

BOARD OF TRUSTEES

Adam Kramer, Chair
Richard Jay, Vice Chair
Jenifer Rose, Secretary
Lisa Gianoli, Treasurer
Shaun Carey, Trustee
Carol Chaplin, Trustee
Jennifer Cunningham, Trustee
Jessica Sferrazza, Trustee
Art Sperber, Trustee

PRESIDENT/CEO

Daren Griffin, A.A.E.

GENERAL COUNSEL

Ian Whitlock

CLERK OF THE BOARD

Lori Kolacek

AGENDA
REGULAR MEETING OF THE BOARD OF TRUSTEES

Date: Thursday, January 12, 2023

Time: 9:00 a.m.

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

Public Meeting Notice: Notice is given in accordance with [NRS 241.020](#)

Public Attendance Options:

1. Attend the meeting at the address indicated above; or
2. **Watch on Zoom:** <https://us02web.zoom.us/j/86947182835>; **Webinar ID:** 869 4718 2835; or
3. **Dial in to listen only:** 1-669-900-6833 and enter the Webinar ID when prompted

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

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

This Agenda Has Been Posted at the Following Locations:

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

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

1. INTRODUCTORY ITEMS

- 1.1 Call to Order
- 1.2 Pledge of Allegiance
- 1.3 Roll Call

2. PUBLIC COMMENT**3. APPROVAL OF AGENDA****4. APPROVAL OF MINUTES**

- [4.1](#) November 10, 2022, Regular Board Meeting

5. PRESIDENT/CEO REPORT**6. BOARD MEMBER REPORTS AND UPDATES****7. ITEMS OF SPECIAL INTEREST**

- 7.1 Retirement Recognition for 20+ Years of Service: Debi Meehan **Holly**
- 7.2 Special Recognition: Distinguished Budget / Annual Financial Statement Awards **Randy**

8. CONSENT ITEMS FOR CONSOLIDATED BOARD ACTION

- [8.1](#) Board Memo #01-2023/01: Authorization of the President/CEO to award a Contract for the Purchase of Five (5) Trucks with Corwin Ford, in the amount of \$350,912.25 (*for possible action*)
- [8.2](#) Board Memo #01-2023/02: Authorization for the President/CEO to execute Amendment #2 to the Professional Services Agreement for Design Services for the Ticketing Hall Expansion Project at Reno-Tahoe International Airport, with RS&H Nevada, Inc., in the amount of \$74,455, increasing the total contract amount to \$2,324,566 (*for possible action*)

9. INFORMATION / POSSIBLE ACTION ITEMS

- [9.1](#) Board Memo #01-2023/03: Acceptance of the Annual Comprehensive Financial Report for Fiscal Year 2021-22 (*for possible action*)
- 9.2 Review of the Midyear Budget for Fiscal Year 2022-23
- [9.3](#) Board Memo #01-2023/04: Authorization for the President/CEO to execute a Construction Contract for Airfield Administrative & Airport Duty Managers Offices with Reyman Brothers Construction Inc. in the amount of \$1,554,679 and authorize an Owner's Contingency in the amount of \$235,000 (*for possible action*)

[9.4](#) Board Memo #01-2023/05: Authorization for the President/CEO to Negotiate Final Terms and Execute a Five-Year Professional Services Agreement with Two One-Year Options to Extend for Concessions Consultant Services at the Reno-Tahoe International Airport, with Paslay Management Group, L.P. dba Paslay Group, in the Amount Not to Exceed \$1,800,000 *(for possible action)*

9.5 Federal legislative update to include a review of the 118th Congress

[9.6](#) Board Memo #01-2023/06: Overview of the 82nd Nevada Legislative Session and adoption of 2023 Legislative Platform *(for possible action)*

10. TRUSTEE COMMENTS, QUESTIONS AND REQUESTS FOR AGENDA ITEMS

11. UPCOMING RTAA MEETINGS

Date	Time	Meeting
02/07/2023	9:00 a.m.	Finance & Business Development Committee
	10:00 a.m.	Planning & Construction Committee
02/09/2023	9:00 a.m.	Board of Trustees
	9:00 a.m.	Finance & Business Development Committee
03/07/2023	10:00 a.m.	Planning & Construction Committee
	9:00 a.m.	Board of Trustees
03/09/2023	9:00 a.m.	Finance & Business Development Committee
	10:00 a.m.	Planning & Construction Committee
04/11/2023	9:00 a.m.	Board of Trustees
	9:00 a.m.	Finance & Business Development Committee
04/13/2023	10:00 a.m.	Planning & Construction Committee
	9:00 a.m.	Board of Trustees

12. PUBLIC COMMENT

13. ADJOURNMENT

BOARD OF TRUSTEES

Adam Kramer, Chair
Richard Jay, Vice Chair
Jenifer Rose, Secretary
Lisa Gianoli, Treasurer
Shaun Carey, Trustee
Carol Chaplin, Trustee
Jennifer Cunningham, Trustee
Jessica Sferrazza, Trustee
Art Sperber, Trustee

PRESIDENT/CEO
Daren Griffin, A.A.E.

