	3,720	2,400	-35%
Paper	44110	0	1,100	1,500	36%
Postage	44120	0	300	300	0%
Printing & Forms	44130	0	400	400	0%
Electrical Supplies	44360	0	50	0	-100%
Furniture and Accessories	44415	0	0	0	0%
TOTAL MATERIALS & SUPPLIES		0	5,570	4,600	-17%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	0	885	515	-42%
Books & Subscriptions	45120	0	200	0	-100%
Conference Registration Fees	45130	0	615	0	-100%
Training Expense	45140	0	500	250	-50%
Meeting Expense	45150	0	900	1,000	11%
Travel & Reimbursed Expense	45210	0	4,625	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		0	7,725	1,765	-77%
TOTAL SECTION EXPENSES		\$0	\$336,165	\$311,160	-7%

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Planning and Environmental Services

Mission Statement: Develop, maintain and update the programs for the future orderly development of Reno-Tahoe International Airport (RNO) and Reno-Stead Airport (RTS), which satisfies aviation demand and yields safe, efficient, economical and environmentally acceptable air transportation facilities.

Key Duties and Responsibilities:

Planning

- Prepare planning studies for RNO and RTS.
- Operate and maintain an enterprise Geographical Information System (GIS) at RNO.
- Coordinate with FAA on various capital improvement projects.
- Coordinate with outside agencies and internal stakeholders regarding aviation development planning.
- Coordinate with outside agencies and internal stakeholders regarding land development and land use planning.
- Submit to the FAA the annual Airport Capital Improvement Programs (ACIP) for both RNO and RTS.
- Assist with conversion of under-utilized vacant land into revenue producing uses and the disposal of land not needed for airport purposes.
- Maintain and update the Airport Layout Plans for RNO and RTS.
- Review development proposals and regulation and code changes from each of the three impacted jurisdictions, which impact the safe operations at both airports as a result of noise, height, and safety issues.
- Submit annual Airport Capital Improvement Programs (ACIP) for Reno-Tahoe International Airport and Reno-Stead Airport.
- Implement Airport Master Plan projects for the Reno-Tahoe International Airport.

Environmental

- Coordinate environmental planning programs including the Environmental Management System.
- Maintain and expand the RNO recycling program.
- Track, monitor, and evaluate annual sustainability initiatives and update the Annual Sustainability Report.

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- Fulfill environmental compliance and regulatory programs.
- Complete annual storm water pollution prevention inspections of airport and tenant facilities.
- Complete annual update of water rights recognition.
- Facilitate tenant compliance with the National Environmental Policy Act (NEPA), as required by the FAA, for on-airport projects.
- Oversee the RTS Solvent Site consent decree remediation program.
- Complete annual regulated garbage compliance agreement and oversee quarterly inspections pursuant to United States Department of Agricultural (USDA), Animal and Plant Health Inspection Services (APHIS), and US Customs Border Protection (CBP).
- Identify and monitor underground and aboveground storage tanks for RTAA and tenants with tanks on RTAA property.
- Evaluate and coordinate the proposed use of solar power for electrical generation at both RNO and RTS airports.

Noise

- Track and monitor new flight procedures.
- Operate and maintain a permanent noise and operations monitoring system.
- Prepare RNO annual noise contours.
- Receive, review and respond to all noise complaint calls and sound insulation program warranty calls.
- Facilitate Airport Noise Advisory Panel.
- Address miscellaneous noise issues.

Planning and Environmental Services - Initiatives:

FY 2019-20 Initiatives

- 1. Secure Nevada State Historic Preservation Office approval to manage former ranch site.**

Strategic Initiative: Customer Experience

Long-Term Goal: Landside Operational Improvements

Description: Documented as a historic property and protected under the 1966 National Historic Preservation Act (NHPA), the former Steele-Nash Ranch property is located directly north of Mill Street. The site includes several small broken-down structures and fencing. The site, which looks uncared for and draws blight complaints, is extremely visible

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to arriving and departing passengers overhead and by Mill Street traffic. The lack of ground cover, such as gravel, means the site causes dust to fly in dry conditions, affecting air quality. Additionally, the north portion of the site, nearest the Truckee River, has proven attractive to homeless seeking shelter. Due to NHPA protection, the RTAA is prohibited from removing the structures, clearing the land, or applying dust control measures without approval from the Nevada State Historic Preservation Office (SHPO). This initiative requires hiring a cultural resources consultant to secure SHPO approvals for a cultural resources management plan. Following this effort, a separate effort to secure FAA approvals and implement the management plan would be requested in FY20-21.

Performance Measure: Secure Nevada State Historic Preservation Office (SHPO) approvals for a cultural resources management plan.

Progress: 100% Completed. Although the project was halted in March 2020 due to the COVID-19 pandemic related budget reductions, staff was able to work with the final assessment and inventory of remaining cultural resources, created by Broadbent, to secure concurrence from the Nevada State Historic Preservation Office and the Federal Aviation Administration that the RTAA could remove the dilapidated structures and fencing and apply ground cover as long as no federal or passenger facility charge funds are used and as long as no airport property is sold. Written confirmation of the determination was received on May 29, 2020.

2. Complete Terminal Ticketing Area Expansion Programing Study.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: The adopted RNO Master Plan identifies the expansion of the ticketing hall as a critical short-term project which will improve operational efficiency, address the forecast demand, and provide adequate passenger spaces. A detailed planning study is necessary to identify the operational, space, and level of service needs to provide a plan for the orderly and efficient expansion of the existing ticketing hall which is constrained in terms of circulation and waiting space and which does not include passenger restroom facilities. The ticketing hall expansion includes moving the west wall further west to create additional circulation and waiting area spaces, relocating several tenant spaces displaced by the expansion, constructing new passenger restrooms, and adding security bollards to the curb in front of the ticketing hall doors.

Performance Measure: Complete a detailed planning study by June 30, 2020.

Progress: 75% Completed. The Notice to Proceed for the Ticketing Hall Improvements

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Detailed Planning Study was issued in February 2020. The final deliverable will be a basis of design report on the preferred alternate. The project team has completed plan reviews, site investigations, preliminary findings, structural analysis, preliminary alternate concepts, final alternates, and a number of one-on-one outreach sessions and workshops. The preferred alternate was selected during a workshop on June 25, 2020. The basis of design report is on target for completion in August 2020.

3. Complete Terminal Concourse C Replacement Programing Study.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: The adopted RNO Master Plan identifies the development of a replacement concourse as a critical short-term project which will improve operational efficiency, address the forecast demand, be flexible to address changing fleet mixes, and provide adequate passenger and airline spaces. A detailed planning study is necessary to identify the operational, space, and level of service needs to provide a plan for the orderly and efficient replacement of the existing 74-foot wide Concourse C which was originally built in 1981. The replacement concourse project includes construction of a new Concourse C, integration of new Concourse C with the existing Connector Concourse, demolition of existing Concourse C and the existing Customs and Border Protection (CBP) facility, and subsequent construction of new Aircraft Apron areas. The new Concourse C is expected to consist of a three-story 150-foot wide concourse, ten aircraft gates with two gates serving as swing gates capable of handling both international and domestic traffic, new jet bridges, expansion of passenger spaces such as holdrooms, restrooms, and circulation, expansion of tenant spaces such as concessions, storage, and offices, and a new CBP facility with a sterile corridor. The integration of new Concourse C with the existing Connector Concourse is expected to consist of the installation of a moving walkway, expansion of airport administrative and operations spaces, and construction of a new arriving passenger access into the north end of baggage claim. This complex study, which will require a significant amount of stakeholder outreach, is expected to take 18 months from Notice to Proceed to completion.

Performance Measure: Complete 75% of the detailed planning study by June 30, 2020.

Progress: Not Achieved. The selection process for a consultant team to develop the Concourse Redevelopment Detailed Planning Study was delayed due to a re-evaluation of the study scope prior to advertisement and then eventually by COVID-19. The Request for Qualifications was advertised on March 2, 2020. The Selection Committee narrowed the 9 teams down to 4 teams on May 20, and then narrowed them down again to 2 teams on June 4. Final interviews are scheduled for June 19. Scope and fee negotiations will continue into

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FY20-21. A Notice to Proceed is now projected for October 2020.

4. Maintain Recycling as a percentage of total waste.

Strategic Initiative: Sustainability

Long-Term Goal: Environmental Responsibility and Awareness

Description: The recycling program’s primary focus is to collect commingled (single-stream) recyclables at select terminal and concourse locations. The single-stream collection includes all plastics, aluminum cans, glass, mixed paper, and cardboard. This recycling initiative helps improve the RTAA’s recycling and waste diversion efforts, assists the airlines with its single-stream recycling programs, and reduces hauling and recycling costs. Other recyclable materials such as batteries continue to be collected separately.

Performance Measure: Monitor and maintain 10% recycling of total waste.

Progress: 100% Completed. As of June 30, 2020, a 10.0% diversion rate has been achieved. Monthly diversion rates have fluctuated from 2.91% to 10.55%.

5. Produce Annual Sustainability Report.

Strategic Initiative: Sustainability

Long-Term Goal: Operational Efficiency

Description: The annual Sustainability Report outlines the RTAA’s commitment to sharing and promoting the dedicated efforts to integrate sustainability principles and practices into all aspects of airport management and operations at both RNO and RTS. With a holistic focus across the entire organization, the RTAA strives to maintain its reputation for ensuring the economic viability, operational efficiency, natural resource conservation, and social responsibility of our organization. This initiative will continue the annual reporting effort which began in 2016.

Performance Measure: Complete the 2019 report by June 30, 2020.

Progress: 100% Completed. The Annual Sustainability Report was completed in April 2020. Distribution to employees & trustees, and website posting occurred in May 2020.

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FY 2020-21 New Initiatives

1. Complete the Annual Sustainability Report.

Strategic Initiative: Sustainability

Long-Term Goal: Operational Efficiency

Description: The annual Sustainability Report outlines the RTAA’s commitment to sharing and promoting staff’s dedicated efforts to integrate sustainability principles and practices into all aspects of airport management and operations at both RNO and RTS. With a holistic focus across the organization, the RTAA strives to maintain its reputation for ensuring economic viability, operational efficiency, natural resource conservation, and social responsibility of our organization. This initiative continues the annual report effort started in 2016.

Performance Measure: Complete the 2020 report by June 30, 2021.

2. Complete Concourse Redevelopment Programing Study.

Strategic Initiative: Facilities for the Future, Air

Service & Cargo, and Customer Service.

Long-Term Goal: Facility Infrastructure Enhancements

Description: The development of replacement concourses was identified in the 2018 Master Plan Update as a critical project to improve functional performance, operational efficiency, address the forecasted passenger demand, be flexible to address changing fleet mixes, and provide adequate passenger and airline spaces. Building off the Master Plan Update, the Study will identify the operational, space, and level of service needs to provide a plan for the orderly and efficient redevelopment of the existing concourses. The primary purpose of the Study is to identify the preferred scope for a future concourse redevelopment project which could include renovation/retrofit of the existing concourse(s), renovation/retrofit and expansion-in-lace of the existing concourse(s), and/or construction of new replacement concourses. This complex study, which will require a significant amount of stakeholder outreach, is expected to take 18 months from Notice to Proceed to completion.

Performance Measure: Complete 50% of the detailed planning study by June 30, 2021.

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PLANNING AND ENVIRONMENTAL SERVICES

Section 502

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$522,087	\$463,900	\$458,300	-1%
Vacation Pay	41130	56,448	9,400	7,800	-17%
Sick Leave	41140	34,714	5,000	5,000	0%
Holiday Pay	41150	29,871	0	0	0%
Comp Time	41160	1,435	0	0	0%
Payroll Accrual	41195	(1,433)	0	0	0%
Automobile Allowance	41250	4,800	0	0	0%
Premium Payroll Accrual	41285	13	0	0	0%
Medicare	41320	9,145	6,700	6,600	-1%
Group Insurance	41340	70,538	56,600	63,900	13%
Disability Insurance	41342	5,782	4,800	3,700	-23%
Vision Insurance	41344	846	700	500	-29%
Dental Insurance	41347	6,134	5,200	4,500	-13%
Workers Comp	41350	882	500	500	0%
Retirement	41360	169,924	135,700	134,100	-1%
Accrued PERS Expense	41365	969	0	0	0%
TOTAL PERSONNEL SERVICES		912,155	688,500	684,900	-1%
PURCHASED SERVICES					
Consultants - Engineering	43150	28,949	0	0	0%
Other Professional Services	43190	82,091	39,000	25,000	-36%
Maintenance Agreement-Copier	43345	956	0	0	0%
Freight Expense	43430	431	0	0	0%
Permits & Recorders Fees	43460	900	1,150	900	-22%
Other Purchased Services	43490	1,779	2,180	2,300	6%
TOTAL PURCHASED SERVICES		115,106	42,330	28,200	-33%
MATERIALS & SUPPLIES					
Office Supplies	44100	4,825	0	0	0%
Paper	44110	467	0	0	0%
Postage	44120	38	0	0	0%
Printing & Forms	44130	459	200	200	0%
Electrical Supplies	44360	12	0	0	0%
Computer Hardware and Accessories	44405	3,774	0	0	0%
Furniture and Accessories	44415	2,197	750	0	-100%
Software	44420	0	6,626	2,920	-56%
TOTAL MATERIALS & SUPPLIES		11,772	7,576	3,120	-59%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,916	935	1,065	14%
Books & Subscriptions	45120	723	1,600	1,400	-13%
Conference Registration Fees	45130	6,495	2,735	0	-100%
Training Expense	45140	1,648	2,435	805	-67%
Meeting Expense	45150	387	0	0	0%
Travel & Reimbursed Expense	45210	13,782	8,420	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		24,951	16,125	3,270	-80%
TOTAL SECTION EXPENSES		\$1,063,985	\$754,531	\$719,490	-5%

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Engineering

Mission Statement: Provide programming, engineering, and construction management for the development of capital projects and facilities for safe and efficient airport operations for Reno-Tahoe International Airport (RNO) and Reno-Stead Airport (RTS) users and employees.

Key Duties and Responsibilities:

- Define and allocate Engineering Division resources.
- Provide project programming and cost estimating for capital project budgets.
- Manage engineering and construction management services for all RNO and RTS capital improvement projects.
- Provide architecture, computer aided design, and graphics technical support.
- Administer all FAA Airport Improvements Program (AIP) Grants.
- Manage the Qualified Consultants List and Request for Qualification (RFQ) solicitations.
- Provide project management services in support of Airport Economic Development and Maintenance and Facilities sponsored projects.
- Solicit, negotiate, and manage all engineering professional services contracts.
- Procure and administer construction contracts.
- Ensure compliance with all federal and state labor and wage requirements for construction contracts.
- Coordinate and ensure compliance with the Disadvantaged Business Enterprise (DBE) program management and compliance.
- Provide technical support services for RTAA tenant improvements.
- Implement a Small Business Enterprise (SBE) component into the RTAA Disadvantaged Business Enterprise (DBE) program.
- Implement DBE Diversity study initiatives.

Engineering - Initiatives:

FY 2019-20 Initiatives

1. Complete the Airport Communications Center Remodel.

Strategic Initiative: Safety and Security

Long-Term Goal: Safety/ Security Systems Compliance/ Enhancements

Description: The project consists of the construction of two phases for replacement of the Airport Communication Center (AirCom). In order to create the new and larger AirCom

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center the existing offices, AirCom and Emergency Operations Center required to be relocated. The project will include the installation of new communication network equipment and associated ancillary systems to provide a digital system instead of the outdated analog system currently in use. The project will include upgrades to the heating-ventilation-air conditioning system, lighting, power, and network cabling. The final configuration of the

AirCom center will provide a much more efficient layout and enable the use of new technology to perform their duties better.

Performance Measure: Complete the Airport Communications Center Remodel by June 30, 2020.

Progress: 100% Completed. Airport Communications Center Project Substantial completed on January 17, 2020 and is in closeout as of June 30, 2020.

2. Communicate RNO capital projects and potential GA impacts.

Strategic Initiative: General Aviation

Long-Term Goal: GA Community Relationships

Description: Provide an update to construction projects which may have an effect on the GA Community at RNO. The updates are given at the User Committee meetings scheduled every quarter.

Performance Measure: Attend four (4) user committee Meetings by June 30, 2020.

Progress: 75% Completed. Staff attended three meeting in FY 2019-2020; however fourth meeting was postponed due to COVID-19 restrictions.

3. Complete an annual condition assessment of one-third of pavement at both RNO and RTS.

Strategic Initiative: General Aviation

Long-Term Goal: GA User Needs and Market Demand

Description: The FAA requires the RTAA to implement an active pavement management program, which includes pavement inspections and required maintenance and repairs. This will ensure that existing airfield pavements remain at a good level of service and achieve the pavement design life. This initiative is focused on the evaluation of pavement used exclusively by GA aircraft to evaluate the condition and program

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preventive maintenance and repairs that may needed.

Performance Measure: Complete the annual pavement condition assessment at both airports by June 30, 2020.

Progress: 100% Completed. Final reports submitted and approved in December 2019.

4. Ensure Full Communication of RNO capital projects and potential impact.

Strategic Initiative: General Aviation

Long-Term Goal: Military Community Relationships

Description: Provide an update to projects which may have an effect on the GA Community at RNO. The updates are given at the User Committee meetings scheduled every quarter.

Performance Measure: Attend four (4) user committee Meetings by June 30, 2020.

Progress: 75% Completed. Staff attended three meeting in FY 2019-2020; however fourth meeting was postponed due to COVID-19 restrictions.

5. Submittal of 2020-2022 DBE Goals to the FAA for approval on future FAA funded projects.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Plan of Finance/ Intergovernmental Agreements

Description: Completion of the 2020-2022 DBE goals for both RNO and RTS airports for all projects using Airport Improvement Program (AIP) grant monies. Upload the DBE goals to the FAA for review and perform public outreach.

Performance Measure: Submittal of the 2020-2022 DBE goals to the FAA by June 30, 2020.

Progress: 100% Complete. DBE outreach occurred in July 2019 and the reports were submitted and approved by the FAA on August 8, 2019.

6. Complete Phase II Design of Runway 16R/34L and East Airfield Light Vault Improvements.

Strategic Initiative: Facilities for the Future

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Long-Term Goal: Facility Infrastructure Enhancements

Description: This runway was last rehabilitated in 1993 and the average Pavement Condition Index for the keel (center) section is 39 which means the rating of very poor concrete surface is nearing the end of its useful life. This condition is reflected in an increasing amount of maintenance being required to mitigate breakage resulting in foreign object debris. The runway portion of this project is to preserve the capacity of the airside infrastructure in order to meet existing and forecasted operations in the RNO Master Plan.

The project consists of the design for reconstruction of the concrete keel section, asphalt shoulders and overruns, reconstruction of the Runway Incursion Mitigation at The south end of Taxiway A, replacement of the Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights, centerline and edge lights, and the Magnetic Variation (MagVAR) update for all three runways. The MagVAR will require work with the FAA to update all of the flight procedures for RNO. Outreach to the Airlines will occur during the design phase.

Performance Measure: Complete design of this capital improvement project by June 30, 2020.

Progress: 100% Completed. Phase II was awarded to Granite Construction on March 12, 2020 and construction began June 1, 2020.

7. Complete Phase 1 Construction of Runway 16R/34L and the East Airfield Light Vault (ALV) Improvements.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: Construction of the Runway 16R/34L Phase 1 consists of the reconstruction of Runway 16L/34R asphalt shoulders and overruns, construction to mitigate the Runway Improvement Mitigation (RIM) at Taxiway C and Taxiway L intersection and the construction of a new Airport Lighting Vault. The low PCI rating for the asphalt shoulders and overruns is 55 which indicates a Poor rating and indicates that the asphalt surface is nearing the end of its useful life. This condition is reflected in an increasing amount of maintenance being required to mitigate breakage resulting in foreign object debris. The purpose of this project is to preserve the capacity of the airside infrastructure in order to meet existing and forecasted operations in the RNO Master Plan.

Construction of a new ALV building will provide for the replacement and reconfiguration of power distribution and control equipment at a location compatible with overall airport

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development. In addition, replacement of the current 1970 building and related equipment is required due to the age and lack of capacity of the existing facility. Facility replacement will provide for required additional capacity and ensure reliable operation and maintenance of the airfield lighting system with the installation of new electrical distribution equipment, lighting components, and controls.

Performance Measure: Complete Construction of this capital improvement project by June 30, 2020.

Progress: 95% Completed. Phase I construction of the runway phase was completed on November 27, 2019. The RIM construction was completed on July 3, 2020 and the East ALV will be completed by Oct 2020. Due to COVID-19 pandemic and equipment supplies issues, project was delayed.

8. Incorporate Environmental Practices into Facility Design Standards.

Strategic Initiative: Sustainability

Long-Term Goal: Environmental Responsibility and Awareness

Description: This initiative consists of incorporating environmental practices into the existing Facility Design Standards (Airport Improvement Guidelines). Specific environmental (sustainability) practices will be developed to be a chapter in the overall Airport Improvement Guidelines. The new chapter will consist of a collection of sustainable practices that can be implemented either during the planning, design or construction phases of an airport project. The collection of sustainability practices may consist of best practices, methods, procedures, or materials applicable to a specific Airport Improvement Guideline.

Performance Measure: Research and develop a collection of draft sustainable practices that are applicable to the existing Airport Improvement Guidelines for Executive Management review and consideration by June 30, 2020.

Progress: 100% Completed. Planning & Engineering staff created sustainability section into the Airport Improvement Guidelines in April 2020.

9. Establish template for inclusion of appropriate Engineering & Construction projects into Nevada Government E-Marketplace.

Strategic Initiative: Sustainability

Long-Term Goal: Operational Efficiency

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Description: Develop a template with guidance from the Purchasing Department for the appropriate type of construction projects that would benefit from advertising on the Nevada Government Marketplace (NGEM) website in order to reach out to more contractors. Simplify the advertising for proposals.

Performance Measure: Monthly update of Master Projects Schedule, concurrent with the Engineering Activity Report.

Progress: 100% Completed. Monthly updates of the Master Projects Schedule at all Planning & Construction Committee meetings were provided. All Engineering advertisements (Request for Qualifications and Bid Advertisements) include NGEM.

FY 2020-21 New Initiatives

1. Phase II Construction of Runway 16R/34L

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: Construction of the Runway 16R/34L Phase II project consists of the reconstruction of Runway 16R/34L asphalt shoulders and blast pads, keel sections, Magnetic Variation (MagVar), Wildlife Mitigation, Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR) and a Runway Incursion Mitigation (RIM) on Taxiway A. The concrete keel section is nearing the end of its useful life. This condition is reflected in an increasing amount of maintenance required to mitigate breakage resulting in foreign object debris. The purpose of this project is to preserve the capacity of the airside infrastructure in order to meet existing and forecasted operations in the RNO Master Plan. The RTAA has received two AIP grants for this project (AIP 17-106 \$31,705,245 and AIP 17-105 \$10,000,000). Based upon grant funding received, the project will include the Base bid, Alternates 1, 2, 7 and 8. The improvements included in these items to be constructed on 16R/34L are the MagVar, MALSR, blast pads, shoulders, edge lighting, keel section, wildlife mitigation, and Taxiway “A” runway incursion mitigation (RIM). This project will be constructed over the next two calendar years. Construction will be suspended from November 2020 through February 2021 for winter shutdown of construction. Substantial completion of 16R/34L is anticipated to be by November 30, 2021.

Performance Measure: Complete 50% of the construction of this capital improvement project by June 30, 2021. This work will include the RIM at Taxiway A, the MagVar, the blast pads on Runway 16R-34L and the wildlife mitigation along Taxiway A and south of Runway 34L.

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2. Begin Construction of Phase II of Passenger Boarding Bridge Replacement.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: Project consists of the replacement of five (5) total passenger boarding bridges (PBB), four (4) on Concourse B (B6, B8, B9 and B10) and one (1) on Concourse C (C11). All PBBs being replaced have exceeded the minimum useful life (20 years) as outlined by the FAA. Project will consist of design by a consultant selected through a request of qualifications, bidding, construction, and project close out.

Performance Measure: Issue bid documents, select contractor and award construction contract for project by June 30, 2021.

3. Complete Construction of Reno-Stead Airport Taxiway A & Apron Reconstruction Project – Phase I.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: Construction of the Taxiway A & Apron Reconstruction Project - Phase 1 consists of the reconstruction of approximately 34,000 square yards of Taxiway A & Apron on the east end near the BLM Air Tanker Base, along with providing LED lighting upgrades for the apron. This is the first phase of a planned six phase approach to reconstruction all of the apron area and Taxiway A as necessary at Reno-Stead Airport.

Performance Measure: Complete construction of this capital improvement project by June 30, 2021 pending on receiving the FAA grant by August 1, 2020.

4. Begin Design of Loop Road PCC Reconstruction.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: The project consists of the design for reconstruction of the concrete section of Loop Road primarily in front of the terminal building. Improvements to be incorporated into the design are improved ADA access along drop off and pick areas, new security measures installed along passenger drop areas next to terminal building, conduits for future improvements, and pedestrian crossing upgrades where necessary.

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Performance Measure: Issue Request for Qualification (RFQ), select consultant, negotiate fees, signed contract (PSA), and begin design by June 30, 2021.

5. Design of Consolidated Rental Car Facility.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Infrastructure Enhancements

Description: Assist Conrac Solutions and the Design-Build team for the design of the Consolidated Rental Car Facility and enabling projects. Provide direction and guidance with various RTAA Stakeholders and other agencies.

Performance Measure: 50% design completed by June 30, 2021 pending approval by staff to continue design and use the CFC funding.

6. Communicate RNO capital projects and potential GA impacts.

Strategic Initiative: General Aviation

Long-Term Goal: GA Community Relationships

Description: Provide an update to construction projects which may have an effect on the GA Community at RNO. The updates are given at the User Committee meetings scheduled every quarter.

Performance Measure: Attend four (4) user committee Meetings by June 30, 2021.

7. Ensure Full Communication of RNO capital projects and potential impact.

Strategic Initiative: General Aviation

Long-Term Goal: Military Community Relationships

Description: Provide an update to projects which may have an effect on the GA Community at RNO. The updates are given at the User Committee meetings scheduled every quarter.

Performance Measure: Attend four (4) user committee Meetings by June 30, 2021.

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ENGINEERING AND CONSTRUCTION

Section 503

	<u>ACCOUNT NO.</u>	<u>2018-19 ACTUAL</u>	<u>2019-20 BUDGET</u>	<u>2020-21 BUDGET</u>	<u>PERCENT CHANGE</u>
PERSONNEL SERVICES					
Permanent Employees	41110	457,189	\$551,400	\$525,500	-5%
Vacation Pay	41130	42,995	8,400	6,800	-19%
Sick Leave	41140	18,326	8,600	8,600	0%
Holiday Pay	41150	26,202	0	0	0%
Comp Time	41160	934	0	0	0%
Payroll Accrual	41195	1,262	0	0	0%
Incentive Awards and Employee Recog.	41260	295	0	0	0%
Medicare	41320	7,806	8,000	7,600	-5%
Group Insurance	41340	56,225	63,900	80,200	26%
Disability Insurance	41342	4,575	6,000	4,400	-27%
Vision Insurance	41344	687	800	700	-13%
Dental Insurance	41347	5,019	5,700	5,400	-5%
Workers Comp	41350	756	600	600	0%
Retirement	41360	146,042	171,100	163,600	-4%
Accrued PERS Expense	41365	1,306	0	0	0%
TOTAL PERSONNEL SERVICES		769,616	824,500	803,400	-3%
PURCHASED SERVICES					
Other Professional Services	43190	0	2,500	0	-100%
Office Equipment Rental	43210	0	0	0	0%
Other Repair/Maintenance Svc	43390	878	0	0	0%
Maintenance Agreement-Copier	43345	107	0	0	0%
Other Purchased Services	43490	4,743	10,915	5,800	-47%
TOTAL PURCHASED SERVICES		5,727	13,415	5,800	-57%
MATERIALS & SUPPLIES					
Office Supplies	44100	900	0	0	0%
Paper	44110	186	0	0	0%
Postage	44120	124	0	0	0%
Printing & Forms	44130	296	150	0	-100%
Furniture and Accessories	44415	1,173	1,500	0	-100%
Safety Equipment	44450	38	0	0	0%
TOTAL MATERIALS & SUPPLIES		2,716	1,650	0	-100%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,126	2,046	2,341	14%
Books & Subscriptions	45120	586	1,015	0	-100%
Conference Registration Fees	45130	3,200	3,385	0	-100%
Training Expense	45140	380	1,150	730	-37%
Travel & Reimbursed Expense	45210	4,149	6,845	0	-100%
Legal Advertisements	45340	1,153	3,000	350	-88%
TOTAL ADMINISTRATIVE EXPENSE		10,594	17,441	3,421	-80%
TOTAL SECTION EXPENSES		<u>\$788,653</u>	<u>\$857,006</u>	<u>\$812,621</u>	<u>-5%</u>

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Facilities and Maintenance Administration

Mission Statement: To maintain Reno-Tahoe Airport Authority (RTAA) facilities and properties in a safe, secure and efficient manner. To maintain customer oriented service in a world class manner to the users of RTAA.

Key Duties and Responsibilities:

- Inspect RTAA property regularly to identify maintenance project requirements.
- Ensure a quality passenger experience by monitoring daily and performing maintenance of the terminal building and operating systems and equipment.
- Train and develop professional staff.
- Provide management and oversight of the Tenant Improvement Permit program.
- Develop and administer various on-going maintenance programs and investigate and implement new programs.
- Participate in bargaining unit negotiations and employee relations.
- Ensure proper management, accurate project scope development, adequate and timely completion of small capital projects.
- Research and pursue energy efficient building controls, lighting and equipment upgrades.
- Manage all systems and equipment for code and regulatory compliance.

Facilities and Maintenance Administration - Initiatives:

FY 2019-20 Initiatives

1. Complete Delta Building Control System Upgrade, Phase IV

Strategic Initiative: Facilities for the Future

Long-Term Goal: Technology Integration

Description: This initiative is the fourth phase of converting and upgrading HVAC controls and software from pneumatic control to the digital control system. This phase of the project will be focused on the air handlers that supply heating and cooling in the administration area and mechanical work to correct airflow and climate control issues as a result of wall and office reconfigurations in the past.

The goal of this project will be to replace the current out dated pneumatic control system, thermostats and pneumatic actuators with current DDC (Direct Digital Controls) electronic thermostats and electric actuators. The result will be a faster reacting, more

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reliable system that will also require less maintenance. All upgraded controls and actuators will be tied into the Delta Building Controls system currently used at the RNO.

Performance Measure: Complete the fourth phase of this project by June 30, 2020.

Progress: Partially Completed. Specifications completed, however project was cancelled due to budget cuts, in response to COVID 19 crisis.

2. Complete Connector Storage Area Build-Out.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Attractiveness and Functional Advancement

Description: Build-out storage areas in the existing drive through areas under the Connector Concourse. This project consists of design and construction of 1,740 square feet of storage space to accommodate additional storage space need for restaurants and concessionaires. These spaces would be available for lease to concessionaires.

Performance Measure: Complete project by June 30, 2020.

Progress: Partially Completed. Conceptual Architectural Design completed, however project was cancelled due to budget cuts in response to COVID-19 crisis.

3. Complete Re-Roof of Terminal Building Area 10.

Strategic Initiative: Facilities for the Future

Long-Term Goal: Facility Attractiveness and Functional Advancement

Description: Remove and replace the single ply membrane roofing material on Section #10 that has reached the end of its useful life and has developed leaks.

Performance Measure: Complete project by June 30, 2020.

Progress: 100% Completed. Re-Roof of terminal building area 10 was completed by June 30, 2020.

4. Complete HVAC Mechanical Room Sprinkler Installation.

Strategic Initiative: Safety and Security

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Long-Term Goal: Safety/Security Systems Compliance/ Enhancements

Description: Extend fire sprinkler coverage into the four (4) air handler rooms in the administrative office area. This was identified by the Insurance Risk Management Inspection.

Performance Measure: Complete project by June 30, 2020.

Progress: Partially Completed. Specifications completed, however project was cancelled due to budget cuts in response to COVID- 19 crisis.

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FACILITIES AND MAINTENANCE ADMINISTRATION

Section 601

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$377,550	\$460,400	\$456,000	-1%
Vacation Pay	41130	45,576	8,400	8,300	-1%
Sick Leave	41140	27,321	11,000	11,000	0%
Holiday Pay	41150	21,405	0	0	0%
Comp Time	41160	1,657	0	0	0%
Payroll Accrual	41195	(\$3,951)	0	0	0%
Medicare	41320	6,724	6,700	6,600	-1%
Group Insurance	41340	44,438	46,200	52,200	13%
Disability Insurance	41342	4,372	5,500	4,300	-22%
Vision Insurance	41344	523	600	400	-33%
Dental Insurance	41347	3,597	3,900	3,400	-13%
Workers Comp	41350	3,780	5,200	6,000	15%
Retirement	41360	120,505	134,700	133,400	-1%
Accrued PERS Expense	41365	548	0	0	0%
Uniform Allowance	41380	25	0	0	0%
TOTAL PERSONNEL SERVICES		654,069	682,600	681,600	0%
PURCHASED SERVICES					
Professional Services	43100	0	0	1,000	%
Maintenance Agreement-Copier	43345	249	1,000	500	-50%
Other Repair/Maintenance Svcs	43390	24,816	20,000	15,000	-25%
Freight Expense	43430	443	1,000	500	-50%
Permits & Recorders Fees	43460	0	0	1,000	%
Other Purchased Services	43490	41	150	0	-100%
TOTAL PURCHASED SERVICES		25,550	22,150	18,000	-19%
MATERIALS & SUPPLIES					
Office Supplies	44100	3,335	3,000	3,000	0%
Postage	44120	17	40	40	0%
Printing & Forms	44130	68	150	150	0%
Refreshments and Breakroom Supplies	44140	11,162	9,000	10,600	18%
Lumber & Building Supplies	44370	513	0	0	0%
Other Repairs-Maint Supplies	44390	0	100	100	0%
Administrative Equipment and Repair Parts	44410	519	2,500	2,000	-20%
Furniture and Accessories	44415	4,476	1,700	1,700	0%
Sign and Sign Maintenance	44430	18,042	21,000	15,000	-29%
TOTAL MATERIALS & SUPPLIES		38,133	37,490	32,590	-13%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,152	880	1,325	51%
Books & Subscriptions	45120	1,624	500	500	0%
Conference Registration Fees	45130	2,200	4,500	1,000	-78%
Training Expense	45140	35	300	615	105%
Meeting Expense	45150	0	0	0	0%
Travel & Reimbursed Expense	45210	1,438	9,000	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		6,449	15,180	3,440	-77%
TOTAL EXPENSES BEFORE FIXED ASSETS		724,200	757,420	735,630	-3%
FIXED ASSETS					
Fixed Asset Acquisition	48150	15,839	23,269	0	-100%
TOTAL DEPARTMENT EXPENSES		\$740,039	\$780,689	\$735,630	-6%

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

Airfield Maintenance

Mission Statement: To provide operational effectiveness and efficiency for the management and maintenance of airfield pavement, markings and lighting, RNO landscapes and additional airport properties. Through innovation and technology, Airfield Maintenance also maintains RTAA’s extensive vehicle and equipment fleets and is responsible for the execution of the snow removal work plan.

Key Duties and Responsibilities:

- Maintain all RNO vehicles and equipment to improve fuel efficiency, lower maintenance costs, and enhance overall value.
- Procure new snow removal equipment to upgrade the aging fleet.
- Support other RNO and RTS department maintenance needs.
- Maintain airfield pavements and markings in accordance with FAR Part 139 and other applicable regulations.
- Maintain all airfield lighting equipment.
- Perform all RNO airfield snow removal operations.
- Maintain landside pavement and markings.
- Maintain safe and accurate signage for the traveling public.
- Ensure all areas of RNO are clean and free of all Foreign Object Debris (FOD).
- Maintain all RNO landscaping, manage airfield weed abatement program, and maintain all acquired properties for appearance, weed control and dust abatement.
- Assist RTS staff with pavement maintenance and airfield markings.
- Maintain at all times the airfield lighting system to 99% of operational requirements and airfield ramp and landside parking lighting to 95% operational requirements,
- Maintain all airport emergency generators and electrically operated perimeter gates.
- Fog seal twenty (20%) of asphaltic concrete pavement at RNO and RTS annually.
- Repair cracks and spalls in pavement as required; replace joint sealants in areas of identified failure.
- Maintain Aircraft Operations Area markings to 100% compliance with Part 139.
- Perform rubber removal as needed per FAA Advisory Circulars.
- Patch and seal cracks in five percent (5%) of roadways and parking lots annually.
- Maintain roadway and crosswalk markings as required, including the new long term parking walkway.
- Remove snow and ice as needed from aircraft, vehicle, and passenger movement areas.
- Sweep all landside roads, parking areas, perimeter roads and ramps as needed.
- Maintain the storm drain system free of debris for proper drainage.
- Provide trash pickup from dumpster twice every day and dispose of pallets daily.

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

Airfield Maintenance - Initiatives:

FY 2019-20 Initiatives

1. Complete the FY 2019-20 Thermoplastic Airfield Marking Program.

Strategic Initiative: Safety and Security

Long-Term Goal: FAA Part 139 Compliance

Description: The Federal Aviation Administration (FAA) Standards for Airport Markings, Advisory Circular (AC) 150/5340-1L establishes the requirement for all airfield surfaces. Traditional airfield paint had a short life and Airfield Maintenance was typically repainting significant portions annually. Starting in 2013, staff began the use of thermoplastic as a cost-effective alternative to annual latex painting. This recommendation is based upon the following considerations:

- The service life of thermoplastic is exponentially longer than traffic paint with an eight to twelve year lifespan.
- Thermoplastic markings provide a higher level of airfield safety. Glass beads are added to surface signs for better durability and improved visibility during nighttime and low-visibility conditions.
- Thermoplastic is resistant to aviation fuels, motor fuels, deicers and lubricants. The performance of these signs has exceeded expectations and demonstrated the viability of using thermoplastic signs in the extreme climate variations experienced at RNO.
- Paint can only be applied when nighttime temperatures are consistently over 50 degrees, as each layer requires 24 hours to properly dry. Thermoplastic signs may be applied when temperatures are 35 degrees and rising, significantly increasing the number of “painting days” in Reno annually.
- Additionally, with thermoplastic all sign colors are rolled out simultaneously in one layer, and runway intersections may be reopened within 60 minutes of application.

Performance Measure: Complete thermoplastic installation by June 30, 2020.

Progress: 100% Completed. The Airfield Maintenance team installed over 3,100 linear feet of pre-formed thermoplastic markings on the Movement/Non Movement boundary on the terminal ramp; project was completed April 1, 2020.

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2. Implement RNO Light Emitting Diode (LED) lighting projects.

Strategic Initiative: Sustainability

Long-Term Goal: Natural Resource Conservation

Description: As part of the RTAA initiative to replace old, energy inefficient and outdated fixtures with new LED lighting, the FY 2019-20 Budget has eight (8) lighting replacement programs at RNO. LED lighting not only reduces annual electricity costs, but also provides the following benefits: (1) instant restrike after a power failure whereas High Intensity Discharge (HID) fixtures need 15 to 20 minutes to cool down; (2) HID lighting degrades over time and light output is reduced up to 60% as the lamp ages, while LED light output stays very consistent for the life of the fixture; and (3) HID lighting requires more maintenance than LED due to lamp and ballast life (4) HID lighting requires costly lamp recycling due to the mercury used in their production. HID lamps also typically require replacement every two years on average and ballasts every five years. The proposed LED fixtures have a five-year warranty and a life expectancy of 100,000 hours.

Performance Measure: Complete the installation of all eight LED projects by June 30, 2020.

Progress: 100% Completed. The Airfield Maintenance team installed 185 Light Emitting Diode light fixtures in various airside and landside areas, Project was completed April 24, 2020.

**Reno-Tahoe Airport Authority
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AIRFIELD MAINTENANCE

Section 602

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$1,234,476	\$1,549,300	\$1,518,600	-2%
Temporary Employees	41120	49,207	60,000	0	-100%
Vacation Pay	41130	115,627	8,400	7,400	-12%
Sick Leave	41140	63,420	15,200	18,100	19%
Holiday Pay	41150	69,944	3,000	3,000	0%
Comp Time	41160	159	0	0	0%
Workers Comp Pay	41170	0	700	0	-100%
Payroll Accrual	41195	4,927	0	0	0%
Overtime Pay	41210	91,402	80,000	84,000	5%
Overtime Call Back	41213	68,416	30,000	30,000	0%
Standby	41220	18,440	14,250	14,250	0%
Shift Differential	41230	11,240	11,000	11,000	0%
Holiday worked Pay	41280	22,194	18,720	18,720	0%
Premium Payroll Accrual	41285	493	0	0	0%
Medicare	41320	22,477	22,500	22,000	-2%
Group Insurance	41340	275,265	297,000	328,200	11%
Disability Insurance	41342	12,286	14,400	10,800	-25%
Vision Insurance	41344	3,188	3,500	2,600	-26%
Dental Insurance	41347	21,958	24,000	20,800	-13%
Workers Comp	41350	46,620	45,700	50,900	11%
Retirement	41360	419,688	453,200	444,200	-2%
Accrued PERS Expense	41365	1,662	0	0	0%
Uniform Allowance	41380	12,022	13,500	0	-100%
Meal Allowance	41390	2,537	1,000	1,100	10%
TOTAL PERSONNEL SERVICES		2,567,647	2,665,370	2,585,670	-3%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	89,238	72,000	80,000	11%
Natural Gas	42120	17,823	16,500	17,000	3%
Water	42130	1,175	3,000	3,000	0%
Trash Disposal	42150	44,355	57,000	65,000	14%
Recyclable Disposal	42151	1,801	3,000	5,000	67%
Dump Fees	42152	7,045	11,500	12,500	9%
Oil-Water Separators Services	42153	16,990	15,770	20,000	27%
Propane	42170	204	2,000	2,000	0%
Hazardous Waste Disposal	42180	4,104	3,500	3,500	0%
TOTAL UTILITIES & COMMUNICATIONS		182,736	184,270	208,000	13%
PURCHASED SERVICES					
Equipment Rental	43211	502	2,500	1,000	-60%
Contracted Services	43340	64,400	58,889	72,048	22%
Maintenance Agreement-Copier	43345	174	300	250	-17%
Other Repair/Maintenance Svcs	43390	62,372	36,000	41,000	14%
Freight Expense	43430	6,928	5,500	7,000	27%
Permits & Recorders Fees	43460	2,235	2,500	2,500	0%
TOTAL PURCHASED SERVICES		136,611	105,689	123,798	17%
MATERIALS & SUPPLIES					
Administrative Equipment & Repair Parts	44100	2,574	4,000	4,000	0%
Paper	44110	115	175	175	0%
Postage	44120	15	15	15	0%
Printing & Forms	44130	251	400	400	0%
Refreshments and Breakroom Supplies	44140	536	550	650	18%

**Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET**

AIRFIELD MAINTENANCE

Section 602

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Oil and Lubricants	44210	11,278	11,000	9,500	-14%
Herbicides	44221	86,615	72,000	70,000	-3%
Fertilizer	44222	1,704	0	0	0%
Ice Control	44223	25,314	56,000	40,000	-29%
Rubber Removal	44224	7,355	4,000	0	-100%
Gasoline	44230	81,824	80,000	80,000	0%
Diesel Fuel	44240	75,360	73,000	73,000	0%
Janitorial Supplies	44260	227	300	300	0%
Medical Supplies	44270	480	1,100	1,100	0%
Trash Can Liners	44280	4,671	4,500	5,200	16%
Other Operating Supplies	44290	2,424	8,000	7,000	-13%
Vehicle Maintenance Supplies	44310	39,244	48,000	50,000	4%
Heating & Air Conditioning	44320	(50)	0	0	0%
Machinery Maintenance Supplies	44330	159,043	145,000	150,000	3%
Metals	44332	4,842	4,000	4,000	0%
Locks & Hardware	44333	8,338	7,500	7,500	0%
Plant Stock	44340	4,124	6,500	6,500	0%
Irrigation Supplies	44341	4,532	7,000	7,000	0%
Landscape Materials	44342	3,250	7,000	10,000	43%
Electrical Supplies	44360	13,438	20,000	12,000	-40%
Runway/Taxiway Lighting	44361	18,910	20,000	15,000	-25%
Overhead Lighting	44362	6,272	9,500	5,000	-47%
Lumber & Building Supplies	44370	213	2,500	2,500	0%
Paint Supplies	44380	76,505	72,000	62,000	-14%
Thermoplastic Markings	44381	78,877	140,000	0	-100%
Other Repairs-Maint Supplies	44390	24,018	15,000	15,000	0%
Small Tools - Minor Equipment	44400	25,811	21,000	15,000	-29%
Office Small Equipment	44410	11	1,000	1,000	0%
Furniture and Accessories	44415	1,255	0	0	0%
Sign and Sign Maintenance	44430	3,956	10,000	10,000	0%
Employee Uniform	44445	0	0	12,000	%
Safety Equipment	44450	20,626	18,000	18,000	0%
Asphalt & Concrete	44510	4,006	10,000	7,500	-25%
Aggregates	44511	3,221	5,000	5,000	0%
Patch Material	44513	6,169	6,000	6,000	0%
Pavement Treatment Supplies	44515	8,097	15,000	17,000	13%
Runways/taxiway Repair	44530	17,714	5,000	5,000	0%
Fence and Gate Repair Parts	44540	9,746	2,500	4,000	60%
TOTAL MATERIALS & SUPPLIES		842,908	912,540	738,340	-19%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,239	2,278	2,478	9%
Conference Registration Fees	45130	1,542	2,350	0	-100%
Training Expense	45140	10,521	13,770	18,620	35%
Travel & Reimbursed Expense	45210	15,831	13,863	1,150	-92%
TOTAL ADMINISTRATIVE EXPENSES		29,132	32,261	22,248	-31%
TOTAL EXPENSES BEFORE FIXED ASSETS		3,759,035	3,900,130	3,678,056	-6%
FIXED ASSETS					
Fixed Asset Acquisition	48150	191,425	651,401	0	-100%
TOTAL SECTION EXPENSES		\$3,950,460	\$4,551,531	\$3,678,056	-19%

Reno-Tahoe Airport Authority
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Section 7 – Expenditures

Building Maintenance

Mission Statement: Through leadership and organizational planning, deliver cost-effective facility maintenance and services responsive to RTAA tenants and the traveling public's needs.

Key Duties and Responsibilities:

- Provide preventative maintenance and services required to support RTAA owned building facilities and system components.
- Maintain and inspect all regulatory controlled systems such as fire systems, elevator, escalator, locks, doors and alarms.
- Perform snow removal and ice treatment of the landside areas and assist on the airfield as required.
- Provide escorts and contractor support for RTAA projects. Provide contracted services agreement management for multiple systems and equipment maintenance services.
- Plan, schedule and supervise efficient cost effective facilities operations.
- Provide support services for the Marketing/ Public Affairs and Airport Economic Development.
- Perform inspections, maintenance and repairs to structure and system components of the RNO terminal building.
- Maintain utilities systems including electricity, water, natural gas and sewer.
- Perform custodial services to maintain a high standard of cleanliness in the RNO terminal building and other RTAA facilities.
- Improve work plans as necessary toward greater efficiency and cost reductions.
- Ensure a quality passenger experience by monitoring and performing daily maintenance of the terminal building, operating systems and equipment.
- Provide management oversight for the Baggage Handling System (BHS) and all related facility contracts.
- Train staff to improve maintenance effectiveness and safety awareness.
- Reduce energy consumption through the installation of energy saving light fixtures and improvements to the energy management building systems.

**Reno-Tahoe Airport Authority
FY 2020-21
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BUILDING MAINTENANCE AND SERVICES

Section 603

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$2,324,547	\$3,051,400	\$2,848,500	-7%
Vacation Pay	41130	216,500	7,200	1,600	-78%
Sick Leave	41140	110,539	29,200	26,200	-10%
Holiday Pay	41150	137,242	32,000	32,000	0%
Workers Comp Pay	41170	8,017	0	0	0%
Payroll Accrual	41195	589	0	0	0%
Overtime Pay	41210	12,552	6,500	7,000	8%
Overtime Call Back	41213	21,024	12,000	12,000	0%
Standby	41220	15,743	12,000	15,000	25%
Shift Differential	41230	92,714	99,000	96,000	-3%
Holiday worked Pay	41280	88,740	82,000	85,000	4%
Premium Payroll Accrual	41285	733	0	0	0%
Medicare	41320	43,514	44,900	42,000	-6%
Group Insurance	41340	648,126	772,900	779,300	1%
Disability Insurance	41342	23,849	29,500	20,600	-30%
Vision Insurance	41344	7,664	9,500	6,300	-34%
Dental Insurance	41347	54,450	67,300	52,000	-23%
Workers Comp	41350	98,832	101,900	110,600	9%
Retirement	41360	802,843	892,500	832,900	-7%
Accrued PERS Expense	41365	2,682	0	0	0%
Uniform Allowance	41380	14,572	20,000	0	-100%
Meal Allowance	41390	1,338	1,500	1,500	0%
TOTAL PERSONNEL SERVICES		4,726,810	5,271,300	4,968,500	-6%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	999,001	1,100,000	1,053,341	-4%
Natural Gas	42120	349,643	273,000	346,264	27%
Water	42130	105,567	107,000	107,000	0%
Sewer	42140	88,924	82,500	90,000	9%
Solid Waste Disposal	42150	37,868	38,000	39,000	3%
Sumps/oil-water seperators	42153	836	4,000	2,500	-38%
Hazardous Waste Disposal	42180	430	0	0	0%
TOTAL UTILITIES & COMMUNICATIONS		1,582,268	1,604,500	1,638,105	2%
PURCHASED SERVICES					
Other Professional Services	43190	0	0	0	0%
Office Equipment Rental	43210	0	0	0	0%
Equipment Rental	43211	52	0	0	0%
Contracted Services	43340	490,428	523,800	509,950	-3%
Maintenance Agreement-Copier	43345	1,267	2,000	1,000	-50%
Other Repair/Maintenance Svcs	43390	118,530	182,500	80,000	-56%
Laundry	43410	0	0	0	0%
Freight Expense	43430	10,023	5,000	3,500	-30%
Permits & Recorders Fees	43460	6,032	9,500	7,000	-26%
Other Purchased Services	43490	8,821	0	0	0%
TOTAL PURCHASED SERVICES		635,153	722,800	601,450	-17%
MATERIALS & SUPPLIES					
Office Supplies	44100	2,839	3,500	1,500	-57%
Paper	44110	244	400	400	0%
Printing & Forms	44130	917	600	400	-33%
Refreshments and Breakroom Supplies	44140	762	600	400	-33%
Oil and Lubricants	44210	0	0	0	0%
Chemicals	44220	254	0	0	0%
Ice Control	44223	26,552	24,000	23,000	-4%

Reno-Tahoe Airport Authority
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BUILDING MAINTENANCE AND SERVICES

Section 603

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
Janitorial Paper Supplies	44250	81,251	85,000	80,000	-6%
Janitorial Supplies	44260	55,506	50,000	50,000	0%
Medical Supplies	44270	1,118	1,000	1,200	20%
Trash Can Liners	44280	26,025	30,000	28,000	-7%
Other Operating Supplies	44290	5,093	9,000	8,000	-11%
Repair & Maintenance Supply	44300	0	0	0	0%
Heating & Air Conditioning	44320	50,848	45,000	38,000	-16%
Filters	44321	42,201	10,000	9,500	-5%
Machinery	44330	2,270	4,000	1,000	-75%
Baggage Conveyors	44331	6,024	20,000	0	-100%
Steel and Sheet Metal	44332	1,517	1,500	1,500	0%
Locks & Hardware	44333	5,191	10,000	5,000	-50%
Brushes	44334	1,086	0	0	0%
Jet Bridge Repair	44336	25,844	35,000	25,000	-29%
Plumbing Supplies	44350	44,424	40,000	35,000	-13%
Electrical Supplies	44360	33,909	50,000	30,000	-40%
Lumber & Building Supplies	44370	18,020	15,000	8,000	-47%
Paint Supplies	44380	2,027	3,000	2,500	-17%
Other Repairs-Maint Supplies	44390	578	1,000	0	-100%
Small Tools - Minor Equipment	44400	9,252	8,000	4,000	-50%
Administrative Equipment and Repair Parts	44410	0	0	0	0%
Furniture and Accessories	44415	3,485	1,200	0	-100%
Sign and Sign Maintenance	44430	400	0	0	0%
Employee Uniform	44445	0	0	10,000	%
Safety Equipment	44450	6,546	4,000	3,000	-25%
Patch Material	44513	0	0	0	0%
TOTAL MATERIALS & SUPPLIES		454,182	451,800	365,400	-19%
ADMINISTRATIVE EXPENSE					
Membership Dues	45110	1,122	1,200	1,200	0%
Books & Subscriptions	45120	0	500	0	-100%
Conference Registration Fees	45130	1,900	2,200	0	-100%
Training Expense	45140	2,363	18,000	2,000	-89%
Travel & Reimbursed Expense	45210	2,810	4,000	0	-100%
TOTAL ADMINISTRATIVE EXPENSES		8,195	25,900	3,200	-88%
TOTAL EXPENSES BEFORE FIXED ASSETS		7,406,607	8,076,300	7,576,655	-6%
FIXED ASSETS					
Fixed Asset Acquisition	48150	26,612	76,847	0	-100%
TOTAL SECTION EXPENSES		<u>\$7,433,219</u>	<u>\$8,153,147</u>	<u>\$7,576,655</u>	<u>-7%</u>

**Reno-Tahoe Airport Authority
FY 2020-21
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Baggage Handling System

Section 604 Activity Code 250

	ACCOUNT NO.	2018-19 ACTUAL	2019-20 BUDGET	2020-21 BUDGET	PERCENT CHANGE
PERSONNEL SERVICES					
Permanent Employees	41110	\$43,747	\$46,800	\$46,400	-1%
Group Insurance	41340	6,870	7,200	8,100	13%
Vision Service Plan	41344	77	0	0	0%
Dental Insurance	41347	482	0	0	0%
Retirement	41360	12,249	13,700	13,600	-1%
TOTAL PERSONNEL SERVICES		63,425	67,700	68,100	1%
UTILITIES AND COMMUNICATIONS					
Electricity	42110	387,999	435,000	387,895	-11%
Natural Gas	42120	23,736	20,000	28,189	41%
TOTAL UTILITIES & COMMUNICATIONS		411,735	455,000	416,084	-9%
PURCHASED SERVICES					
Contracted Services	43340	910,308	1,152,454	930,680	-19%
Freight Expense	43430	1,117	0	0	0%
TOTAL PURCHASED SERVICES		911,425	1,152,454	930,680	-19%
MATERIALS & SUPPLIES					
Heating & Air Conditioning	44320	10,822	10,000	2,500	-75%
Filters	44321	104	0	0	0%
Baggage Conveyors	44331	61,511	70,000	65,000	-7%
Electrical Supplies	44360	2,180	2,000	1,000	-50%
TOTAL MATERIALS & SUPPLIES		74,617	82,000	68,500	-16%
TOTAL SECTION EXPENSES		<u>\$1,461,202</u>	<u>\$1,757,154</u>	<u>\$1,483,364</u>	<u>-16%</u>

Section 8 – Capital Budget

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
Section 8 – Property, Plant and Equipment

The schedule following this narrative lists the approved Property, Plant and Equipment (PP&E) requests from the RTAA’s various departments/sections in the adopted FY 2020-21 Budget. A PP&E item is an asset with a useful life exceeding one year and a cost greater than \$5,000. Any equipment purchases greater than \$300,000 are reported as a capital project and amortized in the airline rates and charges model over its estimated useful life.

The total PP&E budget for FY 2020-21 is \$449,900, a decrease of \$1.348 million, or 75.0% from the FY 2019-20 PP&E Budget. This significant decline is due to the effect of the COVID-19 pandemic on air travel. In light of travel restrictions imposed by most states, the decline in air travel demand by the travelling public, RTAA has made aggressive cuts to the FY 2020-21 Budget in all expense categories, including PP&E. Initial requests for PP&E in the FY 2020-21 Budget totaled \$1.835 million. Only items deemed mission critical or related to safety and security were approved.

The majority of approved PP&E requests in FY 2020-21 come from the Airport Rescue and Fire Fighting department, and consist of one (1) fire structural engine, the RTAA’s local share of a fire type I pumper/engine grant, and one (1) E-One Ecologic Mobile Test System. The only other approved item is for the replacement of 50 existing video surveillance cameras with Axis IP cameras. Although a number of vehicles meet the replacement requirement set through the Facilities vehicle replacement plan, no purchases are scheduled for FY 2020-21.

The vehicle replacement plan maximizes the functionality, and minimizes the maintenance costs of the Authority’s fleet of vehicles. The plan provides for the retirement and rotation of vehicles and equipment. The evaluation criteria are listed below.

VEHICLE AND EQUIPMENT ACQUISITION AND ROTATION POLICY
REPLACEMENT EVALUATION CRITERIA

Light Duty Vehicles

- Replacement evaluation after 6 years of service **or**
- Replacement evaluation when vehicle exceeds 100,000 miles **or**
- Replacement evaluation when maintenance cost to purchase ratio exceeds 35%

Heavy Duty Vehicles and Equipment

- Replacement evaluation after 10-20 years depending on type of vehicle/equipment **or**
- Replacement evaluation when vehicle/equipment exceeds 80,000 miles **or**
- Replacement evaluation every 25,000 hours on Hobbs hour meter **or**
- Replacement evaluation when maintenance cost to purchase ratio exceeds 30%

The schedules below summarize all technology, vehicles and the major piece of equipment with a unit cost greater than \$25,000.