GENERAL COUNSEL
Ian Whitlock
Ann Morgan

CLERK OF THE BOARD
Lori Kolacek

DRAFT
MINUTES

REGULAR MEETING OF THE BOARD OF TRUSTEES

Date: Thursday, November 10, 2022

Time: 9:00 a.m.

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

1. INTRODUCTORY ITEMS

1.1 Call to Order

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

1.2 Pledge of Allegiance

Michael Dermody was asked to lead the Pledge of Allegiance.

1.3 Roll Call

Roll was taken by the Clerk of the Board.

Present: Richard Jay
Lisa Gianoli
Shaun Carey (by Zoom)
Jennifer Cunningham
Jenifer Rose
Jessica Sferrazza
Art Sperber

Absent: Adam Kramer
Carol Chaplin

2. PUBLIC COMMENT

None.

3. APPROVAL OF AGENDA

Motion: Motion to approve the agenda as presented

Moved by: Art Sperber

Seconded by: Jennifer Cunningham

Aye: Trustees Jay, Gianoli, Rose, Carey, Cunningham, Sferrazza, Sperber

No: None

Absent: Adam Kramer, Carol Chaplin

Vote: Motion passed

4. APPROVAL OF MINUTES

4.1 October 13, 2022, Regular Board Meeting

Motion: Motion to approve the October 13, 2022, Minutes as presented

Moved by: Jenifer Rose

Seconded by: Lisa Gianoli

Aye: Trustees Jay, Gianoli, Rose, Carey, Cunningham, Sferrazza, Sperber

No: None

Absent: Adam Kramer, Carol Chaplin

Vote: Motion passed

5. PRESIDENT/CEO REPORT

In addition to the information provided in the monthly CEO Report packet, CEO Griffin had the following items to share with the Board. Frontier Airlines will end their operation at RNO on February 15, 2023. Spirit Airlines is adding one additional flight per day to Las Vegas starting 3/9/2023. RNO is preparing for the busiest Thanksgiving in more than 10 years if the projections on load factor hold true. CEO Griffin also congratulated Chris Cobb on his promotion to Facilities & Maintenance Director and he announced the cancellation of the December Committee and Board meetings.

Ted Ohm, Sr. Facilities Project Manager, reminded everyone to check their smoke detector batteries and presented a healthy lifestyle safety briefing.

6. BOARD MEMBER REPORTS AND UPDATES

Trustee Cunningham gave an update on the first meeting of the Art Committee that was held October 3rd. Trustee Sferrazza requested a list of the Art Committee members.

Trustee Jay gave an update on the status of the Community Outreach Committee (COC). For the past 18 month or so there has been very poor attendance at the meetings. They will be putting this program on pause for a few months to come up with a plan for how best to move forward in the future. Trustee Sferrazza suggested we look into having a recurring airport update on the Regional Governing Board agenda.

7. ITEMS OF SPECIAL INTEREST

None.

8. CONSENT ITEMS FOR CONSOLIDATED BOARD ACTION

None.

9. INFORMATION / POSSIBLE ACTION ITEMS

[Item No. 9.8 was moved to the beginning of this section to be heard first.]

9.8 Public Safety Answering Point (PSAP) Transition Update *(informational)*

This item was presented by Ben Carpenter, Airport Communications Manager, Mike Brown, Admin Chief, and Cody Shadle, Manager for Reno Public Safety Dispatch. Due to the growth of the airport, and the growth of the dispatch call volume, we need to have more ability to dispatch our equipment and ask for equipment from neighboring agencies. This transition gives us the ability to do this.