**Reno-Tahoe Airport Authority
 FY 2020-21
 ANNUAL BUDGET
 Section 8 – Property, Plant and Equipment**

Equipment

Department	FY 2020-21 Request	Amount Budgeted	Current Equipment Being Replaced/Explanation
Airport Rescue and Fire Fighting	Fire Structural Engine	\$250,000	This is a new piece of equipment for the RTAA’s Fire team to assist with structural firefighting.
Technology & Information Systems	(50) Axis IP cameras	\$90,000	Fifty of the current legacy video surveillance cameras of various makes and models will be replaced with modern Axis IP cameras.
Airport Rescue and Fire Fighting	Fire Type I Pumper/Engine - Grant	\$84,861	This type one fire engine would replace the current 26-year-old front-line response apparatus.
Airport Rescue and Fire Fighting	E-One Ecologic mobile test system	\$25,000	The Ecologic mobile test system is an input-based testing system designed to provide fire departments the means to test the accuracy of their foam system without the expense or environmental impact of using foam to perform an output-based test. A single cart can be used to test multiple trucks.

The table above lists all PP&E approved in the FY 2020-21 Budget, for a total of approximately \$449,900.

Reno-Tahoe Airport Authority
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Property, Plant, and Equipment

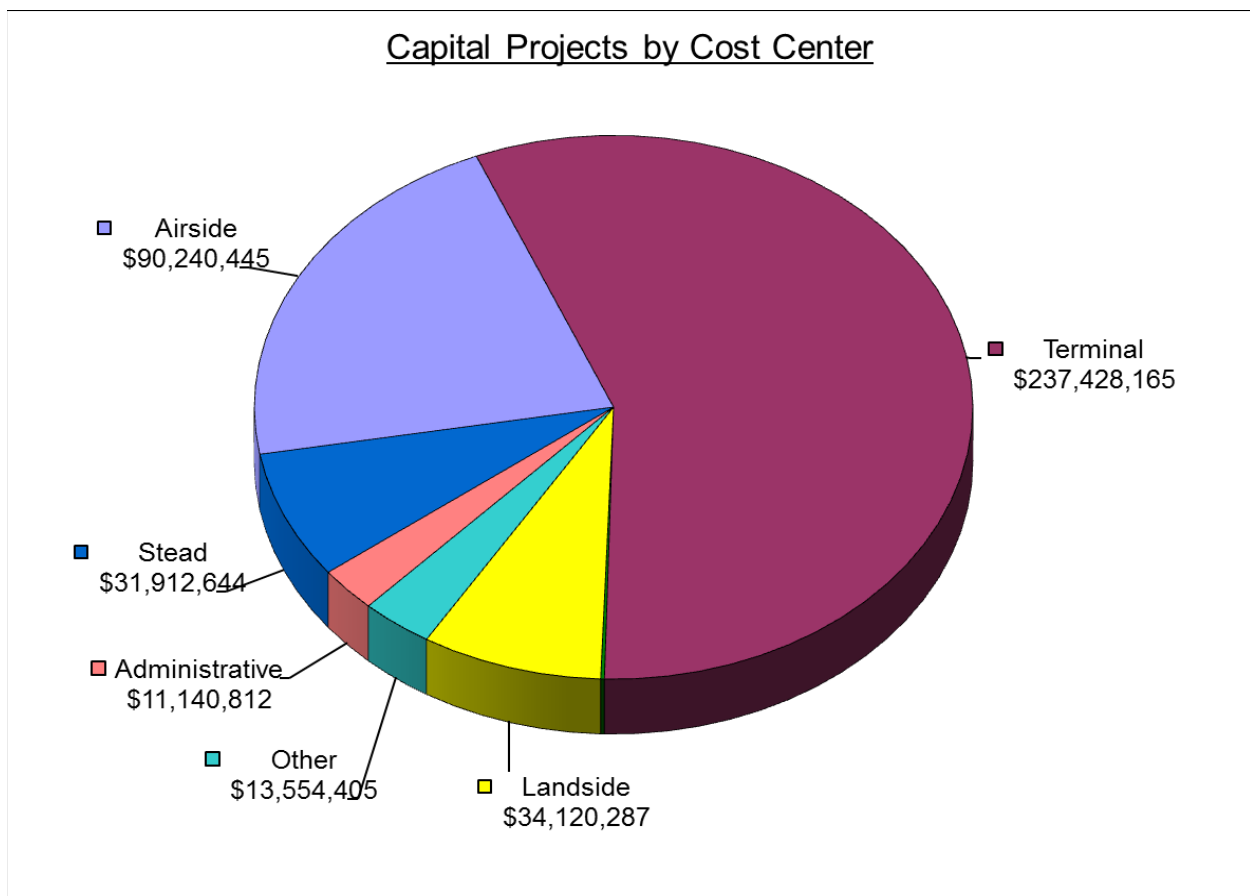
Division	Description	Amount	Total
253 Technology & Information Systems	(50) Axis IP cameras	90,000	
			<u>\$ 90,000</u>
404 Airport Rescue & Fire	Fire Structural Engine	\$ 250,000	
	Fire Type I Pumper/ Engine - Grant	\$ 84,861	
	E-One Ecologic mobile test system	<u>\$ 25,000</u>	
			<u>\$ 359,861</u>
TOTAL			<u><u>\$ 449,861</u></u>

**Reno-Tahoe Airport Authority
 FY 2020-21
 ANNUAL BUDGET
 Section 8 – Capital Projects**

CAPITAL IMPROVEMENT PROGRAM

The RTAA’s Capital Improvement Program, as updated during the FY 2020-21 budget process, is a rolling five to seven year program that provides for critical improvements and asset preservation. Funding sources for the projects are primarily Federal Airport Administration (FAA) Airport Improvement Program (AIP) Grants, Passenger Facility Charges (PFC), Customer Facility Charges (CFC), and internal funds generated from RTAA operations. In addition, the RTAA has the option of issuing airport system debt with repayment source options including PFCs, CFCs, and airport system revenues.

The following graph outlines the RTAA’s FY 2019-20 to FY 2026-27 Capital Improvement Program of \$419.097 million by cost center:

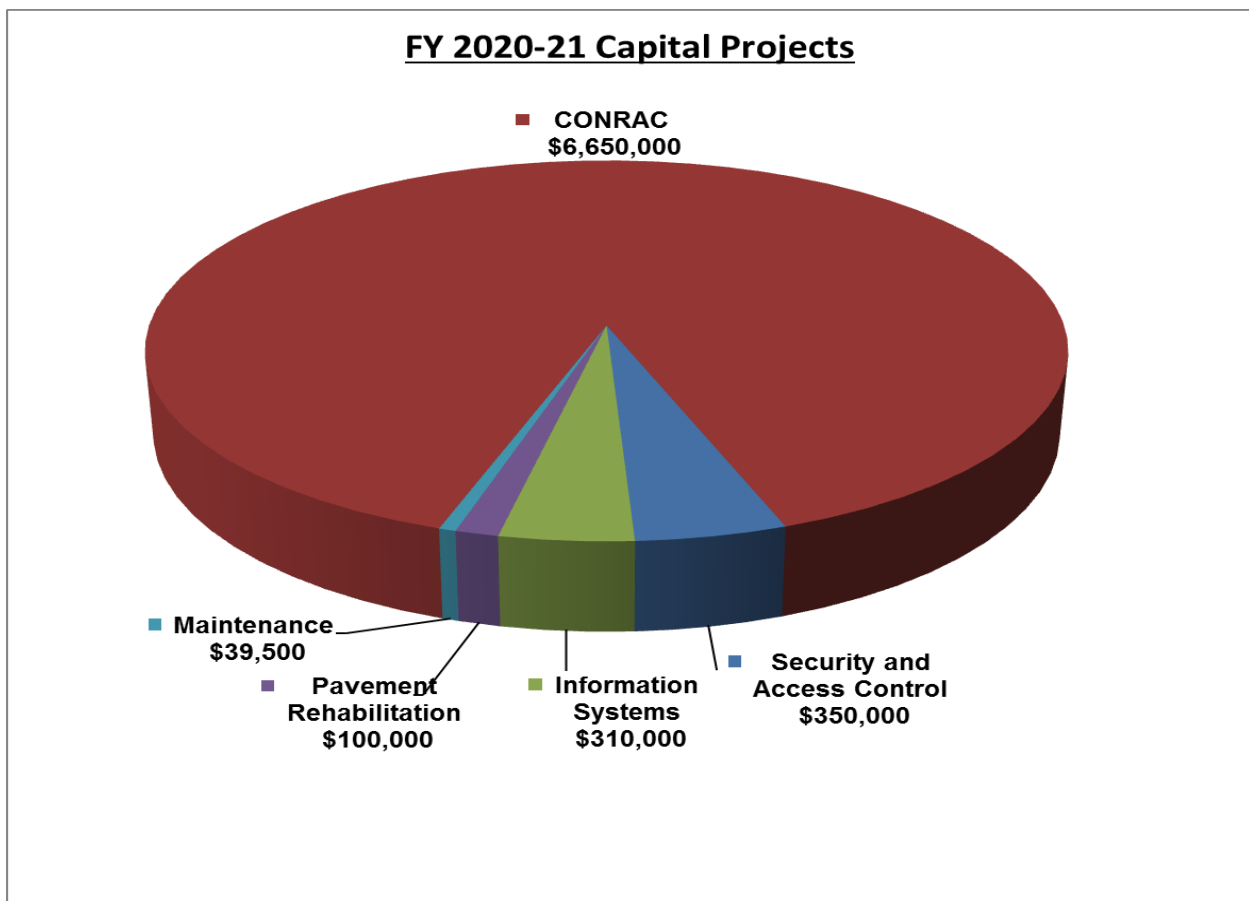


The specific projects supporting this graph are located in schedules located at the back of this section.

**Reno-Tahoe Airport Authority
 FY 2020-21
 ANNUAL BUDGET
 Section 8 – Capital Projects**

Capital Projects – Internally Generated Funding or Rental Car Customer Facility Charges (CFC)

Capital Projects for RNO and RTS in FY 2020-21, which are funded from RTAA internally generated and other local funds (primarily the general purpose account, the special account and the rental car customer facility charges (CFC) account), are estimated to be \$7.450 million. The following chart shows the classification of the FY 2020-21 capital projects using internal RTAA funding:



This budget represents an increase of \$1.545 million or 26.2% above the FY 2019-20 Budget. The capital projects shown on the schedule following this section are the result of the FY 2020-21 budget process and the RTAA’s on-going capital improvement program.

During the budget process all capital projects were prioritized and evaluated based on the following three criteria:

1. High Priority – Life safety, security or regulatory requirement;

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
Section 8 – Capital Projects

2. Moderate Priority – Preventative maintenance and customer service enhancement;
3. Low Priority – Not Urgent; could be deferred to a future budget year.

For the internally funded capital projects approved through this process, a project narrative is provided that further explains the nature of the capital improvements along with the financial impact on airline rates, and the estimated operating revenue and/or expense impact over the next three years.

The airline agreement specifies a process for the airlines to review and approve, or disapprove capital projects if the cost of the project or associated debt service to be included in the Airfield, Terminal Building and Baggage Handling System (BHS) cost centers exceeds established limits. Under the agreement, the first \$1 million of projects in the Airfield Cost Center, \$2 million in the Terminal Building Cost Center, and \$500,000 in the BHS Cost Center are not subject to the Majority-In-Interest (MII) airline disapproval process. For a full description of the MII process, see Section 5 Financial Plan - Airline Agreement. Projects over \$300,000 must be amortized over their useful life and not charged to airlines in one year’s rates. There were no capital projects in the FY 2020-21 Budget subject to the MII process.

The cost centers defined in the airline agreement are Airfield, Terminal Building, Ground Transportation, Baggage Handling System (BHS), Other, and Reno-Stead Airport.

Under the net revenue sharing formula as defined in the airline agreement, capital project costs that are not recovered through airline rates and charges, whether amortized over the useful life or reimbursed in one year, reduce net available revenues subject to the 50%/50% revenue sharing credit. This credit is applied against the signatory airline terminal rental rate.

The table below provides an overall cost summary of the FY 2020-21 Capital Projects, funded by internal sources, and the associated impact on airline rates and charges and estimated incremental revenues and operations and maintenance (O&M) expense/(savings) over the next three years.

DESCRIPTION	UNIT OF MEASURE	AMOUNT
Project Cost		\$7,449,500
<i>Rate Impact</i>		
Impact on Landing Fee Rate	Per 1,000 Lbs.	\$ 0.02
Impact on Terminal Rental Rate (Revenue Sharing)	Per Square Foot	\$ 2.09
Impact on the Baggage Handling System	Per Processed Bag	\$ 0.00
Impact on Airline Cost per Enplaned Passenger	Per Enplaned Passenger	\$ 0.32
<i>Additional Revenue</i>		
Fiscal Year 2020-21		\$0

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Fiscal Year 2021-22		\$0
Fiscal Year 2022-23		\$0
<i>Additional O&M Expense/(Savings)</i>		
Fiscal Year 2020-21		\$200,000
Fiscal Year 2021-22		\$200,000
Fiscal Year 2022-23		\$200,000

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FY 2020-21 Capital Project Budgets				COST CENTER						Other Funding Sources			
Item		Project Administrator (Amortization Years)	Category	Estimate	Airfield	Terminal Building	BHS	Landside	Other	Reno-Stead Airport	General Purpose Fund	Special Fund	AIP Grant, PFC, Fuel Tax Funds, CFC, or Other
Reno-Tahoe International Airport													
1	Hewlett-Packard ProCurve security systems network hardware	TIS	Security	350,000	21,429	28,571					300,000		
2	Financial System Replacement - Phase II	TIS	IT	300,000					300,000		-		
3	T-Hangar Electrical Upgrade Phase II	AED	Maintenance	18,000					18,000		-		
4	Hangar G Pavement Reconstruction	AED	Pavement	100,000					100,000		-		
5	600 Gallon Used Oil Collectionn Underground Storage Tank Re	Airfield	Maintenance	21,500	21,500						-		
6	CONRAC Phase 2	AED	CONRAC	6,650,000									6,650,000
Sub Total				\$ 7,439,500	\$ 42,929	\$ 28,571	\$ -	\$ -	\$ 418,000	\$ -	\$ 300,000	\$ -	\$ 6,650,000
Reno-Stead Airport													
Sub Total				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total				\$ 7,439,500	\$ 42,929	\$ 28,571	\$ -	\$ -	\$ 418,000	\$ -	\$ 300,000	\$ -	\$ 6,650,000

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
Section 8 – Capital Projects

Reno-Tahoe International Airport (RNO)

Hewlett-Packard ProCurve security systems network hardware

This project consists of the replacement of Hewlett Packard ProCurve security systems network hardware that is seven (7) years old. The equipment is well beyond its recommended useful life and must be replaced. New hardware will be compatible with the business computing network which supports access control and video surveillance. This phase would include existing system documentation, new system design, and solicitation preparation and vendor selection support.

Project Cost	
System Upgrade (includes materials, equipment, labor)	\$350,000
Rate Impact	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.20
Impact on Airline Cost per Enplaned Passenger	\$0.02
Additional Revenue	
Fiscal Year 2020-21	\$0
Fiscal Year 2021-22	\$0
Fiscal Year 2022-23	\$0
Additional O&M Expense/ (Savings)	
Fiscal Year 2020-21	\$50,000
Fiscal Year 2021-22	\$50,000
Fiscal Year 2022-23	\$50,000

Financial System Replacement - Phase II

This project consists of the acquisition phase of the replacement of existing General Ledger (GL), Accounts Receivable (AR), Accounts Payable (AP), Billing, Inventory, and Project Accounting. The project will include implementation planning, training, implementation, testing, and support transition. The existing system is well past end-of-life and is no longer compatible with network operating system and associated software.

Reno-Tahoe Airport Authority
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<u>Project Cost</u>	
System Upgrade (includes materials, equipment, labor)	\$300,000
<i>Rate Impact</i> (excluding potential revenue)	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$1.22
Impact on Airline Cost per Enplaned Passenger	\$0.17
<i>Additional Revenue</i>	
Fiscal Year 2020-21	\$0
Fiscal Year 2021-22	\$0
Fiscal Year 2022-23	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2020-21	\$150,000
Fiscal Year 2021-22	\$150,000
Fiscal Year 2022-23	\$150,000

Hangar G Pavement Reconstruction

Hangar G on GA East has pavement failures that require repair. An area in front of the hangar is rutting and causing access issues for the tenant and their aircraft. There is also concrete near the hangar door's track that is spalling. The scope of this project is to remove and replace the existing pavement/concrete to resolve these issues.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$100,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.41
Impact on Airline Cost per Enplaned Passenger	\$0.05
<i>Additional Revenue</i>	
Fiscal Year 2020-21	\$0
Fiscal Year 2021-22	\$0

Reno-Tahoe Airport Authority
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Fiscal Year 2022-23	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2020-21	\$0
Fiscal Year 2021-22	\$0
Fiscal Year 2022-23	\$0

600 Gallon Used Oil Collection Underground Storage Tank Removal

The project scope involves the removal, disposal, and site restoration of an existing 600-gallon Used Oil Collection Underground Storage Tank (UST) located on the northwestern edge of the Mechanic’s Shop in the Airfield Maintenance Yard at RNO. The UST is owned and operated by the RTAA.

<u>Project Cost</u>	
Design and Construction (includes materials, equipment, labor)	\$21,500
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.01
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.01
Impact on Airline Cost per Enplaned Passenger	\$0.01
<i>Additional Revenue</i>	
Fiscal Year 2020-21	\$0
Fiscal Year 2021-22	\$0
Fiscal Year 2022-23	\$0

<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2020-21	\$0
Fiscal Year 2021-22	\$0
Fiscal Year 2022-23	\$0

**Reno-Tahoe Airport Authority
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T-Hangar Electrical Upgrade Phase II

This project consists of the installation of a new 200 amp panel and split existing electrical circuits to allow individual sections to be on individual circuit breakers. Individual tenants overload circuits, resulting in multiple hangars losing power. Hangars were built with small electrical loads and no heating, todays block heaters and other items installed by tenants, overload these circuits.

Project Cost	
Design and Construction (includes materials, equipment, labor)	\$18,000
Rate Impact	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate – Lower Revenue Sharing	\$0.07
Impact on Airline Cost per Enplaned Passenger	\$0.01
Additional Revenue	
Fiscal Year 2020-21	\$0
Fiscal Year 2021-22	\$0
Fiscal Year 2022-23	\$0
Additional O&M Expense/(Savings)	
Fiscal Year 2020-21	\$0
Fiscal Year 2021-22	\$0
Fiscal Year 2022-23	\$0

Consolidated Rental Car Facility (CONRAC) Phase II

Phase I of the CONRAC project consisted of the development of a feasibility report that was presented to the Board for approval. Phase II consists of design, development and pricing proposal of constructing a new CONRAC facility at RNO. Phase II will advance design 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 III, anticipated in Summer 2021.

This project is being funded using solely Customer Facility Charge (CFC) revenues and does not impact the airline rates and charges. CFC's were adopted effective August 1, 2012 and are collected in the amount of \$5.50 per car rental transaction day.

Reno-Tahoe Airport Authority
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<u>Project Cost</u>	
Design, Development and Pricing Proposal	\$6,650,000
<i>Rate Impact</i>	
Impact on Landing Fee Rate	\$0.00
Impact on Terminal Rental Rate (Revenue Sharing)	\$0.00
Impact on Airline Cost per Enplaned Passenger	\$0.00
<i>Additional Revenue</i>	
Fiscal Year 2020-21	\$0
Fiscal Year 2021-22	\$0
Fiscal Year 2022-23	\$0
<i>Additional O&M Expense/ (Savings)</i>	
Fiscal Year 2020-21	\$0
Fiscal Year 2021-22	\$0
Fiscal Year 2022-23	\$0

CAPITAL IMPROVEMENT PROGRAM

The remainder of the Capital Improvement Program, as updated during the FY 2020-21 Budget, represents projects funded from FAA Airport Improvement Program (AIP), Passenger Facility Charges (PFC), and airport revenue debt, if applicable.

Both AIP Grant and PFC dependent projects will not be implemented until a funding source is approved and awarded by the FAA.

Airport Improvement Program (AIP)

AIP grants are offered to the RTAA by the FAA to provide funding assistance to those eligible capital projects that meet the criteria of the federal program. The objective of this FAA program is to assist in the development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system, and to meet the projected needs of the public. The program not only provides funding for development projects, but also airport planning and noise compatibility programs.

The program is funded by aviation use fees, which are collected and deposited into the Airport and Airway Trust Fund that generates the revenues in support of the AIP. The U.S. Congress authorizes expenditures from this dedicated fund on an annual basis each year. The AIP program

Reno-Tahoe Airport Authority
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Section 8 – Capital Projects

includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on the number of passenger boardings (enplanements) and cargo tonnage. Discretionary funds are set aside to provide the FAA with flexibility to fund various high priority programs.

The AIP Program typically funds 93.75% of eligible projects at both airports. The RTAA's General Purpose and Special Funds are primarily used for the RTAA's (sponsor's) matching share of 6.25% of the FAA grants. However, PFC funds may be used subject to FAA approval. The 2020 CARES Act provided funding to increase the federal share of all FAA AIP grants issued in federal fiscal year 2020 (October 1, 2019-September 30, 2020). Unless extended by amendment or included in a new authorization, airport sponsor share requirements will resume for AIP grants issued after September 30, 2020.

During the FAA Fiscal Year of 2019, which ended September 30, 2019, the RTAA received \$2.259 million of AIP grants for RNO and \$1.509 million of AIP grants for RTS.

Passenger Facility Charge (PFC)

PFCs were initially authorized through the Aviation Safety and Capacity Expansion Act of 1990. The Act allowed public agencies, which manage commercial airports, to charge each enplaning passenger a facility charge in accordance with FAA requirements. The passenger facility charge is levied on the passenger tickets, collected by the airline, and forwarded to the airport (less a handling fee charged by the airlines). The revenues collected through PFCs are to preserve or enhance safety, security, and capacity, to reduce noise, or to enhance competition.

The primary difference between AIP and PFC is that the PFC is a fee directly assessed to the passenger, it is administratively retained by the airport, and it is considered local funds versus federal funds.

In October 1993, the RTAA received approval from the Federal Aviation Administration (FAA) to impose a PFC of \$3.00 per enplaned passenger. Collection began January 1, 1994. In May 2001, the PFC was increased to \$4.50 per enplaned passenger with collection beginning August 1, 2001. Several FAA approved projects are being funded by the PFC collections.

As of June 30, 2020, the RTAA has received collection authority to impose and use \$42,154,487 on three open FAA approved PFC applications. The FY 2020-21 Budget is forecasting PFC revenues and interest of \$3.533 million.

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CAPITAL IMPROVEMENT PROGRAM - OVERVIEW
SOURCES & USES OF FUNDS BY LOCATION
Reno-Tahoe Airport Authority
(Escalated Dollars)

	Prior	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
	Years Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	FY20-27 Forecast
USES OF FUNDS										
Airside	4,942,349	30,491,916	25,068,975	19,703,205	800,000	2,657,000	2,977,000	2,800,000	800,000	90,240,445
Terminal	2,156,373	10,402,570	6,294,922	26,461,300	13,300,000	51,808,000	66,018,000	60,687,000	300,000	237,428,165
BHS	72,547	27,453	-	100,000	100,000	100,000	100,000	100,000	100,000	700,000
Landside	1,855,340	4,801,947	11,650,000	10,875,000	917,000	1,034,000	1,139,000	973,000	875,000	34,120,287
Other	169,345	1,904,060	118,000	1,000,000	1,360,000	3,111,000	3,292,000	1,600,000	1,000,000	13,554,405
Administrative	1,760,125	4,230,687	650,000	750,000	750,000	750,000	750,000	750,000	750,000	11,140,812
Stead	1,608,112	2,666,315	4,400,412	7,115,412	7,498,405	831,851	4,173,299	2,797,940	820,898	31,912,644
	12,564,191	54,524,948	48,182,309	66,004,917	24,725,405	60,291,851	78,449,299	69,707,940	4,645,898	419,096,758
SOURCES OF FUNDS										
Federal Grants -Entitlement	2,321,857	5,186,600	5,337,700	5,479,700	5,716,000	3,708,750	5,798,700	4,201,875	468,750	38,219,932
Federal Grants -Discretionary	-	17,742,509	19,301,431	18,610,492	1,337,750	-	1,375,050	-	-	58,367,232
Passenger Facility Charges	3,696,649	17,862,097	15,667,016	22,342,750	10,022,500	6,432,518	6,455,018	5,453,390	-	87,931,937
Operating Funds	-	-	-	-	-	-	-	-	-	-
General Purpose	4,937,573	8,556,765	789,500	18,550,000	6,592,000	8,903,875	10,429,875	9,730,775	3,550,000	72,040,363
Customer Facility Charge	-	3,768,787	6,650,000	275,000	275,000	275,000	275,000	275,000	275,000	12,068,787
Fuel Tax Fund	-	-	-	-	-	-	-	-	-	-
Special Fund	488,359	1,201,466	264,250	569,563	592,750	176,188	384,688	300,125	176,250	4,153,638
RTAA Grant Fund	-	-	-	-	-	-	-	-	-	-
RTAA Flood Fund	-	-	-	-	-	-	-	-	-	-
RTAA Conduit Fund	-	-	-	-	-	-	-	-	-	-
Acquisition Fund	-	-	-	-	-	-	-	-	-	-
Consent Degree Fund	1,119,753	206,724	172,412	177,412	189,405	187,851	193,299	170,940	175,898	2,593,694
Subordinate Lien Revenue Notes	-	-	-	-	-	-	-	-	-	-
Senior Lien Bonds	-	-	-	-	-	40,607,670	53,537,670	49,575,835	-	143,721,175
	12,564,191	54,524,948	48,182,309	66,004,917	24,725,405	60,291,851	78,449,299	69,707,940	4,645,898	419,096,758

CAPITAL IMPROVEMENT PROGRAM
FY2020- Five Year Plan
Reno-Tahoe Airport Authority

Priority No.	Prior Years Actual	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	FY20-27 Forecast
AIRSIDE										
600 Gallon Used Oil Collectionn Underground Storage Tank Removal			21,500							21,500
Acquisition phase for replacement of existing Part 139 inspection database			-							-
Airfield Maintenance Shop Door Replacement	-	-	-	-	-	-	-	-	-	-
Airfield Shop Door Replacement			-							-
Airfield Pavement Maintenance Program (2017-18)	584,757	215,243	-	-	-	-	-	-	-	800,000
Airfield Pavement Maintenance Program (2018-19)	647,737	152,263	-	-	-	-	-	-	-	800,000
Airfield Pavement Maintenance Program (2019-20)	-	800,000	-	-	-	-	-	-	-	800,000
Airfield Pavement Maintenance Program (2020-21)			-							-
Airfield Pavement Maintenance Program (2021-27)	-	-	-	800,000	800,000	800,000	800,000	800,000	800,000	4,800,000
Airfield Pavement – New (not Deice) - Phase 1	-	-	-	-	-	264,000	337,000	309,000	-	910,000
Airfield Pavement – Removal - Phase 1	-	-	-	-	-	150,000	-	-	-	150,000
Airfield Pavement – Run Up Pads (3 total)	-	-	-	-	-	1,012,000	1,291,000	1,186,000	-	3,489,000
Airfield Wildlife Hazard Management	61,038	1,836,000	1,774,962	-	-	-	-	-	-	3,672,000
ARFF Vehicle #2	-	810,000	-	-	-	-	-	-	-	810,000
Camera Replacement Project, Phase II	-	79,000	-	-	-	-	-	-	-	79,000
De-Icing Glycol Recovery System (Design)	-	-	-	-	-	-	-	-	-	-
De-Icing Glycol Recovery System (Construction)	-	-	-	-	-	-	-	-	-	-
Firehouse Pole Lighting LED Retrofit			-							-
Mill Street Obstructions Power Poles and Street Lights	-	250,000	-	-	-	-	-	-	-	250,000
North B Concourse & Connector HID Pole Lighting to Low Energy LED Fixtures			-							-
Old Budget Building Demolition	-	-	-	-	-	-	-	-	-	-
Partially Retrofit B Concourse Existing HID Pole Lighting to Low Energy LED Fixture	-	55,500	-	-	-	-	-	-	-	55,500
Pavement Reconstruction - Airfield Maintenance Yard, Ph 1	530,457	489,543	-	-	-	-	-	-	-	1,020,000
Pavement Reconstruction - Airfield Maintenance Yard, Ph 2	-	-	-	-	-	-	-	-	-	-
Perimeter Fence Improvements	152,227	1,700,000	1,218,773	-	-	-	-	-	-	3,071,000
Runway 16R/34L Rehabilitation and East Lighting Vault	2,408,491	22,053,740	22,053,740	18,903,205	-	-	-	-	-	65,419,175
Runway 16L 34R LED Lights (difference between cost of incandescent and LED lights)	-	-	-	-	-	-	-	-	-	-
Snow Removal Equipment, Ph II	555,000	1,073,270	-	-	-	-	-	-	-	1,628,270
Terminal Apron & Deice Pads (Phase 1)	-	-	-	-	-	431,000	549,000	505,000	-	1,485,000
Truck Mounted Stripe Hog SK 2000 Water Blaster with 660 Gallon Tank	-	522,000	-	-	-	-	-	-	-	522,000
Truck Mounted Cold Air Blower	2,643	455,357	-	-	-	-	-	-	-	458,000
	\$ 4,942,349	\$ 30,491,916	\$ 25,068,975	\$ 19,703,205	\$ 800,000	\$ 2,657,000	\$ 2,977,000	\$ 2,800,000	\$ 800,000	\$ 90,240,445