9.1 Board Memo #11-2022/67: Authorization for the President/CEO to execute a 3-year initial collective bargaining agreement between the Reno-Tahoe Airport Authority and the Airport Fire Battalion Chiefs, IAFF Local 731, effective July 1, 2022, through June 30, 2025 *(for possible action)*

This item was presented by Julie Blevins, Labor Relations & Benefits Manager. After discussion, the Board took the following action:

Motion: Move to authorize the President/CEO to execute a 3-year initial collective bargaining agreement between the Reno-Tahoe Airport Authority and the Airport Fire Battalion Chiefs, IAFF Local 731, effective July 1, 2022, through June 30, 2025

Moved by: Jessica Sferrazza

Seconded by: Jenifer Rose

Aye: Trustees Jay, Gianoli, Rose, Carey, Cunningham, Sferrazza, Sperber

No: None

Absent: Adam Kramer, Carol Chaplin

Vote: Motion passed

9.2 Board Memo #11-2022/68: Authorization for the President/CEO to execute a one-year contract with Aetna for CY 2023 for Reno-Tahoe Airport Authority employee medical insurance coverage in the amount of \$2,998,848, with a 2nd year rate-capped extension option, and fund an additional \$41,500 into employee health savings accounts *(for possible action)*

This item was presented by Julie Blevins, Labor Relations & Benefits Manager. Trustee Sferrazza disclosed that she represents Prominence (who submitted a quote on the contract) and recused herself from this item. After discussion, the Board took the following action:

Motion: Move to authorize the President/CEO to execute a one-year contract with Aetna for Reno-Tahoe Airport Authority employee medical insurance coverage in the amount of \$2,998,848 for calendar year 2023, which includes a no-obligation, 2nd year rate-capped extension option, and continue to fund employee Health Savings Accounts in the amount of \$41,500, for an overall cost of \$3,040,348 for calendar year 2023

Moved by: Lisa Gianoli

Seconded by: Jenifer Rose

Aye: Trustees Jay, Gianoli, Rose, Carey, Cunningham, Sperber

No: None

Recusal: Jessica Sferrazza

Absent: Adam Kramer, Carol Chaplin

Vote: Motion passed

9.3 Board Memo #11-2022/69: Authorization for the President/CEO to execute a one-time lease extension with DP RTA Stead PH 1, for a period of 8 years, with Stellar Aviation of Reno-Tahoe, LLC for a period of 5 years and with TDC Airway LLC, for a period of 5 years to account for delays caused by the Section 163 review process and subsequent delays caused by the NEPA process *(for possible action)*

This item was presented by Aurora Ritter, Airport Economic Development Manager. After discussion, the Board took the following action:

Motion: Moved to authorize the President/CEO to execute a one-time lease extension with DP RTA Stead PH 1, for a period of 8 years, with Stellar Aviation of Reno-Tahoe, LLC for a period of 5 years and with TDC Airway LLC, for a period of 5 years to account for delays caused by the Section 163 review process and subsequent delays caused by the NEPA process

Moved by: Jessica Sferrazza

Seconded by: Jennifer Cunningham

Aye: Trustees Jay, Gianoli, Rose, Carey, Cunningham, Sferrazza, Sperber

No: None

Absent: Adam Kramer, Carol Chaplin

Vote: Motion passed

9.4 RTS Dermody Development Update *(informational)*

Michael Dermody and Michael Russell gave an overview of the project. The project will consist of widening Moya Blvd to Echo Ave.; realigning Industry Cir to create a T intersection; extending Moya Blvd through the entire project between the buildings; upgraded landscaping along Moya Blvd; and implementation of storm water management. The plan is for two buildings (654,500 and 468,740 sq ft) capable of warehousing distribution and light manufacturing.

9.5 Review RTAA First Quarter FY2022-23 Fiscal Results *(informational)*

This item was presented by Alex Kovacs, Finance & Budget Director. Board discussion followed the presentation.

(Jennifer Cunningham left the meeting at 11:10 a.m.)

9.6 RTAA Digital Transformation Plan Update *(informational)*

This item was presented by Art Rempp, Chief Technology Officer, and Sam Ingles of Barich. Board discussion followed the presentation.

9.7 Process for Updating Strategic Plan *(informational)*

This item was presented by Brian Kulpin, Chief Marketing & Public Affairs Officer.

10. TRUSTEE COMMENTS, QUESTIONS AND REQUESTS FOR AGENDA ITEMS

Jessica Sferrazza mentioned that the RSCVA and RTAA December Board meetings were scheduled for the same day. She stated this has been an issue in the past and thanked CEO Griffin for cancelling the RTAA December meeting so she can attend the RSCVA Board meeting with no conflict. Lori Kolacek mentioned that there are no conflicts for next year's dates.