CAPITAL IMPROVEMENT PROGRAM
FY2020- Five Year Plan
Reno-Tahoe Airport Authority

TERMINAL	Priority No.	Prior Years	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
		Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	FY20-27 Forecast
ACAMS and CCTV Remote Connectivity Upgrade		-	150,000	-	-	-	-	-	-	-	150,000
Access Control Keypad Replacement		126,902	142,098	-	-	-	-	-	-	-	269,000
Admin Space (Counter, Baggage Claim, Concessions, Other Space)		-	-	-	-	-	9,788,000	12,488,000	11,474,000	-	33,750,000
ARC Flash Program Phase I - Terminal Building		-	-	-	-	-	-	-	-	-	-
B2 Airline Gate Holdroom Expansion Project		-	-	-	-	-	-	-	-	-	-
Building Controls System Upgrade, Phase IV		-	26,265	-	-	-	-	-	-	-	26,265
Building Demolition-Concourse C		-	-	-	-	-	1,879,000	2,398,000	2,204,000	-	6,481,000
Building Demolition-CBP		-	-	-	-	-	858,000	1,095,000	1,006,000	-	2,959,000
CCTV Camera Installation, Phase IV		-	90,000	-	-	-	-	-	-	-	90,000
Concourse C (Design)		-	-	-	10,000,000	10,000,000	-	-	-	-	20,000,000
Concourse C (11 gates, phase 1)		-	-	-	-	-	32,528,000	41,501,000	38,136,000	-	112,165,000
Connector Lower Level Storage Buildout		-	50,000	-	-	-	-	-	-	-	50,000
Escalators		-	-	-	-	-	157,000	200,000	183,000	-	540,000
Jet Bridge Replacement, Ph 1 (Four Concourse "C" and Two Concourse "B")		321,778	4,700,000	625,622	-	-	-	-	-	-	5,647,400
Jet Bridge Replacement, Ph 2 (Four Concourse "B" and One Concourse "C")		-	497,700	4,479,300	-	-	-	-	-	-	4,977,000
Main Entrance Air Curtain Installation		-	-	-	-	-	-	-	-	-	-
Master Plan - Terminal Projects (FY 2022-25)		-	-	-	-	-	-	-	-	-	-
Mechanical Room Fire Sprinklers		-	8,400	-	-	-	-	-	-	-	8,400
Maximo Replacement, Phase II- CMMS System		-	-	-	-	-	-	-	-	-	-
Passenger Boarding Bridges (Phase 1)		-	-	-	-	-	5,476,000	6,987,000	6,420,000	-	18,883,000
Passenger Escalator Replacment		-	-	200,000	1,161,300	-	-	-	-	-	1,361,300
Phase V of the Main Terminal Building Controls System Upgrade Project (Continue Administrative Office Area Phase 2)		-	-	-	-	-	-	-	-	-	-
Restrooms		-	-	-	-	-	509,000	649,000	597,000	-	1,755,000
RNO Pop Shop		-	-	-	-	-	-	-	-	-	-
Skywalk HVAC Installation		-	-	-	-	-	-	-	-	-	-
South Lake Tahoe Express Space Remodel		-	-	-	-	-	-	-	-	-	-
Terminal Building System Renewal Program (FY 2020-26)		-	-	-	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
Terminal Development (Concourse C) Planning Study		-	990,000	990,000	-	-	-	-	-	-	1,980,000
Terminal Development (Ticketing Hall) Planning Study		-	200,000	-	-	-	-	-	-	-	200,000
Terminal Development (Ticketing Hall)		-	-	-	-	-	-	-	-	-	-
Terminal Elevator / Escalator Replacement		293,454	2,674,046	-	-	-	-	-	-	-	2,967,500
Terminal Parapet Wall Expansion Joint Installation		-	-	-	-	-	-	-	-	-	-
Terminal Passenger Notifications Systems Replacement		1,287,527	820,973	-	-	-	-	-	-	-	2,108,500
Terminal Roof Area #10		-	50,600	-	-	-	-	-	-	-	50,600
Ticketing Hall Expansion		-	-	-	15,000,000	3,000,000	-	-	-	-	18,000,000
Ticketing Hall Improvements- Design Phase		-	-	-	-	-	-	-	-	-	-
TSA Checkpoint Redundance Security Surveillance System		126,711	2,489	-	-	-	-	-	-	-	129,200
TSA Ticketing Offices Relocation Project		-	-	-	-	-	-	-	-	-	-
Wayfinding and Signage (Lump Sum)		-	-	-	-	-	313,000	400,000	367,000	-	1,080,000
		\$ 2,156,373	\$ 10,402,570	\$ 6,294,922	\$ 26,461,300	\$ 13,300,000	\$ 51,808,000	\$ 66,018,000	\$ 60,687,000	\$ 300,000	\$ 237,428,165

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BAGGAGE HANDLING SYSTEM

Priority No.	Prior Years Actual	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
BHS Camera Integration	72,547	27,453	-	-	-	-	-	-	-	100,000
Baggage Handling System PLC Hardware Upgrade	-	-	-	-	-	-	-	-	-	-
Baggage Handling System Renewal Program (FY 2021-26)	-	-	-	100,000	100,000	100,000	100,000	100,000	100,000	600,000
	\$ 72,547	\$ 27,453	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 700,000

LANDSIDE

Priority No.	Prior Years Actual	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Airline Crew Parking Lot North	-	-	-	-	-	-	-	-	-	-
Alamo/National Service Facility Roll Up Door Replacement	-	12,000	-	-	-	-	-	-	-	12,000
Automobile Parking – Surface (square foot)	-	-	-	-	42,000	118,000	212,000	51,000	-	423,000
Blue Employee Lot PARCS Equipment	-	-	-	-	-	-	-	-	-	-
CONRAC Study Phase I, II	-	3,756,787	-	-	-	-	-	-	-	3,756,787
CONRAC Phase II	-	-	6,650,000	-	-	-	-	-	-	6,650,000
CONRAC – Pedestrian Bridge (square foot)	-	-	-	-	-	-	-	-	-	-
CONRAC – Structure (square foot)	-	-	-	-	-	-	-	-	-	-
Crew Lot Security Camera Project	-	-	-	-	-	-	-	-	-	-
Flag Lot Development	-	-	-	-	-	-	-	-	-	-
Landscaping (square foot)	-	-	-	-	-	41,000	52,000	47,000	-	140,000
Landside Pavement Maintenance Program (2017-18)	598,944	1,056	-	-	-	-	-	-	-	600,000
Landside Pavement Maintenance Program (2018-19)	504,844	95,156	-	-	-	-	-	-	-	600,000
Landside Pavement Maintenance Program (2019-20)	-	600,000	-	-	-	-	-	-	-	600,000
Landside Pavement Management Program (2020-21)	-	-	-	-	-	-	-	-	-	-
Landside Pavement Maintenance Program (2021-27)	-	-	-	600,000	600,000	600,000	600,000	600,000	600,000	3,600,000
Long-Term Parking Surface Lot Backup Power Project	-	-	-	-	-	-	-	-	-	-
Parking Access & Revenue Control System Upgrade	688,795	110,505	-	-	-	-	-	-	-	799,300
Parking Guidance System (first and second floor)	-	-	-	-	-	-	-	-	-	-
Parking Structure Planter Wall Refurbishment	-	96,400	-	-	-	-	-	-	-	96,400
QTA - Facility- Building Demolition	-	-	-	-	-	-	-	-	-	-
QTA - Structure & Equipment (square foot)	-	-	-	-	-	-	-	-	-	-
RAC - Ready Return Carwash Equipment Replacement 2019-20	-	-	-	-	-	-	-	-	-	-
Rental Car Renewal and Replacement Program	-	-	-	275,000	275,000	275,000	275,000	275,000	275,000	1,650,000
Retrofit HID Lighting to LED in Surface Lot, Entry Loop Road, North Loop Road, QTA, Blue Lot, and Fire	-	105,800	-	-	-	-	-	-	-	105,800
Roof Replacement - Parking Office Roof	62,758	24,242	-	-	-	-	-	-	-	87,000
Terminal Roadway Reconstruction	-	-	5,000,000	10,000,000	-	-	-	-	-	15,000,000
	\$ 1,855,340	\$ 4,801,947	\$ 11,650,000	\$ 10,875,000	\$ 917,000	\$ 1,034,000	\$ 1,139,000	\$ 973,000	\$ 875,000	\$ 34,120,287

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OTHER	Priority No.	Prior Years	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
		Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	FY20-27 Forecast
Airport Self Storage Building Demolition		-	146,497	-	-	-	-	-	-	-	146,497
APD Briefing Room Remodel		-	36,500	-	-	-	-	-	-	-	36,500
APD Canine Kennel Remodel		-	-	-	-	-	-	-	-	-	-
Badging Office Remodel		-	18,582	-	-	-	-	-	-	-	18,582
Belly Cargo –Warehouse Space (square foot)		-	-	-	-	-	511,000	652,000	600,000	-	1,763,000
Canine Sergeant Office		-	46,000	-	-	-	-	-	-	-	46,000
Capital Project Allowance		-	-	-	750,000	750,000	750,000	750,000	750,000	750,000	4,500,000
Consultation Services for Creation of a Pre-Application and Final Application for FAA Voluntary Airport Low Emissions (VALE) program		-	73,000	-	-	-	-	-	-	-	73,000
Front Reception Lobby Redesign		-	6,200	-	-	-	-	-	-	-	6,200
GA East Apron and Taxilane Reconstruction		-	-	-	-	360,000	1,600,000	1,640,000	-	-	3,600,000
GA East Box Hangar Siding Repair (E,F, row and G)		-	-	-	-	-	-	-	-	-	-
GA East Concrete Repair		-	-	-	-	-	-	-	-	-	-
GA East Hangar B Door		43,750	156,250	-	-	-	-	-	-	-	200,000
GA West Box Hangar Siding Repair (2,7,8, and 9)		-	-	-	-	-	-	-	-	-	-
GA West Hangar Concrete Repair		-	-	-	-	-	-	-	-	-	-
Hangar 2 Demolish Mezzanines		-	-	-	-	-	-	-	-	-	-
Hangar G Pavement Reconstruction		-	-	100,000	-	-	-	-	-	-	100,000
In-Terminal Surveillance Station		-	7,626	-	-	-	-	-	-	-	7,626
Mini Warehouse Asphalt Construction		-	8,450	-	-	-	-	-	-	-	8,450
Outside Properties Renewal Program		-	-	-	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000
Pavement Reconstruction - 1200 Terminal Way		39,768	90,232	-	-	-	-	-	-	-	130,000
Pavement Reconstruction - 1280 Terminal Way		-	260,000	-	-	-	-	-	-	-	260,000
Replace GA West Hangar 2/FBO Fiberglass Soffit Panels		-	-	-	-	-	-	-	-	-	-
Replace Hangar #2 Lighting		-	-	-	-	-	-	-	-	-	-
Roof Replacement - CBP Building		8,000	35,050	-	-	-	-	-	-	-	43,050
T-Hangar Electrical Upgrade Phase II		-	-	18,000	-	-	-	-	-	-	18,000
Warehouse Camera Replacement		13,930	24,070	-	-	-	-	-	-	-	38,000
TSA Operations Office Expansion and Remodel		63,897	995,603	-	-	-	-	-	-	-	1,059,500
		\$ 169,345	\$ 1,904,060	\$ 118,000	\$ 1,000,000	\$ 1,360,000	\$ 3,111,000	\$ 3,292,000	\$ 1,600,000	\$ 1,000,000	\$ 13,554,405

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ADMINISTRATION	Priority No.	Prior Years Actual	FY 2019-20 Forecast	FY 2020-21 Forecast	FY 2021-22 Forecast	FY 2022-23 Forecast	FY 2023-24 Forecast	FY 2024-25 Forecast	FY 2025-26 Forecast	FY 2026-27 Forecast	Total FY20-27 Forecast
		316,131	1,179,669	-	-	-	-	-	-	-	1,495,800
		91,736	1,102,264	-	-	-	-	-	-	-	1,194,000
		-	750,000	-	-	-	-	-	-	-	750,000
		-	500,000	-	-	-	-	-	-	-	500,000
		-	100,000	-	-	-	-	-	-	-	100,000
		558,963	2,081	-	-	-	-	-	-	-	561,044
		793,296	31,672	-	-	-	-	-	-	-	824,968
		-	-	-	-	-	-	-	-	-	-
		-	75,000	-	-	-	-	-	-	-	75,000
		-	-	300,000	-	-	-	-	-	-	300,000
		-	490,000	-	-	-	-	-	-	-	490,000
		-	-	-	-	-	-	-	-	-	-
		-	-	350,000	-	-	-	-	-	-	350,000
		-	-	-	750,000	750,000	750,000	750,000	750,000	750,000	4,500,000
		\$ 1,760,125	\$ 4,230,687	\$ 650,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 11,140,812

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Priority No.	Prior Years Actual	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
RENO STEAD										
1,000 Gallon Used Oil Collection Underground Storage Tank Remove and Replace With Above Ground Storage Tank	-	25,950	-	-	-	-	-	-	-	25,950
Airfield Pavement Program- RTS (2021-2026)	-	-	-	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Apron Phase 1, 2, and 3 Rehabilitation (Design)	-	1,342,000	-	-	-	-	-	-	-	1,342,000
Apron Phase 1 Rehabilitation (Construction)	-	-	4,228,000	-	-	-	-	-	-	4,228,000
Apron Phase 2 Rehabilitation (Construction)	-	-	-	6,793,000	-	-	-	-	-	6,793,000
Apron Phase 3 Rehabilitation (Construction)	-	-	-	-	7,164,000	-	-	-	-	7,164,000
Landside Pavement Program- RTS (2021-2026)	-	-	-	45,000	45,000	45,000	45,000	45,000	45,000	270,000
Master Plan Study Update, ALP Update, and GIS Data Collection	-	-	-	-	-	-	-	500,000	500,000	1,000,000
Modernize Stead Access Controls	-	-	-	-	-	-	-	-	-	-
Moya Boulevard Extension, Phase I and II (Design)	-	-	-	-	-	499,000	-	-	-	499,000
Moya Boulevard Extension, Phase I	-	-	-	-	-	-	3,835,000	-	-	3,835,000
Moya Boulevard Extension, Phase II	-	-	-	-	-	-	-	1,982,000	-	1,982,000
Stead Solvent Site	1,119,753	206,724	172,412	177,412	189,405	187,851	193,299	170,940	175,898	2,593,694
Terminal Access Road Rehabilitation, Ph 1 and 2	488,359	1,091,641	-	-	-	-	-	-	-	1,580,000
	\$ 1,608,112	\$ 2,666,315	\$ 4,400,412	\$ 7,115,412	\$ 7,498,405	\$ 831,851	\$ 4,173,299	\$ 2,797,940	\$ 820,898	\$ 31,912,644
Grand Total	\$ 12,564,191	\$ 54,524,948	\$ 48,182,309	\$ 66,004,917	\$ 24,725,405	\$ 60,291,851	\$ 78,449,299	\$ 69,707,940	\$ 4,645,898	\$ 419,096,758

Section 9 – Debt

Reno-Tahoe Airport Authority
FY 2020-21
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FY 2020-21 DEBT SERVICE

Total Debt Service Impact

Total debt service for FY 2020-21 is budgeted to be \$2,247,975, a slight decrease of \$1,150 from the FY 2019-20 Budget. The FY 2020-21 approved budget anticipates all RTAA debt service payments will be reimbursed from CARES Act funding.

As of July 1, 2020, the RTAA has \$12,290,000 of debt outstanding. RTAA does anticipate issuing any new bond debt in FY 2020-21. The current amount of debt represents \$12.98 of debt outstanding per budgeted FY 2020-21 enplaned passenger. This compares to the 2018 average median debt outstanding per enplaned passenger for U.S. Airports of \$76.89 as reported by Moody's Investor Services in 2018. With the airline passenger traffic decline due to the COVID-19 pandemic, this ratio is likely to significantly increase for all airports.

The coverage calculation in this section demonstrates that budgeted net revenues, gross revenues less operating expenses, pledged to debt service far exceed the 125% coverage requirement of the revenue bond resolution. "Coverage" requirements are included in bond resolutions to assure potential bond buyers that net revenues will be more than sufficient to pay the bond debt.

Senior Lien Airport System Revenue Bonds

On September 30, 2015, the RTAA issued the "Reno-Tahoe Airport Authority, Nevada, Airport Revenue Refunding Bond, Series 2015" (the "2015 Bond"). The proceeds from the bond sale were used to redeem the Airport Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds"), which were outstanding as of July 1, 2015 in the amount of \$20,940,000, and the cost of issuance necessary to execute this transaction.

The Series 2015 Bond is a direct loan of \$20,690,000 secured through a Request for Proposals process issued on July 9, 2015 to numerous banks and financial lending organizations. Upon review of the submitted proposals, Compass Mortgage Corporation, an Alabama Corporation and a subsidiary of BBVA Compass, provided the most favorable business terms and conditions.

The 2015 Bond reflects the remaining outstanding debt from 1996 bonds issued to construct the RTAA's three story, 2,400 space parking garage, a new terminal access roadway system to accommodate the parking garage, and a passenger skyway to connect the parking garage to the terminal.

The terms and conditions governing the 2015 Bond are established under a new Bond Resolution No. 526, which is substantially similar to terms and condition established for the Series 2005 Bonds.

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The 2015 Bond will be paid solely from and secured by a pledge of Net Revenues derived from the operations of the Airport System and certain funds and accounts. Net Revenue represents gross revenues of the Airport System less operating and maintenance expenses. The RTAA’s debt is limited by the outstanding bond resolution requirement that net revenues pledged to pay debt service must exceed 125% of annual debt service.

The interest rate on the Series 2015 Bond is 2.75% with an eleven (11) year term consistent with the refunded Series 2005 Bonds. With the refunding, the RTAA will benefit from \$2.917 million of gross savings or \$2.519 million on a present value basis in lower debt service payments. This represents a net present value savings as a percentage of refunding bonds of 12.03%.

Going forward in the FY 2020-21 Budget through the maturity of the 2015 Bond, the following table provides the principal and interest payments under the Series 2015 Bond:

Bond Year ending July 1	Series 2015 Bond		Total
	Principal	Interest	
2021	1,910,000	337,975	2,247,975
2022	1,965,000	285,450	2,250,450
2023	2,020,000	231,413	2,251,413
2024	2,070,000	175,863	2,245,863
2025	2,130,000	118,938	2,248,938
2026	2,195,000	60,363	2,255,363
	\$ 12,290,000	\$ 1,210,000	\$ 13,500,000

Net Revenue derived from the public parking operation, after related operating expenses, is available and more than sufficient to meet this debt obligation.

ALLOWED PURPOSES AND TYPES OF DEBT

The administration of the RTAA's debt is controlled by Federal and State laws (Local Government Securities Law) and the bond resolutions adopted when the revenue bonds were sold to finance airport improvements. These laws specify the public notices and hearings that must be conducted, and the approvals needed when money is to be borrowed. The Local Government Securities Law and the bond resolutions also control short term financing capabilities.

In order for revenue bond interest to be tax-exempt to the bond holders of the debt, the RTAA must be in complete compliance with U.S. Treasury Department laws and regulations. Most local governments issue general obligation bonds. The repayment of general obligation bonds is secured by the taxing power of the local government. A statutory ratio of outstanding general

Reno-Tahoe Airport Authority
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Section 9 – Debt Summary

obligation debt to assessed valuation often limits the maximum amount of general obligation debt a local government may have outstanding. Since the RTAA does not receive any property or general sales taxes, an assessed value based debt limitation does not apply.

The RTAA has sold only revenue bonds to finance the construction of airport projects. The bonds are called revenue bonds because the repayment of the bonds is secured solely by the revenue of the airport system. The entity issuing the revenue bonds must have sufficient revenues to pay the debt service of the bonds sold. Bonds are also only sold for the construction of projects with useful lives that exceed the life of the bond issue.

The RTAA has issued revenue bonds first to finance airport improvement projects, and then to refinance or refund the outstanding bonds to obtain lower interest rates. The interest received by RTAA bondholders can be tax exempt or taxable depending on the use of the bond proceeds. The Series 2015 outstanding senior bond has been determined by bond counsel to qualify for tax-exempt status.

DEBT LIMIT

The RTAA's debt is limited by the outstanding bond resolution requirement that net revenues (operating revenues less operating expenses) pledged to pay debt service exceed 125% of annual debt service. This test of net pledged revenues is shown on the last page of this section. In addition, schedules are enclosed that show the current and future year's debt service amounts. The RTAA has a cap on annual debt service, not a cap on the amount of outstanding debt. This is a common provision in airport revenue bond resolutions.

Part of the RTAA's process of selling revenue bonds is the issuance of a feasibility report by an independent airport consultant. This report projects airport revenues, airline rates, operating expenses, and the new and existing debt service. The consultant's report must project that net pledged revenues will exceed 125% of the annual amount needed for debt service, or the financing is neither feasible nor allowed by the additional bonds test of the existing bond resolution.

DEBT STRUCTURE

The principal and interest paid to the RTAA's bondholders is allocated to the cost centers based on how the proceeds from the various bond issues are used. Bonds sold to finance improvements in the airline costs centers, whose debt service will be included in airline rates, most likely will trigger the Majority-In-Interest (MII) provision of the airline use and lease agreement. For a detailed explanation, please see Section 5 – Financial and Budgetary Policies.

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The debt service is also structured not to begin until the facility being constructed is completed. This is done by delaying the repayment of principal until after the facility is occupied and interest is capitalized during the construction period. Capitalizing interest is done by selling additional bonds, above the amount needed for construction, resulting in additional funds to make the interest payments until the new facility is occupied and generating revenue. Offsetting the sale of additional bonds to pay capitalized interest is the practice of “net funding” where investment earnings on the bond proceeds unspent during the construction process are used to partially offset the cost of capitalized interest.

When the RTAA finances capital projects by issuing long term debt, it will pay back the bonds within a period not to exceed the estimated useful life of the project. The RTAA will not use long term debt for current operations. The RTAA will maintain good communications with its bond rating agency regarding its financial condition and will follow a policy of full disclosure in every financial report and offering prospectus.

As of October, 2015 and the issuance of the 2015 Bond, the RTAA no longer has any publicly issued debt and no longer is required to have a credit rating from a nationally recognized rating agency (Fitch, Moody’s, or S&P). However, the RTAA will continue to maintain its financial position based on the established criteria outlined by the major rating agencies in order to obtain a minimum investment grade rating of “A” with a stable outlook. This policy is to ensure an investment grade rating should the RTAA decide to issue any future public debt.

Nevada state law, the bond resolutions, and the bond insurance policies all define the allowable types of investments that can be made with bond proceeds during construction of capital projects.

REFUNDING OF DEBT

RTAA is continually evaluating whether the refinance of its outstanding debt to take advantage of lower interest rates is economically feasible. At least a three percent (3%) net present value debt service savings is the minimum industry standard necessary to justify such re-financings.

Internal Revenue Code and Income Tax Regulations Section 149(d)(3)(A)(i) limits the number of times an issuer may advance refund an original bond issue. If the original bond issue was issued before 1986, two advance refundings are permitted. If the original bond issue was after 1985, only one advance refunding is permitted.

The installments of principal of the 2015 Bond are eligible for prepayment, in whole or in part, at the option of the Authority, at any time and from time to time, at a price equal to the principal amount prepaid, the accrued interest thereon to the prepayment date, and the make whole premium.

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If the Authority makes any prepayment of the outstanding principal balance of the 2015 Bond prior to July 1, 2025, the Authority shall incur a prepayment fee equal to the quotient of (i) the product of (a) Average Yield Differential, times (b) Average Principal, multiplied by (c) Percent Prepaid, times (d) Days Remaining, divided by (ii) 360.

"Average Yield Differential" means the difference between (i) the U.S. Treasury constant maturity yield for the date on which the loan was originated and (ii) the U.S. Treasury constant maturity yield that is the same as the remaining term of the loan at the Prepayment Date.

With the issuance of the 2015 Bond at very low rates and prior to the series of rate increases implemented by the Federal Reserve, the RTAA currently does not have an opportunity to lower its debt service through refunding at this time.

Reno-Tahoe Airport Authority
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 Summary of Bonded Indebtedness

FY 2019-20 Debt Service Allocation to Airport Cost Centers

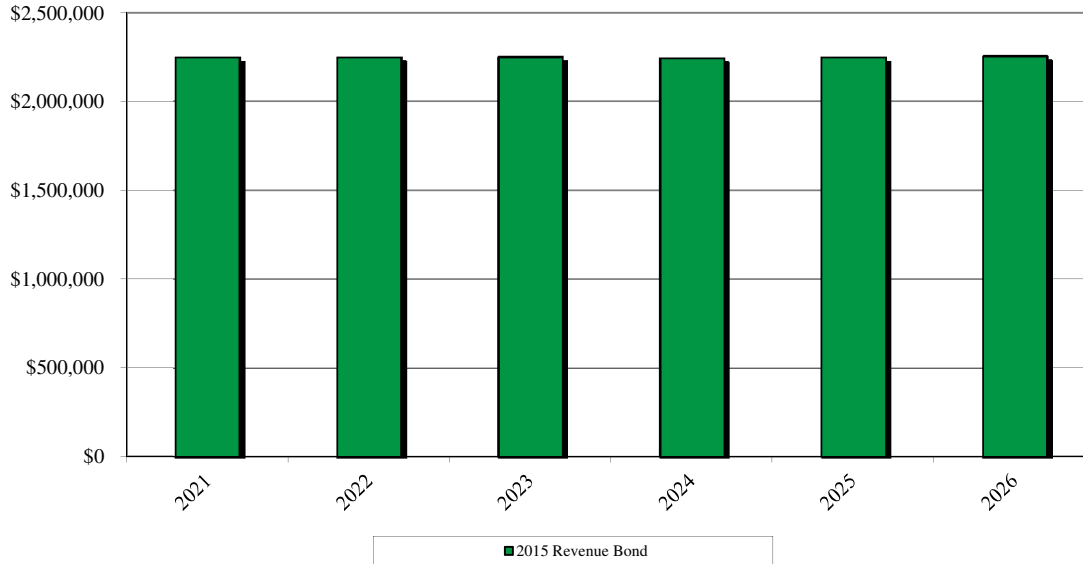
	<u>Principal</u>	<u>Interest</u>	<u>Paid by PFC</u>	<u>Total</u>
2015	1,910,000	337,975	-	2,247,975
TOTAL				2,247,975

	Airfield	Terminal	BHS	Ground Trans	Other	Reno Stead	Total
2015	0%	0%	0%	100%	0%	0%	100%
<u>Debt Service</u>							
2015	-	-	-	2,247,975	-	-	2,247,975
TOTAL	-	-	-	2,247,975	-	-	2,247,975

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 Summary of Bonded Indebtedness**

	2005 Revenue Refunding Bonds	Subordinate Notes (Series 2011A)	Subordinate Notes (Series 2011B)	2015 Revenue Refunding Bonds	Total Bonded Indebtedness
Amount of original issue	\$ 29,775,000	\$ 15,000,000	\$ 5,303,000	\$ 20,690,000	\$ 70,768,000
Bonds / Notes retired	29,775,000	15,000,000	5,303,000	8,400,000	58,478,000
Bonds / Notes Outstanding July 1, 2020	\$ -	\$ -	\$ -	\$ 12,290,000	\$ 12,290,000
Bond / Notes retired / issued FY 2020-21	-	-	-	(1,910,000)	(1,910,000)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,380,000</u>	<u>\$ 10,380,000</u>
FY 2020-21 Debt service requirement					
Principal payment due	\$ -	\$ -	\$ -	\$ 1,910,000	\$ 1,910,000
Interest payment due	-	-	-	337,975	337,975
PFCs applied	-	-	-	-	-
Total FY 2020-21 Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,247,975</u>	<u>\$ 2,247,975</u>

Annual Debt Service



Reno-Tahoe Airport Authority
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Schedule of Debt Service

Bond Year Ended July 1	Airport Revenue Refunding Bonds Series 2015		Total
	Principal	Interest	
2021	1,910,000	337,975	2,247,975
2022	1,965,000	285,450	2,250,450
2023	2,020,000	231,413	2,251,413
2024	2,070,000	175,862	2,245,862
2025	2,130,000	118,938	2,248,938
2026	2,195,000	60,362	2,255,362
	<u>\$ 12,290,000</u>	<u>\$ 1,210,000</u>	<u>\$ 13,500,000</u>

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Net Pledged Revenues Test

	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Budget
Airport System Revenues			
Airline fees and rentals			
Landing fees	\$ 8,665,365	\$ 9,741,607	\$ 6,390,829
Terminal building space rental	6,025,282	7,968,400	7,856,100
TOTAL Airline fees and rentals	14,690,647	17,710,007	14,246,929
Non-Airline Revenues			
Other Aircraft Fees	1,054,116	1,035,300	942,600
Concession fees	13,086,886	13,367,100	6,080,587
Parking and Ground Transportation	12,817,675	12,761,100	5,746,700
Building, Hangar and Land Rent	8,052,872	8,311,900	8,716,149
Reimbursement for Services (BHS)	2,671,072	2,840,928	1,789,364
Other operating revenues	176,468	81,000	71,500
	37,859,089	38,397,328	23,346,899
Total Operating Revenue	52,549,736	56,107,335	37,593,828
Non-Operating Revenue			
Trust Fund Investment Income	1,183,298	817,100	532,800
Other Non-Operating Income	331,105	330,900	260,100
CARES Act			12,857,475
Gross pledged revenues	\$ 54,064,139	\$ 57,255,335	\$ 51,244,203
Airport system operation and maintenance expenses	(42,552,009)	(46,741,674)	(44,392,102)
Transfers - General Purpose Account for			
G/L on Sale of Capital Assets	(25,070)	-	-
Airline Net Revenue Share	4,214,000	3,168,800	2,063,700
Transfers - Customer Facility Charge Account for			
Operating Expenditures	642,557	439,500	457,100
Transfers - Special Account for 35% of Gaming Revenue	(390,756)	(406,805)	(119,280)
Net pledged revenues	\$ 15,952,861	\$ 13,715,157	\$ 9,253,621
Debt Service - Senior Lien Bonds	2,248,900	2,249,125	2,247,975
Debt Service Coverage Ratio - Senior Lien Bonds	7.09	6.10	4.12
Net Pledged revenue available for Subordinate Notes	13,703,961	11,466,032	7,005,646
Pledged PFC Revenues	-	-	-
Pledged revenue available for Subordinate Notes	13,703,961	11,466,032	7,005,646

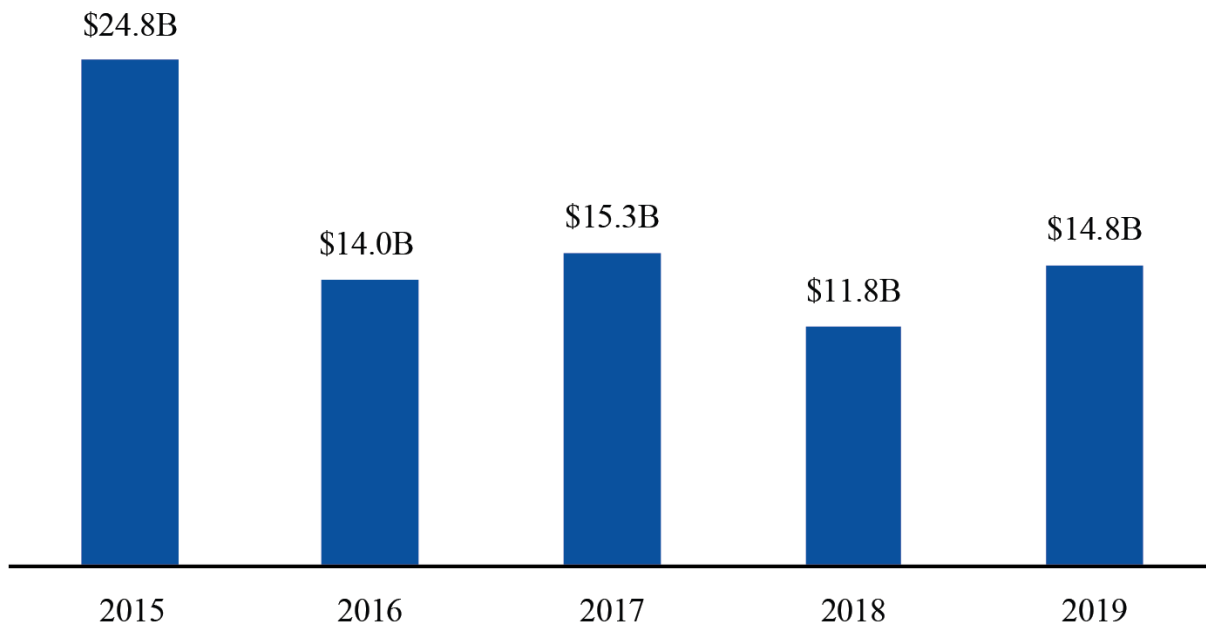
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Air Service Development

U.S. scheduled passenger airlines reported a 2019 after-tax net profit of \$14.8 billion, the 7th consecutive annual after-tax profit and a pre-tax operating profit of \$20.8 billion, the 11th consecutive annual pre-tax profit.

**Net Income 2015-2019, U.S. Scheduled Passenger Airlines
Billions of Dollars (\$)**



Source: Bureau of Transportation Statistics

The airlines also reported a \$20.8 billion pre-tax operating profit in 2019, up from \$17.6 billion in 2018. The airlines reported a pre-tax operating profit as a group for the 11th consecutive year.

Total 2019 operating revenue was \$196.2 billion. The airlines collected \$145.2 billion from fares, 74.0 percent of total operating revenue.

Total 2019 operating expenses were \$175.4 billion, of which fuel costs accounted for \$32.8 billion, or 18.7 percent, and labor costs accounted for \$60.3 billion, or 34.4 percent.

The airlines collected \$5.8 billion in baggage fees, 2.9 percent of total operating revenue, and \$2.8 billion from reservation change fees, 1.4 percent of total operating revenue.

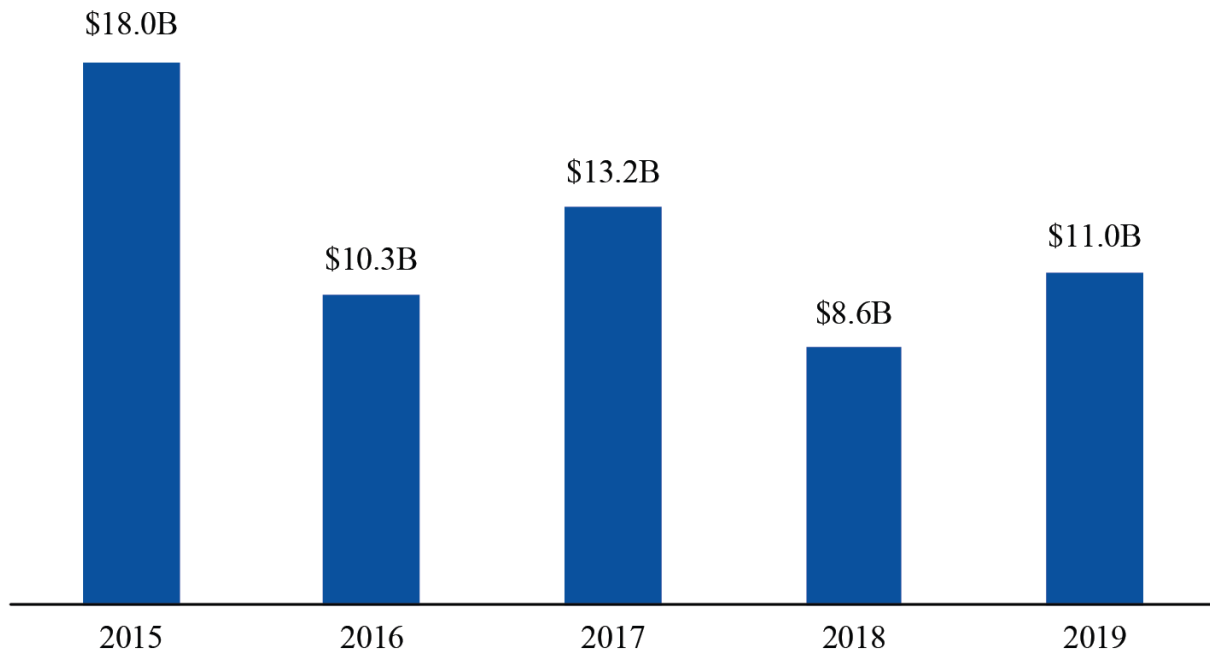
Fees are included for calculations of net income, operating revenue and operating profit or loss.

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Domestic

From domestic operations, U.S. scheduled passenger airlines reported an after-tax net profit of \$11.0 billion in 2019, up from \$8.6 billion in 2018. The airlines reported an after-tax net profit from domestic operations as a group for the seventh consecutive year based on net income reports.

**Domestic U.S. Scheduled Service Passenger Airlines
Annual Net Income, 2015 to 2019
Billions of Dollars (\$)**



Source: Bureau of Transportation Statistics

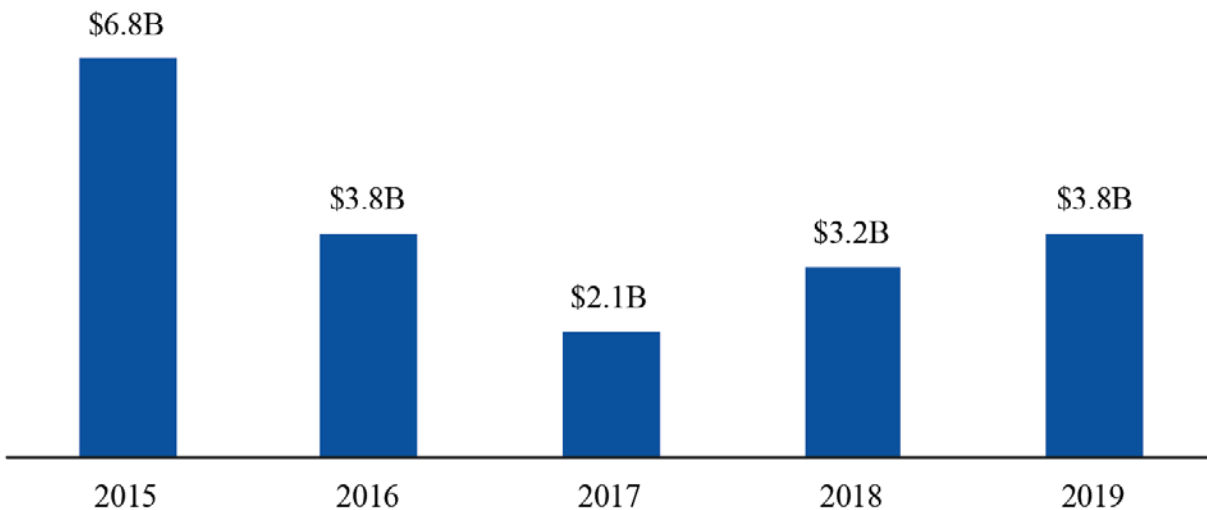
The airlines reported a pre-tax domestic operating profit of \$15.8 billion in 2019, up from \$13.2 billion in 2018. This represents the 11th consecutive annual domestic pre-tax operating profit.

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International

The 18 U.S. scheduled passenger airlines that operate internationally reported an after-tax net profit of \$3.8 billion in 2019 from their international operations, up from \$3.2 billion in 2018. The airlines reported an after-tax net profit from international operations as a group for the 10th consecutive year based on net income reports.

**International U.S. Scheduled Service Passenger Airlines
 Annual Net Income, 2015 to 2019
 Billions of Dollars (\$)**



Source: Bureau of Transportation Statistics

The airlines also reported a \$5.0 billion pre-tax operating profit from international operations in 2019, up from \$4.4 billion in 2018. The airlines reported a pre-tax operating profit from international operations as a group for the 11th consecutive year.

Reno-Tahoe International Airport

During 2019, RNO served 4,450,673 passengers, an increase of 5.7% when compared to 2018. This represents the fifth consecutive year of annual passenger growth and the highest passenger numbers since 2007. This increase is mainly attributed to the seat additions from United Airlines, American Airlines, Southwest Airlines and Alaska Airlines.

RNO offered a total of 23,793 scheduled departures in 2019, an increase of 8.0% when compared to the 2018 schedule. Scheduled seat capacity was up 9.3% at 2,844,950 (one way) for the same

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period. In 2019, RNO was served by nine airlines providing flights to 22 non-stop destinations.

The 2019 average net fare for RNO flights was \$190, a decrease of 0.3% when compared to the prior year. The RNO average domestic net air fare was \$172, an increase of 0.1% for the same period.

Southwest Airlines continues to be the dominant carrier at RNO carrying 40.4% of the total Calendar Year 2019 passengers, followed by American Airlines at 19.3%. RNO offers better air service than any other airport for a city of comparable population size anywhere in the United States.

In order to stay visible in the aviation industry, the Air Service Development (ASD) staff held over 39 individual one-on-one meetings with different airlines in 2019. In addition, staff had numerous conference calls through the year 2019 with airline network planning, capacity planning, schedule planning and marketing teams of several airlines.



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The RTAA Board and staff continue to actively pursue new air service. However, competition for air service among the nation’s 450+ commercial service airports is increasingly fierce. In the last decade, the airline industry’s business model has shifted away from market share strategies to a focus on return on investments.

The staff has made significant progress in the development of educational programs in support of air service. This included formalizing a Community Outreach Program as well as an advertising campaign implemented in conjunction with the airport’s airline partners and destination cities served non-stop from RNO.

In addition, staff developed a presentation titled “Air Service 101”, which provides travel and community groups an overview of air service development, an airline business overview, key economic factors and considerations from the airline’s perspective, and the opportunities/challenges faced by RNO.

Finally, the Regional Air Service Corporation (RASC) is taking the lead in community wide efforts to create strategies to help offset risk to potential new markets. This is in conjunction with the RTAA’s airline incentive program, which allows up to 12 months of free terminal building rent and landing fees as well as marketing support promoting new air service to RNO.

Three major air cargo carriers, DHL, FedEx, and United Parcel Service (UPS) serve RNO. During the calendar year 2019, RNO handled 146,899,694 pounds of cargo, a decrease of 1.3% when compared to the calendar year 2019.

RNO is truly a regional airport with a catchment area of over 1.3 million people in the cities of Reno, Sparks, Carson City, along with eight counties in Nevada, and five counties in north central California. RNO is also the “gateway” to Lake Tahoe.

RNO is located four miles southeast of Reno’s central business district. The Reno-Stead Airport (RTS) is located 11 miles northwest of the central business district. The state capital, Carson City, is 30 miles south of Reno. Elected officials and state employees use RNO to get back to their constituents or to fly to the many state agency offices located 350 miles to the south in Las Vegas.

The closest competing airport is approximately 140 miles away in Sacramento, California. Since Sacramento is separated from Reno by the Sierra Nevada Mountains, which can be difficult to cross in the winter snows and other inclement weather, few western Nevada passengers use the Sacramento Airport.

The second airport operated by the RTAA is the Reno-Stead Airport, a general aviation airport. General aviation airports typically do not have scheduled air service, but do provide other important aviation related facilities. RTS has military, helicopter, charter, and private aircraft

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operations and aircraft owners and aviation related businesses lease land or buildings. RTS is also the home of the annual National Championship Air Races, a Bureau of Land Management base for firefighting aircraft, and a Nevada Army National Guard helicopter base.

Special Community Events

Due to Covid-19, the events described below have all been cancelled for 2020 due to safety concerns.

With over 5 million annual visitors, Reno, Sparks and Lake Tahoe feature a wide range of fun-filled events that offer something for everyone. In addition to the area’s breath-taking beauty, Reno and Lake Tahoe offer an amazing mix of history, art, and culture. Tourism and conventions continue to be big business in the Reno-Sparks area.

The Reno-Sparks Convention & Visitors Authority (RSCVA) owns and operates several facilities designed to draw out of town visitors. For example, the National Bowling Stadium hosts five-month long bowling competitions including the United States Bowling Congress (USBC) Open Championship and the Women’s Championship. The two tournaments combined bring 150,000 visitors to town with an estimated economic impact of nearly \$360 million. The schedule of bowling competitions to be held in our community through 2025 is provided in Section 1 – Introduction in the “Bowling Tournament Update”.

The Reno-Tahoe area draws hundreds of thousands of visitors to northern Nevada for community-wide special events throughout the year. This year’s special event season started with the Reno Rodeo, a 10-day event in its 100th year, and a PRCA (Professional Rodeo Cowboys Association) sanctioned sporting event. The Reno Rodeo is a non-profit organization made up of over 350 volunteers with over 120,000 fans in attendance; it is the 4th largest PRCA tour rodeo. The event impacts the Reno area economy by approximately \$42 million. This event is held at the Reno Livestock Events Center, a 35,000 square feet exhibit space with an indoor arena seating 6,200 and a lighted outdoor arena seating 9,000.

Reno is home to Artown, a month-long summer arts festival. It features about 500 events produced by more than 100 organizations and businesses in nearly 100 locations citywide, including the Airport. As noted by the National Endowment for the Arts, Artown is one of the most comprehensive festivals in the country. It brings the arts to Reno each July with a packed calendar of events and 350,000 attendees.

The first week of August is reserved for Hot August Nights; a celebration of the 50’s, 60’s and 70’s emphasizing the cars of the era. More than 800,000 people flock to the event and bring an economic impact of \$351 million. There are more than 5,000 classic cars from 36 states across the nation, including Alaska, Massachusetts and Florida and three Canadian provinces. Californians bring over 2,500 cars for this event. Nevadans have over 1,500 cars entered.

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The Reno-Tahoe region also hosts an annual PGA golf tournament, the Barracuda Championship/Reno-Tahoe Open is held the last week of July.

During the last week of August each year, the Burning Man Festival, with its focus on community, art, self-expression, and self-reliance, creates Black Rock City a hundred miles north of Reno, NV, on the playa of the Black Rock Desert. Burning Man isn't your usual festival, with big acts booked to play on massive stages. In fact, the event is more the creation of a city than a festival, wherein almost everything that happens is created entirely by its citizens, who are active participants in the event. At least 20,000 of the 80,000 participants travel by air through RNO, including a host of international visitors from more than 34 different countries. During Burning Man, Black Rock City, through careful planning, emerges from the playa dust to become one of Nevada's largest cities for a week.

There are many great events in the area in September, and starting things off is the Best of the West Rib Cook Off held in the City of Sparks and sponsored by the Nugget Casino Resort. Following the Rib Cook Off are the Reno Balloon Races, the largest free hot air ballooning event in the nation. Throughout the event an estimated 140,000 spectators brave the early morning chill to view more than 100 balloons each year.

The blue September skies of Reno are also the home of the National Championship Air Races (NCAR). The NCAR and Air Show have run at the Reno-Stead Airport since 1964. With more than 150,000 people in attendance and an annual economic impact of \$70 million, the National Championship Air Races bring together aviation and sports enthusiasts from around the world, including strong attendance from California, Nevada and the Pacific Northwest. Race and air show participants include astronauts, airline pilots, and military and civilian aviators.

Street Vibrations is the place to be for those in search of a celebration of music, metal and motorcycles. An official Northern California Harley-Davidson Dealers Association event, Street Vibrations offers tours, entertainment, parades, ride-in shows, Chrome Alley retail vendors, Camel Roadhouse, the Harley-Davidson Factory Store, concerts and more. The event attracts an estimated 40,000 people to the Reno/Tahoe/Carson City area and has a local economic impact of \$72 million. Now ranked the 6th largest motorcycle event in the nation, Street Vibrations combines the best bikes the West has to offer with incredible bands on multiple stages throughout the community.

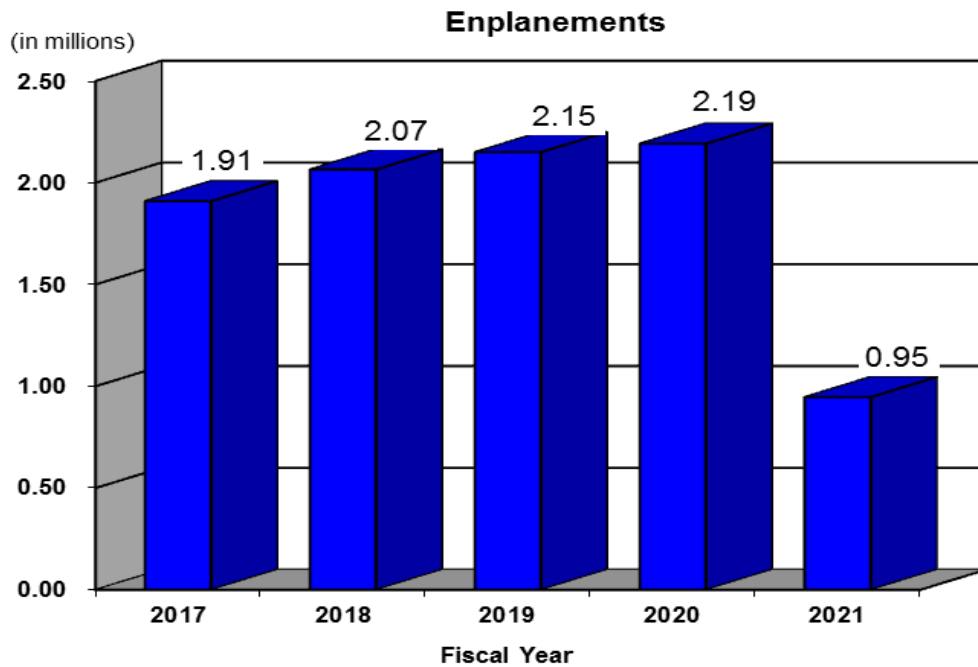
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Supplemental Information

The following charts show five fiscal years of the RTAA’s activity levels and measures of financial effectiveness. The first three years’ numbers on these charts are year-end actual amounts and the last two years (FY 2020 and FY 2021) are the budgeted amounts.

In addition, tables and charts that detail local demographic, employment, and economic information are provided.

Enplaned Passengers

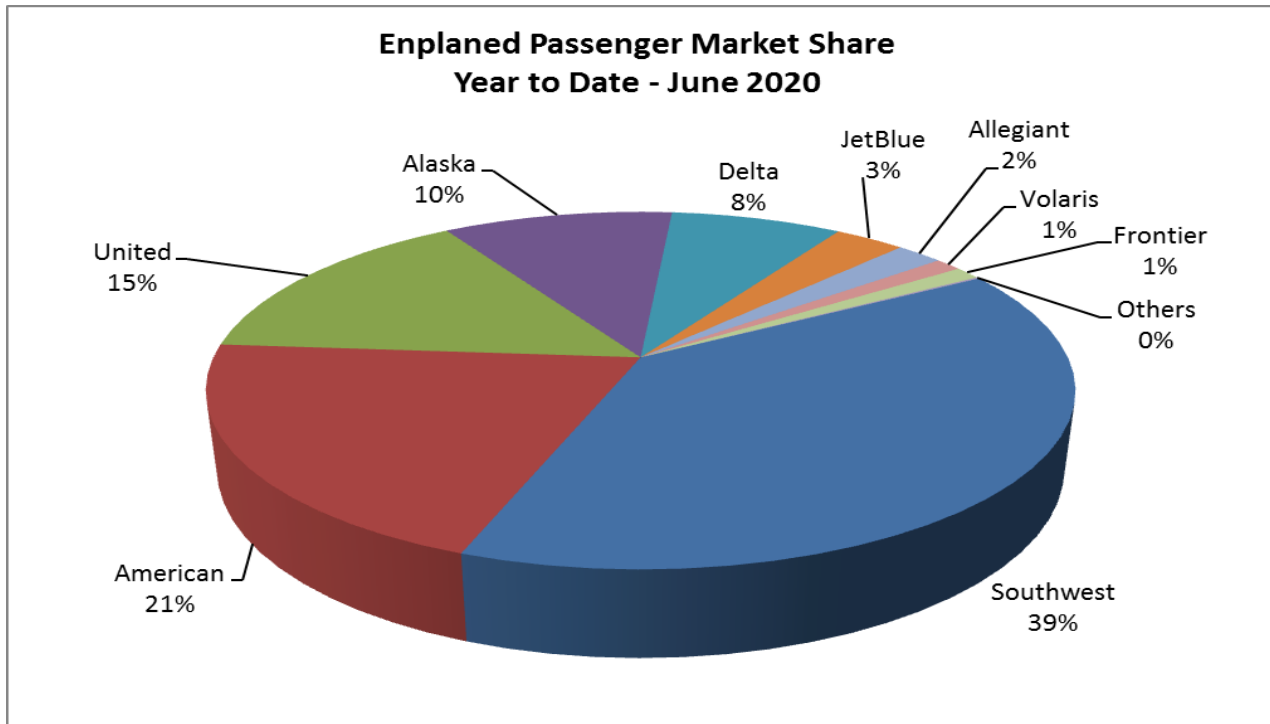


Enplaned passengers in FY 2020-21 at the RNO are projected to be 946,737, a 56.8% decrease compared to the prior year budget of 2,191,960 and a 55.9 % decrease compared to the FY 2018-19 actual results. In response to COVID-19 pandemic, travel restrictions and other measures impacted RNO passenger traffic. Passenger traffic declined as much as 95% in April 2020, compare to same period in 2019.

The average load factor for scheduled air service in fiscal year 2019-20 was 71.2%. The load factor is projected to decrease by 15.7% for the FY 2020-21.

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Airline Market Share



Airline Passenger Market Share – FY 2019-20 Actual Results		
	Number of Enplaned Passenger	Percent of Market Share
Southwest	658,668	39.0%
American	347,656	20.6%
United	253,093	15.0%
Alaska	172,563	10.2%
Delta	128,574	7.6%
JetBlue	52,825	3.1%
Allegiant	35,224	2.1%
Volaris	19,937	1.2%
Frontier	19,390	1.1%
Others	2,241	0.1%
Total	1,690,171	100%

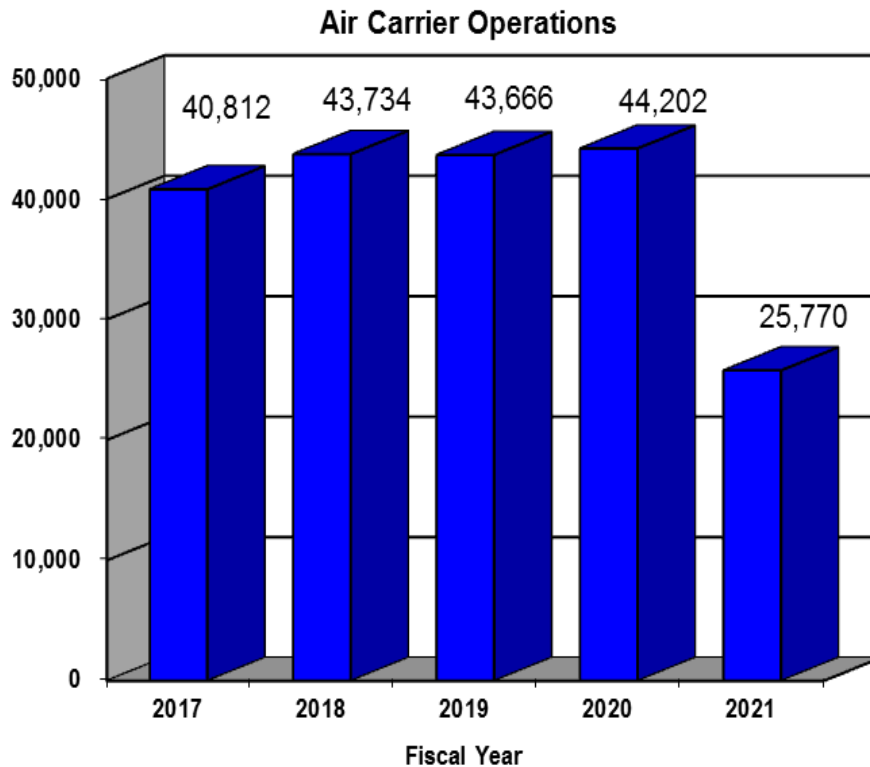
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The more diverse an airport’s airline market, the less susceptible that airport is to the effects of an individual airline having financial problems or changing flight activity. However, the effects of COVID-19 pandemic reflects a significant decline in passenger traffic, making the airline industry volatile.

This chart shows that RNO has six main carriers providing 95.5% of the passenger flights with another six carriers making up the balance. This table reflects actual enplaned passenger numbers for the period July 1, 2019 through June 30, 2020. As shown, Southwest had 39.0%, American 20.6%, United 15.0%, Alaska 10.2%, Delta 7.6% and JetBlue 3.1%. Southwest Continues to be the dominant carrier at RNO.

In the previous FY 2018-19 chart. Southwest had 42.3% of the passengers, American had 17.9%, United had 14.5%, Alaska had 9.7%, Delta had 7.7% and JetBlue had 3.6%.

Air Carrier Operations

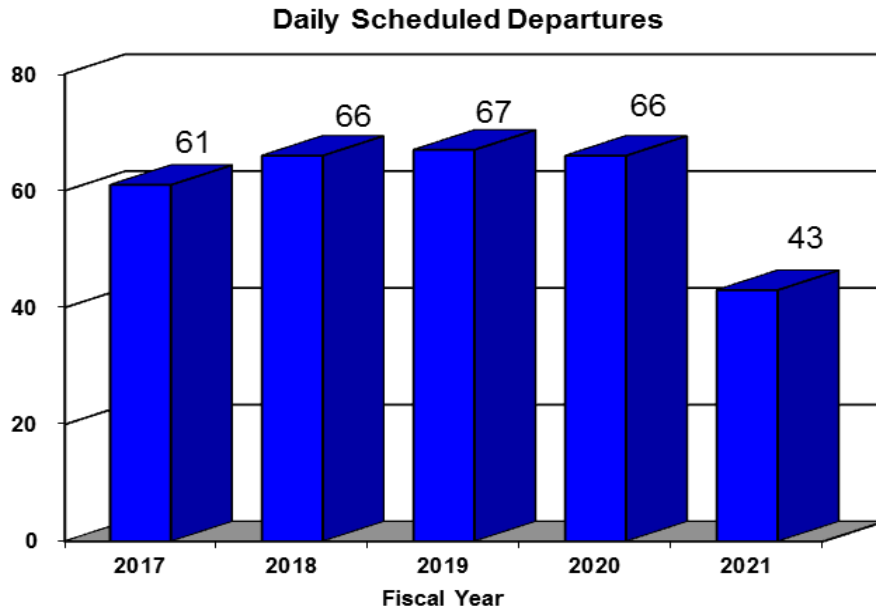


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An operation is the term used to describe an aircraft landing or taking off. Scheduled annual operations are the landings and takeoffs of the scheduled airline flights for an entire year. Operations are projected to be approximately 25,770 in FY 2020-21, a decrease of 18,432 operations or a 41.7% as compared to the budget for FY 2019-20. Airlines have reduced the number of operations, in response to COVID-19 pandemic, as the number of flight cancellations exceeds new bookings.

This activity does not include scheduled cargo service or other non-scheduled operations at the airport such as charter flights, military, or general aviation.

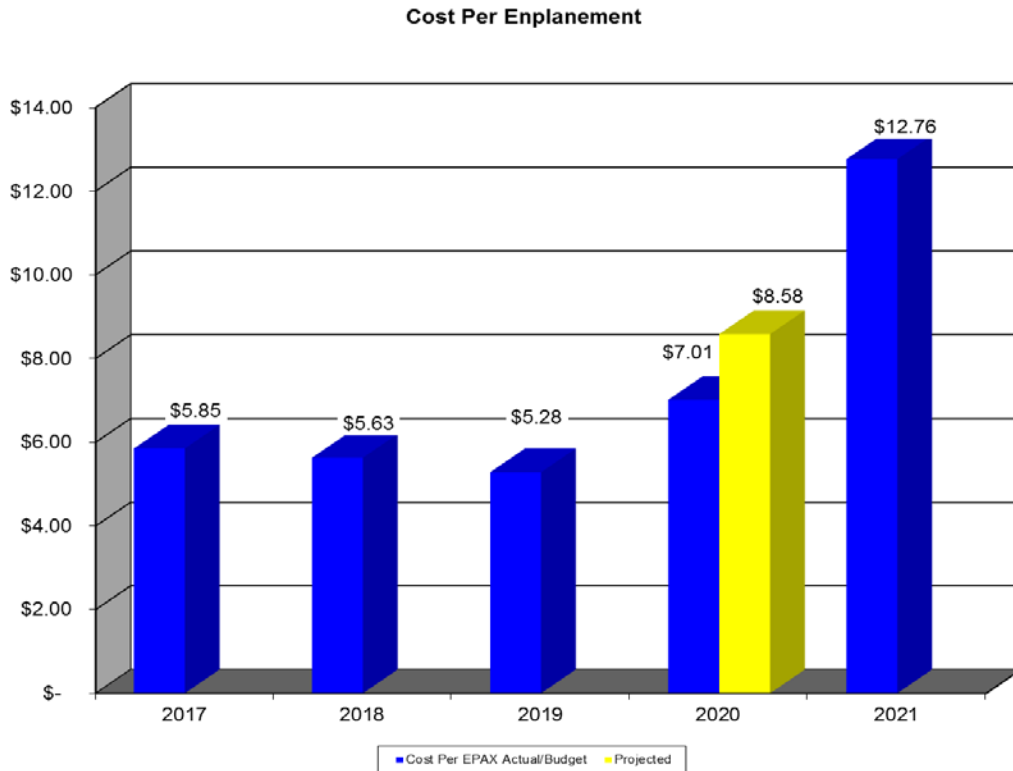
Daily Scheduled Departures



This graph shows the average number of flights departing RNO each day in the month of June. For FY 2020-21, the forecasted average daily flights are forecasted to decrease by 23 flight per day or 34.8%. The effects of COVID-19 pandemic reflect the decrease of daily departures forecasted FY2020-21.

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Airline Cost Per Enplaned Passenger



The cost per enplaned passenger (CPE) ratio measures the airport related costs paid by the airlines for each enplaned passenger flown from an airport. The airport costs incurred by an airline are landing fees and terminal building rents.

While rents and landing fees are approximately 8% of the domestic passenger airlines’ operating costs in 2020 according to Bureau of Transportation Statistics (BTS), RTAA works hard to minimize the cost per enplanement to encourage airlines to serve the Northern Nevada market. In comparison, labor and fuel costs represent 34.4% and 18.7% of the airline’s 2019 operating costs, respectively.

As a measure to maintain rents and landing fee cost low, RNO has forecasted \$12.9 million to be allocated in FY2020-21 from the Coronavirus Aide, Relief, and Economic Security (CARES) Act.

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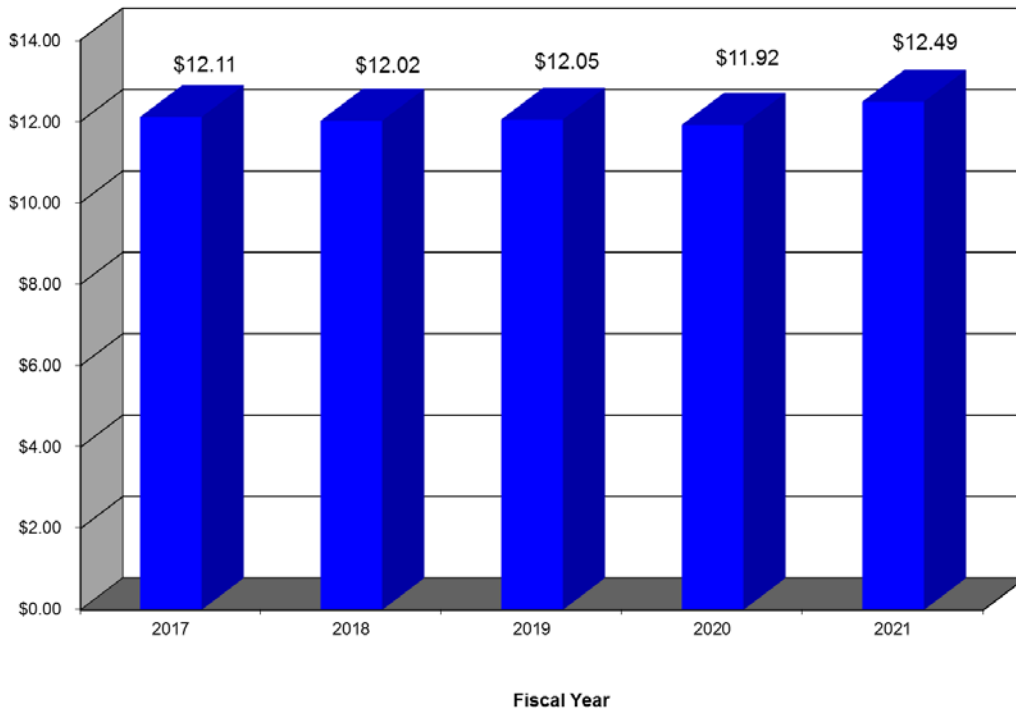
Concession Revenue Per Enplaned Passenger

Concession revenue per enplaned passenger is a measure of concessionaire’s ability to generate revenue from passengers using RNO’s terminal facilities. This ratio allows staff to compare the performance from year to year and between airports.

The following sections outline the main concession revenues of the RTAA as presented in a per enplaned passenger format.

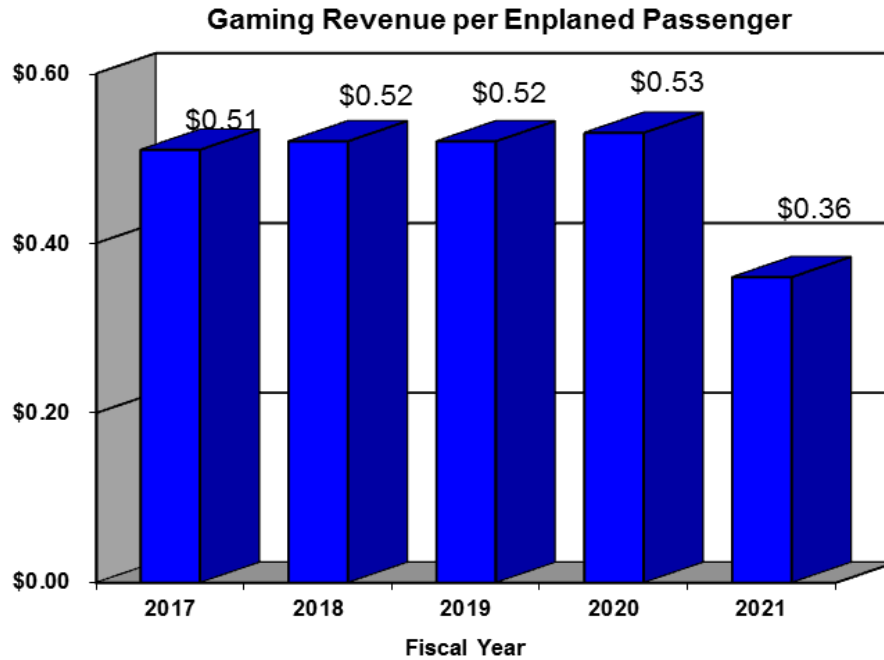
Concession revenue per enplaned passenger has increased due to most non-airline revenues forecast at Minimum Annual Guarantee (MAG) levels and the significant decline in enplane passengers for FY2020-21. Ratio would be lower if calculated based on actual revenues collected by concessionaires.

Concession Revenue Per Enplanement



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Gaming Concession Revenue per Enplaned Passenger

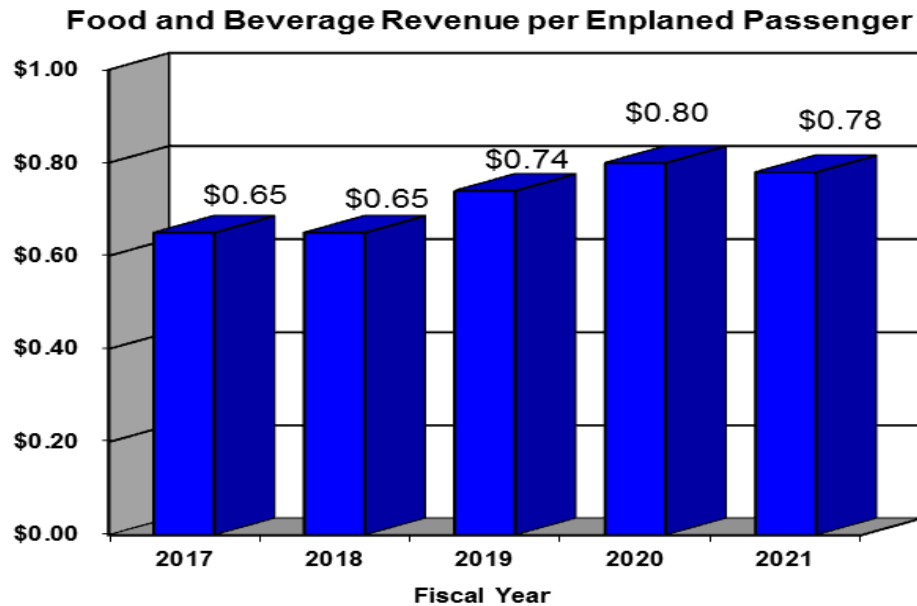


Few other airports have gaming revenues to compare. The gaming revenues are budgeted at approximately \$340,800 for FY 2020-21 and are projected to be \$652,800 for the current year, FY 2019-20.

This concession is awarded to International Game Technology (IGT) under a five year agreement and four year extension, which started on December 1, 2015. The revenue decreased as compared to the prior years, due to a decline in passenger traffic and emergency directives, in response to the COVID-19 pandemic. Pursuant to Governor Sisolak emergency directive on March 12, 2020, IGT closed operations at RNO for March, April and May 2020.

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Food and Beverage Concession Revenue per Enplaned Passenger

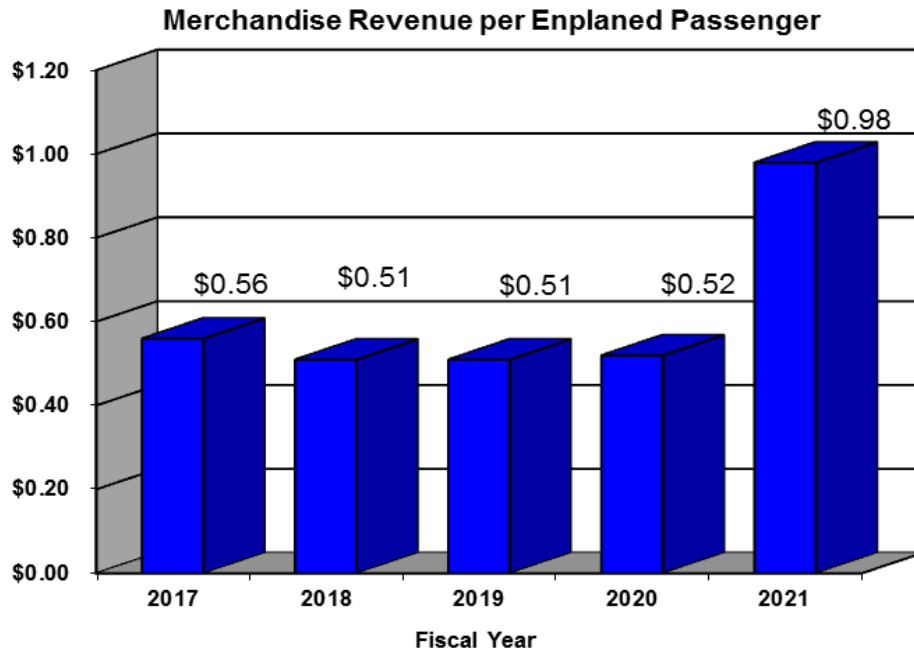


The food and beverage concession agreements currently pays the RTAA the greater of a minimum guaranteed amount or a percentage of gross revenues. Per the existing contract with SSP America, the minimum annual guarantee amount is set annually at 85% of prior year’s payments, or \$885,800, whichever is greater. Per the existing contract with Manchester Airport Group (MAG Lounge), the minimum annual guarantee amount is set annually at 85% of prior year’s payments, or \$60,000, whichever is greater. Per the existing Contract with Vino Volo Wine Bar and Verdi Market, the minimum annual guarantee amount is set annually at 85% of prior year’s payments, or 93,000, whichever is greater. Per the existing Contract with Subway, the minimum annual guarantee amount is set annually at 85% of prior year’s payments, or 48,000, whichever is greater.

The budgeted revenue of \$734,604 for FY 2020-21, results in estimated revenue of \$0.78 per enplaned passenger. This estimate reflects the Minimum Annual Guarantee (MAG) due to the significant decrease of passenger traffic passing through RNO, in results of COVID-19 pandemic. Concession contract with SSP contains abatement provisions that have been activated due to the sharp decline in passenger traffic and MAG is no longer paid.

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Merchandise Concession Revenue per Enplaned Passenger



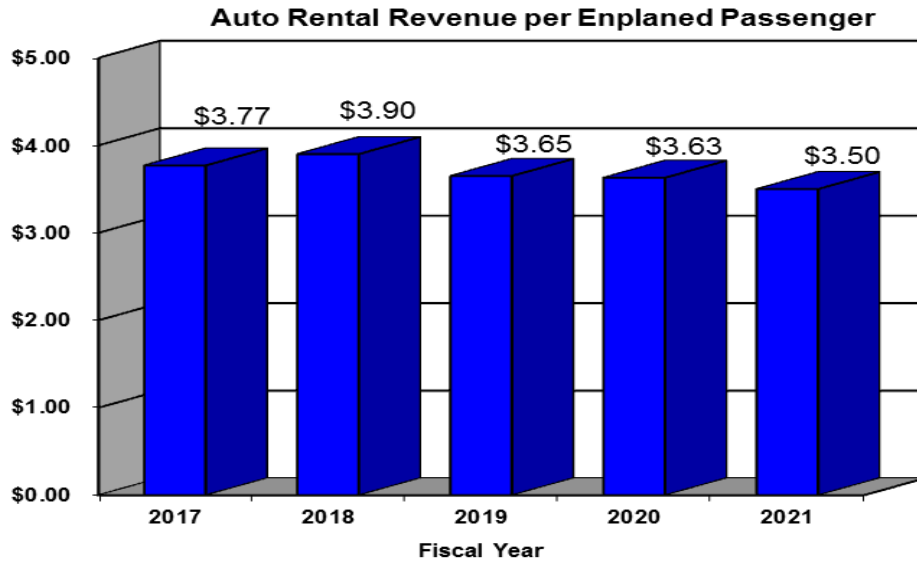
The RTAA’s merchandise concession stores have offerings that would fit in any upscale shopping mall. There are four post security stores, branded as the High Mountain Market, including Brighton Collectibles, No Boundaries (an outdoor apparel store), In Motion (a high tech electronics shop), and CNBC (news and gifts). Also two travel essential and specialty gifts stores (Travelers Gifts and Summit Travel) are located on Concourse B and C, respectively. In addition, the RNO also offers Adventure News (a travel essentials and specialty gift store), PGA Tour shop, and Harley Davidson, which are available to passengers pre-security.

The concession agreement awarded to The Paradies Shops calls for payment to the RTAA of a percentage of revenues ranging from 12% to 23% depending on product type or a minimum annual guarantee (MAG), which is 85% of previous year’s payments but not less than \$901,000, whichever is greater.

For FY 2020-21, revenues are expected to be \$932,145. This is a decrease of 18.2% compared to the FY 2019-20 Budget and 0.6% decrease from the FY 2019-20 projected revenues. This decrease is due to the significant decrease in passenger traffic, in results of COVID-19 pandemic. The merchandise concession revenue per enplane passenger has increased due to MAG revenue levels forecast and the significant decline in enplane passengers.

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Rental Car Concession Revenue per Enplaned Passenger



The RTAA has six (6) car rental company agreements with nine (9) brands: (1) Avis/Budget Car Rental doing business as Avis and Budget, (2) DTG Operations doing business as Dollar and Thrifty, (3) Enterprise, (4) Hertz, (5) Vanguard Car Rental doing business as Alamo and National, and (6) Payless Car Rental.

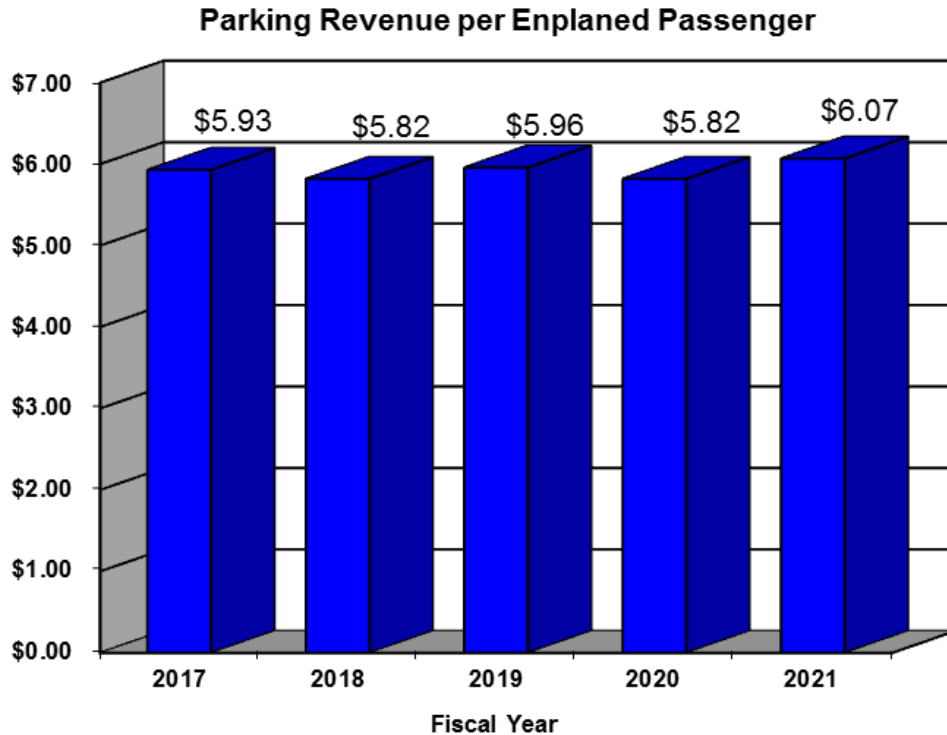
In 2007, Enterprise acquired Vanguard Car Rental, doing business as Alamo and National. In 2013, the Hertz Corporation acquired DTG Operations, doing business as Dollar and Thrifty and Avis/Budget acquired Payless Car Rental. Effectively, three (3) rental car companies control the nine brands at RTAA.

Effective July 1, 2018, the rental car companies enter into a new five year agreement ending June 30, 2023. RTAA revenues are the greater of the minimum annual guarantee (MAG) or 10% of gross receipts earned by companies.

Based on forecasted passenger traffic and revenue per enplaned passenger included in the FY 2020-21 Budget, Auto Rental revenue is projected to be approximately \$3.313 million. This is \$4.645 million or 58.4% below the FY 2019-20 Budget and \$3.387 million or 50.5% below the FY 2019-20 updated forecast.

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Parking Revenue per Enplaned Passenger



Total auto parking and ground transportation revenues of \$5.747 million are budgeted to decrease 54.9% below the prior year budget and 39.9% below the FY 2019-20 projected revenues.

The decrease in revenue from last year's budget is primarily due to a significant decline in passenger traffic of 56.8%, in results of the COVID-19 pandemic. Parking revenues decline as much as 94% in April 2020. The parking revenue per enplane passenger has increased due to the significant decline in enplane passengers forecasted in FY2020-21 Budget.

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
Section 10 – Supplemental Data


RENO-TAHOE AIRPORT AUTHORITY
POPULATION IN AIR TRADE AREA
FOR THE CALENDAR YEARS 2010-2019
(unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nevada										
<u>County</u>										
Churchill	24,877	24,637	24,375	24,063	23,989	24,200	24,198	24,230	24,440	24,909
Douglas	46,997	46,886	46,996	47,118	47,536	47,710	48,020	48,309	48,467	48,905
Humboldt	16,528	16,735	17,048	17,363	17,279	17,019	16,842	16,826	16,786	16,831
Lyon	51,980	51,871	51,327	51,557	51,789	52,585	53,179	54,122	55,808	57,510
Pershing	6,753	6,734	6,749	6,877	6,698	6,634	6,560	6,508	6,666	6,725
Storey	4,010	3,896	3,935	3,942	3,912	3,987	4,051	4,006	4,029	4,123
Washoe	421,407	425,710	429,908	433,731	440,078	446,903	453,616	460,587	465,735	471,519
Carson City	55,274	55,439	54,838	54,080	54,522	54,521	54,742	54,745	55,414	55,916
Subtotal	627,826	631,908	635,176	638,731	645,803	653,559	661,208	669,333	677,345	686,438
California										
<u>County</u>										
Alpine	1,175	1,102	1,129	1,159	1,116	1,110	1,071	1,120	1,101	1,129
El Dorado	181,058	180,938	180,561	181,737	183,087	184,452	185,625	188,987	190,678	192,843
Lassen	34,895	34,200	33,658	32,163	31,749	31,345	30,870	31,163	30,802	30,573
Mono	14,202	14,309	14,348	14,074	13,997	13,909	13,981	14,168	14,250	14,444
Nevada	98,764	98,612	98,292	98,200	98,893	98,877	99,107	99,814	99,696	99,755
Placer	348,432	357,138	361,682	367,309	371,694	375,391	380,531	386,166	393,149	398,329
Plumas	20,007	19,765	19,399	18,859	18,606	18,409	18,627	18,742	18,804	18,807
Sierra	3,240	3,113	3,086	3,047	3,003	2,967	2,947	2,999	2,987	3,005
Subtotal	701,773	709,177	712,155	716,548	722,145	726,460	732,759	743,159	751,467	758,885
Total	1,329,599	1,341,085	1,347,331	1,355,279	1,367,948	1,380,019	1,393,967	1,412,492	1,428,812	1,445,323
Percentage increase	1.97%	0.86%	0.47%	0.59%	0.93%	0.88%	1.01%	1.33%	1.16%	1.16%
Unemployment rate										
Washoe County	12.9%	12.6%	11.0%	9.4%	7.6%	6.3%	5.0%	3.5%	2.3%	3.2%

Source: US Census Bureau - Quickfacts *Population Estimates as of July 1, 2019
Nevada Department of Employment, Training, and Rehabilitation

<http://www.census.gov/quickfacts/table/PST045219/>
<http://nevadaworkforce.com/HOME/DS-Results-LAUS2>

Reno-Tahoe Airport Authority
 FY 2020-21
 ANNUAL BUDGET
 Section 10 – Supplemental Data

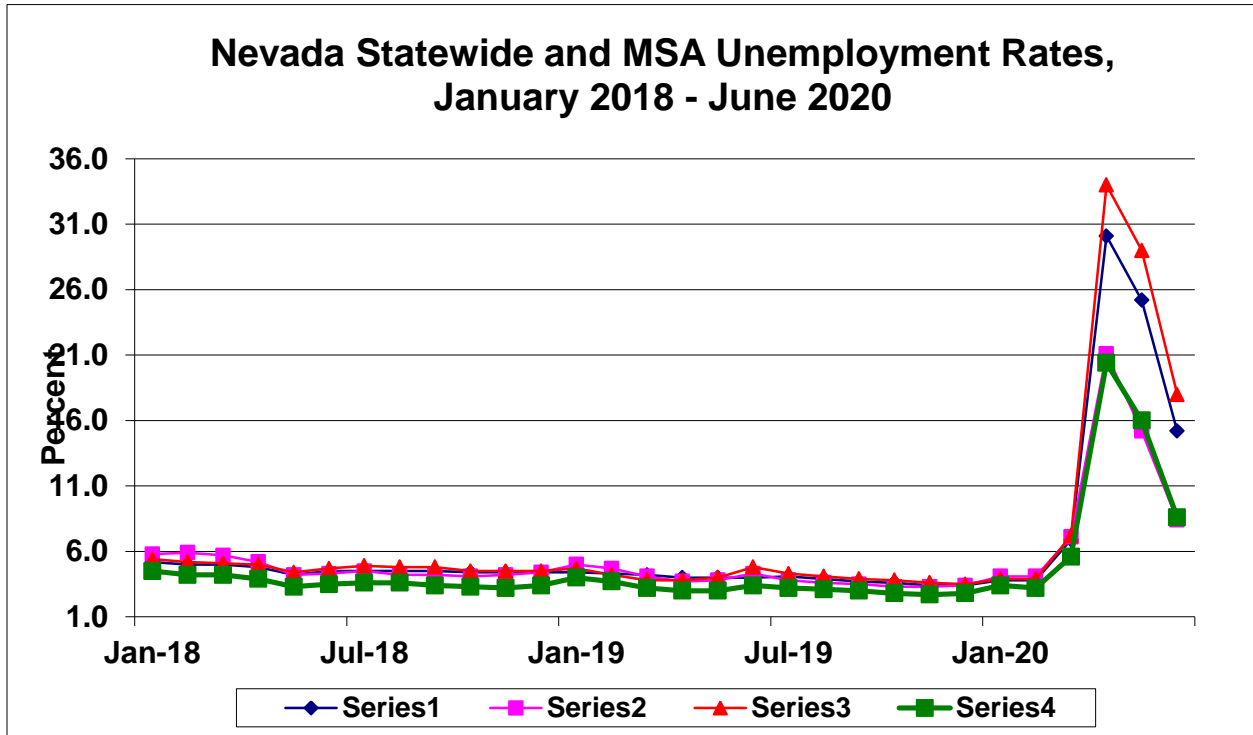
 Nevada Statewide 2020 Industrial Employment				
Estimates in thousands	June 2020	June 2019	Change	% Change
Total All Industries	1269.7	1423.7	(154.00)	-10.8%
<i>Goods Producing</i>	168.0	171.3	-3.3	-1.9%
Natural Resources & Mining	15.7	14.1	1.6	11.3%
Construction	96.1	97.1	-1.0	-1.0%
Manufacturing	56.2	60.1	-3.9	-6.5%
<i>Services Producing</i>	1101.7	1252.4	-150.7	-12.0%
<i>Private Service Providing</i>	945.0	1090.6	-145.6	-13.4%
Trade, Transportation & Utilities	231.8	256.5	-24.7	-9.6%
Information	14.1	15.6	-1.5	-9.6%
Financial Activities	67.6	70.8	-3.2	-4.5%
Professional & Business Services	166.6	202.4	-35.8	-17.7%
Education and Health Services	131.2	143.1	-11.9	-8.3%
Leisure and Hospitality	297.9	360.0	-62.1	-17.3%
Other Services	35.8	42.2	-6.4	-15.2%
Government	156.7	161.8	-5.1	-3.2%
Data may not add due to rounding. Employment by place of work. Does not coincide with labor force concept. Includes multiple jobholders.				

Employment Statistics

The table above demonstrates Nevada’s diversified economy. Continuing diversification of the local economy, as outlined in the Introduction section, will help reduce the impact of any future economic downturns and reduce the dependence on gaming. The chart above shows the employment in the largest sectors of the economy. Leisure and Hospitality, the largest category of employment, has shown a 17.3% decrease in employment in June 2020 as compared to June 2019 due to the COVID-19 pandemic. The Professional & Business Services sector was also impacted by the COVID-19 pandemic with a 17.7% decrease in employment. The employment category that has sustained growth through the COVID-19 pandemic is the Natural Resources & Mining sector of 11.3%.

**Reno-Tahoe Airport Authority
 FY 2020-21
 ANNUAL BUDGET
 Section 10 – Supplemental Data**

Unemployment Statistics

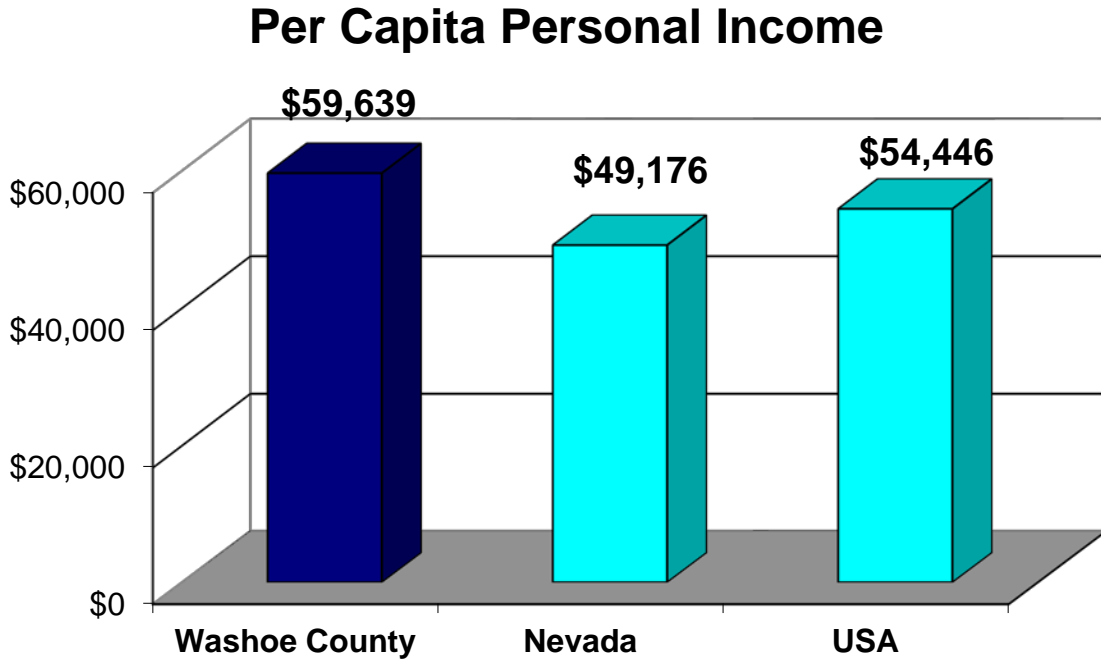


Source: Nevada Department of Employment, Training and Rehabilitation

This graph shows the Reno-Tahoe area unemployment rate of 8.6% in June 2020 as compared to the rest of the state. The Reno - Sparks MSA is usually below not only the Las Vegas statistics for Southern Nevada, but also the state as a whole. During the past year, the Reno-Sparks 2019 unemployment rate has increased as compared to 3.4% in June 2019 and 3.5% in June 2018. The unemployment rate increase is due to the closing of non-essential businesses per Governor Sisolak’s order on March 20, 2020 and the slow recovery as shelter in place orders are lifted.

The nationwide unemployment rate at the end of June 2020 registered 11.1% as reported by the Bureau of Labor Statistics. The COVID-19 pandemic has caused the largest global recession in history and this is reflected in an increase in the nationwide unemployment rate due to many states ordering non-essential businesses to close.

**Reno-Tahoe Airport Authority
FY 2020-21
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Source: U.S. Department of Commerce – Bureau of Economic Analysis
www.bea.gov/Regional/Reis

Per Capita Personal Income

Another aspect of Reno-Tahoe area employment is Per Capita Personal Income. As the latest data available as of 2018 demonstrates, the Reno-Tahoe service area of Washoe County, Nevada not only has a higher per capita personal income than the state in general, but also surpassed the national average per capita personal income level.

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
Section 10 – Supplemental Data

RENO-TAHOE AIRPORT AUTHORITY
 PRINCIPAL EMPLOYERS WITHIN AIR TRADE AREA
 FOR THE CALENDAR YEARS ENDED 2018 AND 2009
 (unaudited)

Employer	Calendar year 2018		Calendar year 2009	
	Rank	Employees	Rank	Employees
Renown Medical Center	1	5,000-9,999	5	2,000-2,499
AMERCO	2	1,000-4,999	-	-
Circus Circus Reno	3	1,000-4,999	-	-
Eldorado Resort Casino	4	1,000-4,999	-	-
Grand Sierra Resort & Casino	5	1,000-4,999	-	-
Harrah's Reno Casino	6	1,000-4,999	-	-
International Game Technology (IGT)	7	1,000-4,999	4	2,500-2,999
Nevada System of Higher Education	8	1,000-4,999	2	4,000-4,499
Nugget Casino Resort	9	1,000-4,999	-	-
Peppermill Inc	10	1,000-1,499	6	2,000-2,499
Silver Legacy Resort Casino	11	1,000-1,499	7	1,500-1,999
St Mary's Regional Medical Center	12	1,000-1,499	9	1,500-1,999

Nevada Revised Statute Chapter 612 stipulates that actual employment for individual employers may not be published.

Source: Nevada Workforce & the Department of Employment, Training and Rehabilitation, 2018 Second Half

www.nevadaworkforce.com/CAFR

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
Section 10 – Supplemental Data

Domestic Airline Passengers

Systemwide (Domestic + International) Scheduled Enplanements on U.S. Airlines, Unadjusted Passenger numbers in millions (000,000)						
	2017	2018	2019	2017-2018 PCT. Change	2020	2019-2020 PCT. Change
January	62.62	64.43	67.02	2.9%	70.76	6%
February	58.38	61.72	63.58	5.7%	67.76	7%
March	72.96	76.29	80.21	4.6%	39.10	-51%
April	70.26	73.63	76.43	4.8%	3.00	-96%
May	73.68	77.30	81.34	4.9%	7.90	-90%
June	77.01	80.88	83.84	5.0%	16.30	-81%
July	79.82	83.96	86.96	5.2%		
August	77.10	80.99	83.78	5.0%		
September	64.92	68.70	72.58	5.8%		
October	72.70	75.51	78.62	3.9%		
November	69.63	72.74	73.07	4.5%		
December	70.33	72.88	79.28	3.6%		
6 Mo.	414.91	434.25	452.42	4.7%	204.82	
Total						-54.7%
Yr. Total	849.41	889.03	926.71	4.7%		

Source: Bureau of Transportation Statistics, T-100 Market

Note: Percentage changes based on numbers prior to rounding.

Note: May & June 2020 are preliminary passenger numbers

<https://www.bts.gov/newsroom>

The table above lists the last two calendar years of domestic airline passenger enplanements for the United States. The national statistics mirror the annual passenger peaks for RNO that occur in July and August each year.

Reno-Tahoe Airport Authority
FY 2020-21
ANNUAL BUDGET
Section 10 – Supplemental Data

Airline Profitability

Quarterly Large Airline Systemwide (Domestic + International) Net Income Ranked by 1Q 2020 Operating Revenue (millions of dollars)							
Rank	Airline	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	Dollar Change 1Q2019- 1Q2020
1	American	230	714	508	521	-2,169	-2,399
2	Delta	748	1,407	1,494	1,121	-511	-1,259
3	United	293	1,052	1,024	642	-1,704	-1,997
4	Southwest	387	741	659	514	-94	-481
5	Alaska	17	256	311	181	-210	-227
6	JetBlue	42	180	187	161	-268	-310
7	Spirit	56	115	83	81	-28	-84
8	Hawaiian	40	62	86	51	-142	-182
9	SkyWest	30	60	61	43	9	-21
10	Frontier	27	81	88	56	-60	-87
10-Carrier Total		1,870	4,668	4,501	3,371	-5,177	-7,047

Source: Bureau of Transportation Statistics, F41; Schedule P12 data

This table lists the latest quarterly operating profit for the Largest Scheduled Passenger Airlines for the most recent five quarters ending with the 1st Quarter of 2020.

The top 10 airlines, ranked by operating revenue, reported an after-tax net loss of \$4.90 billion in the first quarter of 2020, down 364% from a profit of \$1.87 billion in the first quarter of 2019 and down 254% from a profit of \$3.4 billion in the fourth quarter of 2019.

Fuel costs decreased 14% as compared to the prior year and increased 61% as compared to 2018. Crude oil prices have a decrease of 37% in June 2020 as compared to the same period last year. Full-time equivalent (FTE) employment at U.S. passenger airlines reached over 449,775 jobs in 2019, the highest level since 2002.

Section 11 – State of Nevada Budget Format



Reno-Tahoe Airport Authority

P.O. Box 12490 • Reno, NV 89510-2490 • (775)328-6400 • (775)328-6510

Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706-7921

Reno-Tahoe Airport Authority herewith submits the FINAL budget for the
fiscal year ending June 30, 2021

This budget contains 0 funds, including Debt Service, requiring property tax revenues totaling \$ 0

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits, the tax rate will be increased by an amount not to exceed 0. If the final computation requires, the tax rate will be lowered.

This budget contains 0 governmental fund types with estimated expenditures of \$ 0 and 1 proprietary fund with estimated expenses of \$ 79,730,077

Copies of this budget have been filed for public record and inspection in the offices enumerated in NRS 354.596 (Local Government Budget and Finance Act).

CERTIFICATION

I Randall O. Carlton
(Printed Name)
Chief Financial Officer
(Title)

certify that all applicable funds and financial operations of this Local Government are listed herein

Signed Randall O. Carlton

Dated: 5/21/2020

APPROVED BY THE GOVERNING BOARD

Carol Chaplin

Jessica Sferrazza

Nat Carasali

Shaun Carey

Daniel Farahi

Lisa Gianoli

Richard Jay

Jenifer Rose

Art Sperber

SCHEDULED PUBLIC HEARING:

Date and Time 5/21/2020 - 9 AM

Publication Date 5/12/2020

Place: Reno-Tahoe Airport Authority - Board Room

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 06/30/19	ESTIMATED CURRENT YEAR ENDING 06/30/20	BUDGET YEAR ENDING 06/30/21
General Government			
Judicial			
Public Safety			
Public Works			
Sanitation			
Health			
Welfare			
Culture and Recreation			
Community Support			
TOTAL GENERAL GOVERNMENT			
Utilities			
Hospitals			
Transit Systems			
Airports	270.0	280.5	280.5
Other			
TOTAL	270.0	280.5	280.5

POPULATION (AS OF JULY 1)			469,801
SOURCE OF POPULATION ESTIMATE*			Nevada Department of Taxation
Assessed Valuation (Secured and Unsecured Only)			
Net Proceeds of Mines			
TOTAL ASSESSED VALUE			
TAX RATE			
General Fund			
Special Revenue Funds			
Capital Projects Funds			
Debt Service Funds			
Enterprise Fund			
Other			
TOTAL TAX RATE			

* Use the population certified by the state in March each year. Small districts may use a number developed per the instructions (page 6) or the best information available.

RENO-TAHOE AIRPORT AUTHORITY
(Local Government)

SCHEDULE S-2 - STATISTICAL DATA

PROPRIETARY FUND	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/21	
	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	TENTATIVE APPROVED	FINAL APPROVED
OPERATING REVENUE				
Landing and Aircraft Fees	\$ 9,719,482	\$ 9,600,808	\$ 9,703,327	\$ 7,333,429
Gaming Concession	1,116,447	652,800	641,300	340,800
Food & Beverage Concession	1,581,646	1,256,176	1,164,951	734,604
Merchandise Concession	1,102,964	937,500	932,145	932,145
Auto Rental Concession	7,838,835	6,700,200	5,672,852	3,313,580
Parking/Ground Transportation	12,817,675	9,569,874	9,535,100	5,746,700
Rents	14,078,154	16,350,286	18,046,549	16,572,449
Other Concessions/Reimbursed Svcs/Misc.	4,294,534	3,609,028	4,113,815	2,620,322
Total Operating Revenue	\$ 52,549,737	\$ 48,676,672	\$ 49,810,038	\$ 37,594,028
OPERATING EXPENSE				
Personnel Services	\$ 29,334,325	\$ 31,212,364	\$ 31,256,925	\$ 31,147,425
Utilities and Communications	2,772,620	2,752,409	2,891,714	2,891,714
Purchased Services	5,521,530	5,534,912	5,959,105	5,558,177
Materials and Supplies	2,045,295	2,246,177	2,397,307	2,397,307
Administrative Expenses	2,646,733	2,741,002	2,437,630	2,397,480
Depreciation/Amortization	27,801,203	35,000,000	35,000,000	35,000,000
Total Operating Expense	\$ 70,121,706	\$ 79,486,863	\$ 79,942,680	\$ 79,392,102
Operating Income or (Loss)	(17,571,969)	(30,810,191)	(30,132,642)	(41,798,074)
NONOPERATING REVENUES (EXPENSES)				
Interest Earned	2,168,829	1,150,200	673,100	582,000
Jet Fuel Tax Revenue	306,035	260,100	330,900	260,100
PFC Revenues (Passenger Facility Chg.)	8,443,673	7,199,900	6,042,000	3,592,700
Gain (Loss) on sale of capital assets	25,070	-	-	-
Customer Facility Charge	4,613,478	4,327,900	5,241,700	3,061,700
CARES Act Proceeds		2,917,136		12,374,475
Interest Expense	(438,892)	(389,125)	(337,975)	(337,975)
Miscellaneous Non-Operating Expense	-	-	-	-
Total Nonoperating Revenues (Expenses)	15,118,193	15,466,111	11,949,725	19,533,000
Net Income before Operating Transfers	\$ (2,453,776)	\$ (15,344,080)	\$ (18,182,917)	\$ (22,265,074)
Operating Transfers (Schedule T)				
In				
Out				
Net Operating Transfers	0	0	0	0
NET INCOME	\$ (2,453,776)	\$ (15,344,080)	\$ (18,182,917)	\$ (22,265,074)

RENO-TAHOE AIRPORT AUTHORITY
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET INCOME

FUND AIRPORTS

PROPRIETARY FUND	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/21	
	ACTUAL PRIOR YEAR ENDING 6/30/2019	ESTIMATED CURRENT YEAR ENDING 6/30/2020	TENTATIVE APPROVED	FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (17,571,969)	\$ (30,810,191)	\$ (30,132,642)	\$ (41,798,074)
Depreciation/Amortization	27,801,203	35,000,000	35,000,000	35,000,000
Provision for Bad Debt	-	-	-	-
Loss on Sale of Property and Equipment	-	-	-	-
Changes in Current Assets and Liabilities	690,081	-	-	-
a. Net cash provided by (or used for) operating activities	10,919,315	4,189,809	4,867,358	(6,798,074)
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Jet Fuel Tax Revenue	306,035	260,100	330,900	260,100
b. Net cash provided by (or used for) non capital financing activities	306,035	260,100	330,900	260,100
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Federal Grant Proceeds	14,066,191	22,929,109	24,639,131	24,639,131
Proceeds from sale of Capital Assets	25,070	-	-	-
CARES Act Proceeds	-	2,917,136	-	12,857,375
Customer Facility Charge Revenue	4,613,478	4,327,900	5,241,700	3,061,700
Acq. & Const. of Capital Assets	(27,257,214)	(55,360,116)	(48,297,309)	(48,632,169)
Principal/Interest Payments	(2,223,100)	(2,249,125)	(2,247,975)	(2,247,975)
Receipts of PFC Revenue	8,443,673	7,199,900	6,042,000	3,592,700
Non-Operating Expenses	-	-	-	-
c. Net cash by (or used for) capital and related financing activities	(2,331,902)	(20,235,197)	(14,622,453)	(6,729,239)
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Receipt of Interest	1,135,691	1,150,200	673,100	582,000
Purchase/Sale of Investments	(16,546,001)	-	-	-
d. Net cash provided by (or used in) investing activities	(15,410,310)	1,150,200	673,100	582,000
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	(6,516,862)	(14,635,087)	(8,751,095)	(12,685,213)
CASH AND CASH EQUIVALENTS AT JULY 1, 20XX	17,146,567	10,629,705	(4,005,382)	(4,005,382)
CASH AND CASH EQUIVALENTS AT AT JUNE 30, 20XX	\$ 10,629,705	\$ (4,005,382)	\$ (12,756,477)	\$ (16,690,595)

RENO-TAHOE AIRPORT AUTHORITY

Schedule F - 2 - Statement of Cash Flows

FUND: AIRPORTS

ALL EXISTING OR PROPOSED
 GENERAL OBLIGATION BONDS, REVENUE BONDS,
 MEDIUM-TERM FINANCING, CAPITAL LEASES AND
 SPECIAL ASSESSMENT BONDS

* - Type
 1 - General Obligation Bonds
 2 - G.O. Revenue Supported Bonds
 3 - G.O. Special Assessment Bonds
 4 - Revenue Bonds
 5 - Medium-Term Financing

6 - Medium-Term Financing - Lease Purchase
 7 - Capital Leases
 8 - Special Assessment Bonds
 9 - Mortgages
 10- Other (Specify Type)
 11- Proposed (Specify Type)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
NAME OF BOND OR LOAN List and Subtotal By Fund	*	TERM	ORIGINAL AMOUNT OF ISSUE	ISSUE DATE	FINAL PAYMENT DATE	INTEREST RATE	BEGINNING OUTSTANDING BALANCE 7/1/2020	INTEREST PAYABLE	PRINCIPAL PAYABLE	(9) + (10) TOTAL
FUND: AIRPORTS										
RTAA, AIRPORT REVENUE REFUNDING BONDS SERIES 2015	4	11	20,690,000	10/01/15	07/01/26	2.75%	12,290,000	337,975	1,910,000	2,247,975
TOTAL ALL DEBT SERVICE			\$ 20,690,000				\$ 12,290,000	\$ 337,975	\$ 1,910,000	\$ 2,247,975

SCHEDULE C-1 INDEBTEDNESS

RENO-TAHOE AIRPORT AUTHORITY Budget Fiscal Year 2017-18

SCHEDULE OF EXISTING CONTRACTS

Budget Year 2020 - 2021

Local Government: Reno-Tahoe Airport Authority
 Contact: Alex Kovacs
 E-mail Address: akovacs@renoairport.com
 Daytime Telephone: 775-328-6435

Total Number of Existing Contracts: 94

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2020-21	Proposed Expenditure FY 2021-22	Reason or need for contract:
1	Fennemore Craig Jones Vargas	2/1/2014	1/30/2024	\$ 420,000	\$ 420,000	Legal Services
2	Unknown	12/1/2021	Unknown	\$ 54,000	\$ 84,000	Local/State Lobbying & Government Advocacy
3	The Porter Group	2/13/2019	1/31/2022	\$ 106,000	\$ 106,000	Federal Representation Services
4	Dio, LLC	9/1/2020	8/31/2021	\$ 30,000	\$ 30,000	Data Source for Air Service Dept needs
5	Walker & Associates, LLC	7/1/2020	6/30/2021	\$ 50,000	\$ 50,000	Air Service Meetings and Analysis
6	Reed Business Information	7/1/2020	6/30/2021	\$ 16,000	\$ 16,000	Flight Global Mapping Tool
7	Airline Data Inc.	7/8/2020	7/7/2021	\$ 7,800	\$ 7,800	ACA Leakage Module
8	Morris Visitors Publications		On-going	3,700	3,700	North Lake Tahoe Vacation advertising and Reno Tahoe Visitors advertising
9	Madden Media		On-going	2,300	2,300	South Lake Tahoe Vacation advertising
10	anna.aero	7/1/2020	6/30/2021	12,000	12,000	12 month contract: July 2020 - June 2021
11	Reno Air Racing Association	7/1/2019	6/30/2020	\$ 20,000	\$ 60,000	National Championship Air Race Sponsorship
12	University of Nevada-Reno	7/1/2019	6/30/2020	\$ 43,340	\$ 43,340	Intercollegiate Athletics Trade Out Agreement
13	TV Eyes	8/1/2018	7/1/2021	\$ 1,600	\$ -	Three Year Contract for Capturing News Media
14	Constant Contact		On-going	\$ 3,840	\$ 3,840	E-News Distribution
15	Hootesuit Insights		On-going	\$ 3,888	\$ 3,888	Social Media Monitoring
16	Meltwater News US		On-going	\$ 10,670	\$ 11,737	News Media Monitoring
17	Spotify			\$ 120	\$ 120	Annual Contract for On-demand, Ad-free Music
18	Dropbox Buisness			\$ 150	\$ 150	Annual Contract for 5 TB of Document Sharing
19	OnStrategy	7/1/2018	6/30/2019	\$ 2,400	\$ 2,400	Strategic Planning
20	ComPsych	8/1/2019	7/31/2021	\$ 4,430	\$ 4,500	Employee Assistance Program Services
21	Lockton	7/1/2017	6/30/2022	\$ 44,000	\$ 44,000	Insurance Brokerage Services
22	Hometown Health Plan	1/1/2021	12/31/2022	\$ 3,313,000	\$ 3,644,000	Employee Health Benefit Plan
23	Standard Insurance	1/1/2020	12/31/2022	\$ 366,000	\$ 382,000	Employee Dental, Vision, Life & Long Term Disability Benefit Plans
24	My Cafeteria Plan	1/1/2017	6/30/2021	\$ 6,000	\$ 6,600	Third Party Administration Services (HSA/Flex Plan Claims)
25	Affirmity	9/1/2019	8/31/2022	\$ 5,500	\$ 5,500	Third Party Affirmative Action Analysis
26	Ionwave Technologies	7/1/2015	6/30/2021	\$ 18,750	\$ 18,750	E-Procurement License, Maintenance and Professional Services
27	Ozilio	7/1/2020	6/30/2021	\$ 600.00	\$ 600.00	Video webstreaming for afd cam
28	Safety Kleen	7/1/2019	6/30/2021	\$ 1,000.00	\$ 1,000.00	Parts washer service
29	Waters Septic Service	7/1/2010	6/30/2021	\$ 1,500.00	\$ 1,500.00	Separator services
30	All Weather, Inc.	7/1/2020	6/30/2022	\$ 5,900.00	\$ 5,900.00	AWOS certification and service
31	Kone Elevator service	7/1/2020	6/30/2021	\$ 2,400.00	\$ 2,500.00	
32	LA Perks	7/1/2020	6/30/2021	\$ 1,100.00	\$ 1,100.00	Annual washrack alarm certification
33	Emerson	7/1/2020	6/30/2021	\$ 7,500.00	\$ 7,500.00	Terminal UPS services
34	One Call Maintenance - Janitorial	9/1/2017	8/30/2022	\$ 18,971.00	\$ 19,800.00	
35	Crowe Horwath	3/13/2014	6/30/2021	\$ 64,000	\$ 64,000	External Audit Services

SCHEDULE OF EXISTING CONTRACTS

Budget Year 2020 - 2021

Local Government: Reno-Tahoe Airport Authority
Contact: Alex Kovacs
E-mail Address: akovacs@renoairport.com
Daytime Telephone: 775-328-6435

Total Number of Existing Contracts: 94

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2020-21	Proposed Expenditure FY 2021-22	Reason or need for contract:
36	US Bank	5/23/2013	7/1/2020	\$ 9,185	\$ 9,185	Bond and Note Trustee
37	Government Portfolio Advisors	6/1/2017	6/2/2022	\$ 46,000	\$ 48,000	Investment Advisors Contract
38	Washoe County Invest Pool	5/1/2014	On-going	\$ 5,000	\$ -	Investment fund fees
39	Wells Fargo Bank	9/30/2018	7/1/2020	\$ 37,000	\$ 38,000	Banking Services
40	Wells Fargo Bank	10/24/2018	10/24/2020	\$ 312,500	\$ 312,500	Merchant Services Credit Card Processing
41	McCloud	7/1/2018	7/1/2020	\$ 2,900	\$ 3,000	OPEB & GASB Actuarial
42	Airport Concession Consultants	7/1/2019	ongoing	\$ 7,500	\$ 10,000	Airport Concessions Disadvantage Business Enterprise (ACDBE) compliance
43	QSI Specialists	11/1/2013	ongoing	\$ 4,500	\$ 5,000	Mystery Shopper program
44	TNT Lawns Plus	4/1/2019	ongoing	\$ 2,500	\$ 2,500	Landscape maintenance of Grassy Knolls parcel
45	SmarteCarte			\$ 6,000	\$ 6,000	Luggage Carts for CPB Building
46	Public Financial Management	10/1/2014	6/30/2020	\$ 15,000	\$ 20,000	Airport Financial Advisory Services
47	Landrum Borown	2/7/2019	6/30/2020	\$ 20,000	\$ 25,000	Airline Agreement Negotiations
48	MVI Facility Services	1/1/2020	12/31/2022	\$ 498,823	\$ 454,143	Maintenance of Quick-Turn Around Facility (CFC Funded)
49	A Natural Sparkle		ongoing	\$ 4,420	\$ 5,000	Janitorial Service 1280 Terminal Way
50	Atlantic Aviation	10/18/2012	On-going	\$ 85,815	\$ 85,815	General Aviation Hangar Management
51	Johnson Controls		ongoing	\$ 2,788	\$ 2,800	Alarm monitoring 601 S. Rock
52	Johnson Controls		ongoing	\$ 1,450	\$ 1,550	Fire Extinguisher Service at Airport Mini Warehousing & Park to Travel, 1280 Terminal Way
53	ABC Fire		ongoing	\$ 700	\$ 750	Fire Alarm Monitoring-Airport Mini Warehouse
54	Burgarello Alarm		ongoing	\$ 1,758	\$ 1,800	Alarm monitoring 1200 Terminal Way
55	Burgarello Alarm		ongoing	\$ 2,550	\$ 2,600	Alarm monitoring 1250 Terminal Way & 1280 Terminal way
56	CEI Alarm		ongoing	\$ 420	\$ 450	Burglar alarm monitoring for Mini Warehouse office
57	TBD		ongoing	\$ 2,500	\$ 8,000	HVAC Quarterly Maintenance 1280 Terminal Way
58	Martin-Ross Security		ongoing	\$ 2,400	\$ 2,450	Security Gate Monitoring for Airport Mini Warehouse
59	T&T Lawns Plus		ongoing	\$ 3,360	\$ 3,500	Landscaping Service for 1280 Terminal Wy.
60	T&T Lawns Plus	11/1/2019	3/31/2020	\$ 9,000	\$ 9,000	Snow Removal Mini Warehouse and 1280 Terminal, GA
61	Customaire		ongoing	\$ 2,200	\$ 2,500	HVAC Quarterly Maintenance Airport Mini Warehouse
62	Western Exterminator		ongoing	\$ 1,170	\$ 1,200	Pest Control Airport Mini Warehouse
63	Delta Fire Systems		ongoing	\$ 700	\$ 750	Annual Fire Alarm Inspection- 1250 Terminal
64	Yardi		On-going	\$ 5,920	\$ 5,920	Payment Management System
65	USDA - APHIS	7/1/2020	6/30/2025	\$ 55,000	\$ 56,000	Part 139 Wildlife Management Services
66	Console Cleaning Specialists	7/1/2020	6/30/2021	\$ 5,000	\$ 5,000	Console Cleaning and Preventative Maintenance Service
67	Moetivations	7/1/2020	6/30/2021	\$ 9,500	\$ 7,850	Outsourced Aircom QA Program
68	Scheidt and Bachmann	7/1/2020	6/30/2023	\$ 170,400	\$ 221,000	Parking Revenue Control System Maintenance Agreement
69	Windcave	7/1/2020	6/30/2022	\$ 19,500	\$ 20,500	Processor for EMV and Credit Card Trx's for new PARCS Equipment.
70	Bobby Pages		On-going	\$ 7,000	\$ 7,000	Laundry Service
71	AEEC	1/1/2020	12/31/2020	\$ 192,467	\$ 180,000	Stead Consent Decree Remediation
72	Bob Firth	7/1/2020	6/30/2021	\$ 2,000	\$ 2,000	Water Rights
73	Sierra Environmental Monitoring	7/1/2020	6/30/2021	\$ 10,000	\$ 10,000	Stormwater Sampling

SCHEDULE OF EXISTING CONTRACTS

Budget Year 2020 - 2021

Local Government: Reno-Tahoe Airport Authority
Contact: Alex Kovacs
E-mail Address: akovacs@renoairport.com
Daytime Telephone: 775-328-6435

Total Number of Existing Contracts: 94

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2020-21	Proposed Expenditure FY 2021-22	Reason or need for contract:
74	Michael Baker International	7/1/2020	6/30/2021	\$ 13,000	\$ 13,000	Contracted Services - GIS-Related Repair Work, Programming, and Staff Training
75	TBD	7/1/2020	6/30/2021	\$ 26,950	\$ -	Consultant Services - eGSE Planning, Engineering & Design
76	TBD	7/1/2020	6/30/2021	\$ 20,000	\$ -	Consultant Services - eGSE Environmental
77	TBD	7/1/2020	6/30/2021	\$ -	\$ 1,350,000	Consultant Services - eGSE Construction and Installation
78	TBD	7/1/2020	6/30/2021	\$ 1,980,000	\$ -	Consultant Services - Concourse C Replacement Planning Study
79	Waters Vacuum Truck Service	7/1/2020	6/30/2021	\$20,000	\$22,000	Maintain sand/oil separators including pumping & permitting
80	Unknown Fire System Contractor	7/1/2021	6/30/2022	\$ 32,000	\$ 33,000	State certification requirements
81	One Call Maintenance	7/1/2021	6/30/2022	\$ 182,802	\$ 208,000	Heavy duty cleaning services and equipment
82	Automated Temperature Control Services-BCS	7/1/2021	6/30/2022	\$ 15,000	\$ 15,000	Specialized training and equipment expertise
83	Building Control Services	7/1/2021	6/30/2022	\$ -	\$ -	Specialized equipment repair expertise
84	Chemtreat International-Cooling Towers	7/1/2021	6/30/2022	\$ 8,000	\$ 8,500	Cooling Tower Equipment and chemical servicing
85	Emerson Network Power-UPS	7/1/2021	6/30/2022	\$ 48,000	\$ 49,500	Specialized training and equipment servicing
86	Linen Service	7/1/2021	6/30/2022	\$ 2,000	\$ 2,000	Linen Services needed for our PR dept. support for table clothe cleaning
87	Kone Elevator-Escalator Repair and Maintenance	7/1/2021	6/30/2022	\$ 114,288	\$ 130,000	State certification requirement
88	Stanley Access-Assa Abloy Certified door Service	7/1/2021	6/30/2022	\$ 3,000	\$ 3,000	Specialized equipment and repair service
89	Tennant Company-Ridding Scrubbers	7/1/2021	6/30/2022	\$ 16,000	\$ 16,000	Specialized training and equipment service
90	Trane Company-Chillers	7/1/2021	6/30/2022	\$ 58,000	\$ 59,000	Specialized equipment repair and service
91	ADT Alarm Services- GAOB Building	7/1/2021	6/30/2022	\$ 3,000	\$ 3,000	Security monitoring to support outlying RTAA facilities
92	Elite Line Services BHS	7/1/2021	6/30/2022	\$ 875,502	\$ 1,199,013	Specialized Baggage Handling System (BHS) Equipment service and repair
93	Arthur J. Gallagher	7/1/2018	6/30/2023	\$ 61,800	\$ 63,600	Property/Casualty & Workers Compensation Brokerage Services
94	Puliz Records Management	On-going	On-going	\$ 15,000	\$ 15,000	Records Storage
	Total Proposed Expenditures			\$ 9,707,727	\$ 9,832,901	

Additional Explanations (Reference Line Number and Vendor):

SCHEDULE OF EXISTING CONTRACTS
Budget Year 2020 - 2021

Local Government: Reno-Tahoe Airport Authority
Contact: Alex Kovacs
E-mail Address: akovacs@renoairport.com
Daytime Telephone: 775-328-6435

Total Number of Privatization Contracts: 1

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Duration (Months/ Years)	Proposed Expenditure FY 2020-21	Proposed Expenditure FY 2021-2022	Position Class or Grade	Number of FTEs employed by Position Class or Grade	Equivalent hourly wage of FTEs by Position Class or Grade	Reason or need for contract:
1	One Call Maintenance	8/1/2017	6/30/2022	58 Months	\$ 182,802	\$ 208,000	18	6	17.3	Heavy duty cleaning services and equipment
2										
3										
4										
5										
6										
7										
8	Total									

Attach additional sheets if necessary.

Section 12 – Acronym and Glossary

Reno-Tahoe Airport Authority
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ACRONYMS TERMS	DEFINITIONS
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RTAA	Reno-Tahoe Airport Authority
RNO	Reno-Tahoe International Airport
RTIA	Reno-Tahoe International Airport
RTS	Reno-Stead Airport

Airlines

AS	Alaska Airlines
G4	Allegiant Airlines
AA	American Airline
DL	Delta Air Lines
F9	Frontier Airlines
QX	Horizon Air
B6	JetBlue
WN	Southwest Airlines
SY	Sun Country
UA	United Airlines
Y4	Volaris Airlines

Airport Codes

AUS	Austin, TX
BOI	Boise
MDW	Chicago Midway
ORD	Chicago O'Hare
DFW	Dallas Fort Worth
DAL	Dallas Love Field
DEN	Denver
GDL	Guadalajara
IAH	George Bush Intercontinental
LAS	Las Vegas
LGB	Long Beach
LAX	Los Angeles
MSP	Minneapolis/St Paul
JFK	New York City

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OAK	Oakland
PHX	Phoenix
PDX	Portland
SLC	Salt Lake City
SAN	San Diego
SFO	San Francisco
SJC	San Jose
SEA	Seattle

Regulations

77	FAA Part 77 Imaginary Protection Services
107	FAA Part 107 – A section of the Federal Aviation Regulations having to do with an airport operator’s responsibilities for airport security.
139	FAA Part 139 – A section of the Federal Aviation Regulations having to do with the certification of an airport’s airfield.
150	FAA Part 150 Study – A noise study defined by a section of the Federal Aviation Regulations, that when completed, makes an airport eligible for noise insulation and related land acquisition grants. The Study produces two documents, the Noise Exposure Map and the Noise Compatibility Program.
333	Code of Federal Regulations Section for Exempting a Commercial UAS from needing a COA
1542	TSA Part 1542, Airport Security

All Other

A/E	Architect/Engineer
AAA	American Arbitration Association – Arbitrators are required under some collective bargaining agreements
AAAE	American Association of Airport Executives
AAE	Accredited Airport Executive
AAPOPA	Airport Authority Police Officers Protective Association
AC	Asphaltic Concrete
AC	FAA Advisory Circular
ACA	Affordable Care Act
ACAMS	Access Control and Alarm Monitoring System

Reno-Tahoe Airport Authority
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ACEP	Airport Capacity Enhancement Plan
ACI-NA	Airports Council International - North America
ACIP	Airport Capital Improvement Program for FAA
ACL	Aviation Classics Ltd. - Reno-Stead Airport
ACM	Airport Certification Manual
ACN	Aircraft Certification Number
ACR	Aircraft Condition Report
Accrual Basis of Accounting	Recognizing revenue when it is earned and recognizing expenses in the period incurred, without regard to the time of receipt or payment of cash.
ADA	Americans with Disability Act - U.S. law governing employment and treatment of persons with a qualified disability
AD&D	Accidental Death & Dismemberment Insurance
ADAAP	Americans with Disabilities Act Advisory Panel
ADG	Airplane Design Group
ADPM	Average Day Peak Month
ADO	FAA Airport District Office
AEP	Airport Emergency Plan
AFV	Alternative Fuel Vehicles
AFFF	Aqueous Film Forming Foam
AGL	Above Ground Level
AIM	Aeronautical Information Manual
AIP	Airport Improvement Program - A Federal Aviation Administration program periodically reauthorized by Congress which distributes the proceeds of the federal tax on airline tickets to airports through grants for eligible construction projects and land acquisition.
AirComm	Airport Communications Center
Aircraft Operation	The landing or take off of an aircraft.
Airline Load Factor	The percentage of seats occupied on an aircraft.
Airline Yield per Mile	Airlines' ticket revenues for a given airport divided by the air miles flown to that airport for those tickets.
Airside	The airfield side of an airport used by aircraft, runways, taxiways, and aircraft parking aprons.
AKA	Also Known As

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ALP	Airport Layout Plan - A blue print of an airport required by the Federal Aviation Administration which shows current and future airport development.
ALPA	Air Line Pilots Association
ALS	Approach Lighting Systems
AMASS	Airport Movement Area Safety Systems - Federal Aviation Administration Program for runway incursions
Amortization	A term that refers either to the gradual paying off of a debit in regular installments over a period of time or to the depreciation of an asset over a period of time.
AMP	Airport Master Plan
AMSL	Above Mean Sea Level
ANCA	Airport Noise and Capacity Act of 1990
ANTN	Airport News & Training Network (AAAE)
ANOMS	Aircraft Noise and Operations Monitoring System
ANAP	Airport Noise Advisory Panel
AOA	Air Operations Area
AOPA	Aircraft Owners and Pilots Association
APU	Auxiliary Power Unit
ARC	Airport Reference Code
ARFF	Aircraft Rescue and Fire Fighting
ARP	Airport Reference Point
ARSA	Airport Radar Service Area
ARTS	Automated Radar Terminal System
ASDA	Accelerate Stop Distance Available
ASDE	Airport Surface Detection Equipment
Asset	A single item of ownership having exchange value.
AFSD	Assistant Federal Security Director
ASM	Available Seat Mile
ASOS	Automated Surface Observing System
ASR	Airport Surveillance Radar
ATA	Air Transport Association
ATC	Air Traffic Control
ATCT	Airport Traffic Control Tower
ATIS	Automated Terminal Information System
ATO	Airline Ticket Office

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ARTCC	Air Route Traffic Control Center
ATSI	Airport Training & Safety Institute (AAAE)
AUVSI	Association of Unmanned Vehicle Systems International
AV	Audio-Visual
AVA	Airport Vassar Annex
AVGAS	Aviation Gasoline
AVIS	Automatic Vehicle Identification System - An electronic system that counts vehicle entrances, exits and dwell time at a location.
AWOS	Automated Weather Observing System
AWP	FAA's Western Pacific Region Balanced
Budget	A budget in which receipts are equal to or greater than outlays. A further test for the RTAA is that Net Pledged Revenues must exceed 125 percent of that year's revenue bond debt service.
BAFO	Best and Final Offer
BCS	Building Control System
BHS	Baggage Handling System
BIDS	Baggage Information Displays System - Electronic displays to inform passengers which baggage conveyor will be used for their flight's luggage.
BLM	Bureau of Land Management
BMP	Best Management Practices
BMU	Bag Make-Up
Bond	A security issued by a corporation or public body and usually carrying a fixed rate of interest and a set date, called the bond's maturity, for redemption of the principal.
Bond Covenant	An agreement with the bond holders, which defines, among other things, the priority of the payment of debt service in the use of revenues.
BRL	Building Restriction Line
BTS	Bureau of Transportation Statistics
Budget	An estimate, often itemized, of expected income and expense for a given period in the future.
CAD	Computer Aided Dispatch
CADD	Computer Aided Design and Drafting
CAFR	Comprehensive Annual Financial Report
CALCS	Computerized Airfield Lighting Control System
CAP	Civil Air Patrol

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Capital Project	Construction projects that will have a useful life exceeding one year and a cost greater than \$5,000 and are paid under multiple invoices. These projects may be done either in-house or by an outside contractor.
CARES Act	The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, is a \$2.2 trillion economic stimulus bill passed by the 116 th U.S. Congress and signed into law by President Donald Trump in March 2020 in response to the economic fallout of the COVID-19 pandemic in the United States.
CASM	Cost per Available Seat Mile
CAT	Instrument Landing System Category - Category I, II, III
CATEX	Categorical Exclusion
CBA	Collective Bargaining Agreement - Written contract or agreement between the employee and a recognized employee organization
CBO	Congressional Budget Office
CBP	Customs and Border Protection
CD	Calendar Days
CCR	Central Control Room (for BHS)
CCTV	Closed Circuit Television - Video cameras used for surveillance to maintain security and safety.
CTAF	Common Traffic Advisory Frequency
CE	Civil Engineer
CES	Current Employment Statistics
CFC	Customer Facility Charge
CFR	Code of Federal Regulations
CIP	Capital Improvement Project (in airport budget)
COA	Certificate of Authorization - form of approval for UAS operations
COBRA	Consolidated Omnibus Budget Reconciliation Act of 1985 - Benefit granted to employees to continue their health and other benefit coverage after terminating employment for a specified period of time.
COC	Community Outreach Committee
CPA	Certified Public Accountant

Reno-Tahoe Airport Authority
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CPI	Consumer Price Index
CM	Construction Management
CMAQ	Congestion Mitigation Air Quality
CNG	Compressed Natural Gas
COLA	Cost of Living Adjustment
Competition Plan	A plan required by the FAA of large and medium hub airports at which 50 percent or more of their passengers are handled by two or fewer airlines.
Compensatory Rate Setting	Compensatory rate setting is one in which a sponsor assumes all liability for airport costs and retains all airport revenue for its own use. Aeronautical users are charged only for the costs of the facilities they use. A compensatory rate structure may be imposed on users by ordinance.
ConRAC	Consolidated Rental Car Facility
Cost Centers	Geographic locations on an airport such as the airfield or terminal building use for rate setting purposes.
COVID-19	Coronavirus disease 2019 (COVID-19) is a respiratory illness that can spread from person to person. There are many types of human coronaviruses, including some that commonly cause mild upper-respiratory tract illnesses. COVID-19 is a new disease, caused by a novel (or new) coronavirus that has not previously been seen in humans.
CPE	Cost Per Enplanement – The airlines’ airport costs, landing fees and rents, divided by the total number of passengers enplaned at the airport.
CRJ	Canadair Regional Jet
CSP	Civil Service Plan
CT	Circuit Tester
CUTE	Common Use Terminal Equipment
CVR	Cockpit Voice Recorder “Black Box”
CY	Calendar Year
DAD	Deputy Area Director (Transportation Security Administration/TSA)
dB	Decibel
Daily Departure Seats	The total of all the seats on all the scheduled airline flights leaving an airport each day.

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DBE	Disadvantaged Business Enterprise - The Department of Transportation (DOT) has a policy of helping small businesses owned and controlled by socially and economically disadvantaged individuals, including minorities and women, in participating in contracting opportunities created by DOT financial assistance programs. At airports, DBE's are encouraged to participate in airport concession programs and FAA grant funded projects.
DETR	Nevada Department of Employment, Training, and Rehabilitation
DEIS	Draft Environmental Impact Statement
Depreciation	A non-cash expense that accounts for the value of assets which decreases over time as a result of use, age, or obsolescence.
DGPS	Differential Global Positioning System
DH	Decision Height
DHS	Department of Homeland Security
DME	Distance Measuring Equipment
DP	DP RTA Stead, LLC
DP	Deplaning Passenger -An arriving passenger.
DR	Disaster Recovery
DRI	Desert Research Institute
DVR	Digital Video Recorder
EA	Environmental Assessment
EAP	Employee Assistance Program
EAS	Essential Air Service
EDS	Explosive Detection System - TSA screening equipment
EIS	Environmental Impact Statement
EEO	Equal Employment Opportunity
EEOC	U.S. Equal Employment Opportunity Commission - Agency that enforces various laws i.e., Civil Rights and ADA
ELS	Elite Line Service (BHS Maintenance Contractor) - Contractor that provides Operations and Maintenance on the BHS
ELT	Emergency Locator Transmitter
EMRB	Employee Management Relations Board - State of Nevada

Reno-Tahoe Airport Authority
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EMS	Environmental Management System
EOC	Emergency Operations Center
Enterprise Fund	A form of accounting that utilizes a separate fund or cost center for a specific purpose. Enterprise fund expenditures are generally paid by the revenues generated within the operation of that purpose.
EP	Enplaned Passenger - A departing passenger.
EPA	Environmental Protection Agency
EP	Enplaned Passengers
ESS	Employee Self Service
ETD	Explosive Trace Detection - TSA Screen Equipment
Expenditure	The act of expending something, especially funds; disbursement; consumption.
FAA	Federal Aviation Administration (FAA) – A component of the Department of Transportation with primary responsibility for the safety of civil aviation.
FAR	Federal Aviation Regulations
FBI	Federal Bureau of Investigation
FBO	Fixed Base Operator – Businesses on airports that sell fuel to private plane owners, provide aircraft parking, as well as aircraft maintenance and mechanical services.
FCAD	Facility Condition Assessment Database
FCC	Federal Communication Commission
FDR	Flight Data Recorder “Black Box”
FEIS	Final Environmental Impact Statement
FEMA	Federal Emergency Management Agency
FIDS	Flight Information Displays System - Electronic displays to inform passengers of the status of their flight, such as arrival time, and terminal building gate number.
FIS	Federal Inspection Service
FLOW	Passengers Connecting
FLSA	Fair Labor Standards Act - U.S. Law governing computation and payment of overtime and regulating child labor
FMCS	U.S. Federal Mediation and Conciliation Service - A source of mediator and arbitrators required under some collective bargaining agreements

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FMLA	Family and Medical Leave Act— U.S. law governing requirements for Leave Granting
FOD	Foreign Object Debris or trash on the airfield.
FONSI	Finding of No Significant Impact
FSD	Federal Security Director
FSDO	Flight Standards District Office
FSS	Flight Service Station
FTE	Full Time Equivalent - PTE is Part Time Equivalent
FTZ	Foreign Trade Zone
FY	Fiscal Year – A 12 month period, other than a calendar year, used for financial reporting purposes. The RTAA’s fiscal year begins July 1 st and ends June 30 th .
GA	General Aviation- The activities of privately owned aircraft that are not used for commercial purposes, such as the movement of passengers or freight.
GAAP	General Accepted Accounting Principles
GAO	U.S. General Accounting Office
GDP	Gross Domestic Product
GFOA	Governmental Finance Officers Association
GNSS	Global Navigation Satellite System
GOED	Governor’s Office of Economic Development
GPS	Global Positioning System
GPU	Ground Power Unit
GSE	Ground Service Equipment
GT	Ground Transportation
HAN	Hot August Nights
HDQ	Headquarters
HIRL	High Intensity Runway Lights - (Medium Intensity MIRL)
HIPAA	Health Insurance Portability & Accountability Act
HRA	Health Reimbursement Account
HSA	Health Savings Account
HVAC	Heating Ventilation and Air Conditioning
Hybrid Rate Setting	A combination of the “residual” and “compensatory” methods of airline rate calculation.
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization

Reno-Tahoe Airport Authority
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ICS	Incident Command System
IFR	Instrument Flight Rules
ILS	Instrument Landing System
IMC	Instrument Meteorological Conditions
INM	Integrated Noise Model
Jet Bridge	A mechanical tunnel used by passengers to pass from the terminal building to an aircraft.
JMA	JMA Reno Holding, LLC
K9	Police Working Dog
KCM	Known Crew Member
KKOH	Radio AM 780
KOLO	TV 8 (ABC Affiliate)
KRNV	TV 4 (NBC Affiliate)
KTF	Kindness Takes Flight
KTVN	TV 2 (CBS Affiliate)
KREN	TV 27 (Univision, Spanish programming)
KSA	Knowledge, Skills and Abilities
L3	Manufacturer of TSA provided screening equipment
LAN	Local Area Network (computer network system)
Landed Weight	The maximum gross certificated landed weight of an aircraft, or all aircraft landing at an airport in a fiscal year, which is not dependent on the number of passengers on board.
Landing Fee	The rate charged by an airport to commercial aircraft operators per thousand pounds of landed weight.
Landside	All areas of land owned and maintained by the RTAA outside of the airfield areas perimeter fence.
LCC	Life Cycle Costs
LCD	Liquid Crystal Display; flat-panel, large-format displays - Flat panel displays for use at the checkpoints and FIDS/BIDS locations
LDA	Landing Distance Available
LED	Light-Emitting Diode
LEO	Law Enforcement Officer
LMR	Labor Management Relations

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NAVAIDS	Navigational Aids (FAA equipment)
NCAR	National Championship Air Races
NCIC	National Crime Information Center
NCP	Noise Compatibility Plan
NDA	National Defense Area
NDOT	Nevada Department of Transportation
NEM	Noise Exposure Map
NEPA	National Environmental Policy Act
Net Pledged Revenues	Operating Revenues less Operating Expenses pledged to pay debt service as defined in a bond covenant.
Net Win	The difference between gaming wins and losses before deducting costs and expenses.
NIAS	Nevada Institute of Autonomous Systems
NIBRS	National Incident-Based Reporting System
NLA	New Large Aircraft
NLR	Noise Level Reduction
NNHC	Northern Nevada Health Consortium
NNKK	Northern Nevada Kart Klub
NM	Nautical Mile
NOAA	National Oceanic and Atmospheric Administration
Noise Compatibility Plan	A portion of a Part 150 Study which outlines how an airport will mitigate, through aircraft operations, structural noise insulation or land acquisition, the airport noise impact within certain average noise levels.
Noise Exposure Map	A map that identifies and quantifies the noise impacted areas surrounding the airport.
Non-Airline Revenue	Airport revenue earned from sources other than airlines, such as concession revenues: Merchandise, Food and Beverage, Rental Car, etc. Airports try to maximize non airline revenue to help reduce the amounts they collect from the airlines.
Non-Rate Base Revenue	Revenue not included in the airline rate calculations due to provisions of a revenue bond covenant or an airline agreement.
Non-Signatory Airline	Airlines that have not signed an agreement with an airport committing to rent an airport leasehold for a fixed period of time.
NOTAM	Notice to Airmen

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LOA	Letter of Agreement
LOC	Letter of Credit
LOC	Localizer
LOI	Letter of Intent
LPG	Liquefied Propane Gas
LTD	Long Term Disability
LVIED	Large Vehicle Improvised Explosive Device
MAG	Minimum Annual Guarantee - A minimum amount to be paid by an airport concessionaire. Concessionaires pay the greater of the minimum annual guarantee or a percentage of their gross revenues.
MALSF	Medium-Intensity Approach Lighting Systems with Sequence Flashers
MALSR	Medium-Intensity Approach Lighting System with Runway Alignment Indicator
MDA	Minimum Descent Altitude
Medium Hub Airport	An airport defined by the Federal Aviation Administration as handling 0.25% to 1% of the country’s annual passenger boardings.
MGT	Management Guidelines
MII	Majority In Interest - A method, defined in an airport’s airline agreement, of determining an airline majority for purposes of approving capital projects.
MISER Airport	Hangar development on west side of ramp at Reno-Stead
MOA	Military Operations Area
MOU	Memorandum of Understanding
MOU/A	Memorandum of Understanding/Agreement
MSA	Minimum Safe Altitude
MRO	Maintenance and Repair Overhaul
MVA	Minimum Vectoring Altitude
NAE	Nevada Association of Employers
NANG	Nevada Air National Guard
NASA	National Aeronautics and Space Administration
NATCA	National Air Traffic Controllers Association

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NPIAS	National Plan of Integrated Airport Systems
NPRM	Notice of Proposed Rule Making
NRS	Nevada Revised Statute
NTE	Not to Exceed
NTP	Notice to Proceed
NTSB	National Transportation Safety Board
NVBGH	Nevada Business Group on Health
NWS	National Weather Service
O & D	Origin and Destination
O & M	Operations & Maintenance - Usually refers to cost
O/S	Oversized belt system (Baggage Handling System)
OAG	Official Airline Guide
OFA	Object Free Area
OFZ	Object Free Zone
OSHA	Occupational Safety & Health Administration - Federal Agency responsible for work environment
OSR	On-Screen Resolution Room (TSA area)
OTA	Other Transaction Agreement (with TSA)
P4P	Paws 4 Passengers
PAPI	Precision Approach Path Indicator
PARCS	Parking Revenue Control System
PAX	Passenger
PBX	Private Building Exchange - Private telephone system
PC	Personal Computer
PCI	Pavement Condition Index and/or Payment Card Industry
PCCP	Portland Cement Concrete Pavement
PCN	Pavement Condition Number
PCN	Position Control Number
PDEW	Passenger Daily Each Way
PEBP	Public Employee Benefits Program
PEHP	Post-Employment Health Plan
PERS	Public Employees' Retirement System
PFC	Passenger Facility Charge - A \$4.50 charge per passenger per airport levied by the airlines that is sent to the respective airport, less an \$0.11 administrative fee. The PFC may not be levied until after an airline review and FAA approval process.
PIDS	Perimeter Intrusion Detection System
PIO	Public Information Officer

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PM/CM	Program Management/Construction Management
PP& E	Property, Plant & Equipment - Items that will have a useful life exceeding one year and a unit cost greater than \$5,000 and are paid under one invoice.
PRCS	Parking Revenue Control System
Proprietary Fund	In governmental accounting, a fund having profit and loss aspects, which under generally accepted accounting principles, must use the accrual basis rather than a modified accrual basis of accounting. The two types of proprietary funds are the Enterprise Fund and the Internal Service Fund.
PSA	Professional Services Agreement
QTA	Quick Turn Around
RAC	Rent-a-Car
RADAR	Radio Detection & Ranging
RAFFA	Reno Airport Fire Fighters Association
RARA	Reno Air Racing Association
RASC	Regional Air Service Corporation
RASM	Revenue per Available Seat Mile
RAVEN	Regional Aviation Enforcement - Sherriff & Reno Police Department
REIL	Runway End Identifier Lights
Residual Rate Setting	An airline rate setting method that permits aeronautical users to receive a cross-credit of non-aeronautical revenues to reduce air carrier fees; in exchange the air carrier agrees to cover any shortfalls in revenues to cover airport costs either as a whole or by cost center. A residual rate structure may be accomplished only with agreement of the users.
RFB	Request for Bids
RFI	Request for Information
RFID	Radio Frequency Identification
RFP	Request for Proposal
RFQ	Request for Qualifications
RI	Runway Incursion
RIAT	Runway Incursion Action Team
RIF	Reduction in Force
RJ	Regional Jet
RMS	Record Management System
ROD	Record of Decision

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RON	Remain Overnight
RPZ	Runway Protection Zone – A zone, defined by the FAA, at each end of a runway that is to be protected from development that might affect the operation of the runway.
RSA	Runway Safety Area
RSAT	Runway Safety Action Team
RTAG	Reno Tahoe Aviation Group
RVR	Runway Visual Range
RWY	Runway - RWY or R/W
SaaS	Software as a service
SCCA	Sports Car Club of America
SEC	Securities Exchange Commission
SID	Standard Instrument Departure
SIDA	Security Identification Area - Secure areas of the airport in which identification badges are required to be displayed.
Signatory Airline	An airline that has signed an agreement with an airport committing to rent terminal leased space and pay landing fees for a fixed period of time.
SIP	Sound Insulation Program
SLA	Service Level Agreement
Small Hub Airport	An airport defined by the Federal Aviation Administration as handling 0.05% to 0.25% of the country’s annual passenger boardings.
SMS	Safety Management System
SNJC	Sierra Nevada Job Corps
SOP	Standard Operating Procedure
SRMP	Safety Risk Management Panel
sUAS	Small Unmanned Aircraft System
SSI	Sensitive Security Information
SSP	Select Service Partners - Airport food vendor
STAR	Standard Terminal Arrival Route
SWAAAE	Southwest Chapter of the American Association of Airport Executives
T1	A High Capacity Data Telephone Circuit
TAF	Terminal Area Forecast
TERPS	Terminal Instrument Procedures
TFR	Temporary Flight Restriction

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T-Hangar	A small hangar that resembles a “T” when viewed from above. T hangars are placed next to each other, and inter locked back to back, to maximize the number that can be placed in an area which minimizes the land rental component of their cost.
THRIVE	RTAA Values - Teamwork for Results, Honesty & Integrity, Respect & Recognition, Inspire & Innovate, Versatility, Enthusiasm
TMSTR	Teamsters Union
TNC	Transportation Network Company - Uber and Lyft
TORA	Takeoff Run Available
TOD	Transit Oriented Development
TODA	Takeoff Distance Available
TRACON	Terminal Radar Approach Control
TRAFFIC	Passengers
TSA	Transportation Security Administration - A component of the Department of Homeland Security with primary responsibility for the security of civil aviation.
TWY	Taxiway - TWY or T/W
UAS	Unmanned Aircraft System
UAV	Unmanned Aerial Vehicle
ULP	Unfair Labor Practice - A change or determination made against an employer or an organized employee organization that required certain actions, decided by the Nevada Employee Management Relations Board
UPS	Uninterruptable Power Supply/United Parcel Service
USC	United States Code
USAF	United States Air Force
USDA	United States Department of Agriculture
USDOD	United States Department of Defense - USDOD or DOD
USDOT	United States Department of Transportation - USDOT or DOT
USFS	United States Forest Service (Dept. of Interior)
USF&WS	United States Fish and Wildlife Service - or USFWS
VASI	Visual Approach Slope Indicator
VBIED	Vehicle Borne Improvised Explosive Device
VFR	Visual Flight Rules
VMC	Visual Meteorological Conditions
VOIP	Voice Over IP (Internet Protocol)

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VOR	Very High Frequency Omni-directional Range
VOR/DME	Very High Frequency Omni-directional Range collocated with Distance Measuring Equipment
VORTAC	Very High Frequency Omni-directional Range/Tactical Air Navigation
WAN	Wide Area Network
WC	Workers Compensation
WebEOC	Incident Management Software
WebEx	Cisco Webex is web conferencing and videoconferencing applications.
WED	West End Development at Reno-Stead Airport
WHMP	Wildlife Hazard Management Plan
Wi-Fi	Wireless Fidelity (wireless Internet access)
WWW	World Wide Web
WX	Weather
YIELD	Cents per mile based on airfare & mileage
Zoom	Zoom is modern enterprise video communications with an easy, reliable cloud platform for video and audio conferencing, chat and webinars.



**Reno-Tahoe
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Authority**

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