11. UPCOMING RTAA MEETINGS

Date	Time	Meeting
12/06/2022	9:00 a.m.	CANCELLED - Finance & Business Development Committee
	10:00 a.m.	CANCELLED - Planning & Construction Committee
12/08/2022	9:00 a.m.	CANCELLED - Board of Trustees
12/15/2022	3:30 p.m.	Airport Sustainability Advisory Committee (ASAC)
01/10/2023	9:00 a.m.	Finance & Business Development Committee
	10:00 a.m.	Planning & Construction Committee
01/12/2023	9:00 a.m.	Board of Trustees
02/07/2023	9:00 a.m.	Finance & Business Development Committee
	10:00 a.m.	Planning & Construction Committee
02/09/2023	9:00 a.m.	Board of Trustees
03/07/2023	9:00 a.m.	Finance & Business Development Committee
	10:00 a.m.	Planning & Construction Committee
03/09/2023	9:00 a.m.	Board of Trustees

12. PUBLIC COMMENT

None.

13. ADJOURNMENT

The meeting was adjourned at 11:50 a.m.

President/CEO Report

To: All Board Members
From: Daren Griffin, President/CEO
Date: January 2023

COMMERCIAL BUSINESS

PROPERTIES AND AIRPORT ECONOMIC DEVELOPMENT

ConRAC/GTC Project

RTAA staff sent notification letters to tenants of 1280 Terminal Way about the pending ConRAC/GTC Project. They were advised that the project would require the building to be demolished, but their tenancy would not be impacted prior to July 2023. This provided the tenants with over seven months' notice of the termination of their leases. Staff followed the notification letter with direct tenant outreach in the form of site visits and/or phone calls, with an interpreter present as necessary. These follow up communications allowed for tenants to ask any questions or express concerns about the project and the future of their tenancy. Tenants were appreciative of the advance notice.

RTS Land Development

Dermody Properties Phase I Development

The Dermody team has secured and executed some of the necessary easements and right-of-way documents but continues to work with the Union Pacific Railroad on the at-grade crossing and the City of Reno on the permitting process. The park monumentation sign construction is expected to start January 9, 2023 and be complete by January 20.

RNO Land Development

Stellar Aviation of Reno-Tahoe, LLC

Stellar Aviation of Reno-Tahoe, LLC (Stellar) is planning a groundbreaking event on January 4, 2023 at the new FBO terminal site on the corner of Rock Blvd and Mill St. Construction will start with work on the FBO ramp and the FBO terminal will follow.

AIR SERVICE DEVELOPMENT

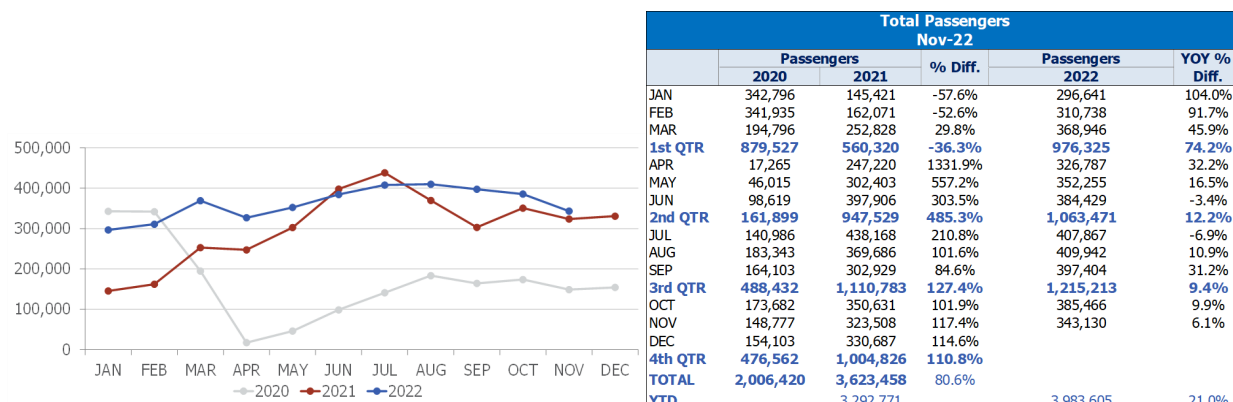
Southwest Airlines Business partners with RTAA for Chamber Alliance Event

On November 2, in coordination with the RTAA staff, the Southwest Airlines Business Team attended and presented at the Reno + Sparks Chamber's annual Alliance event. Dave Harvey, VP of Southwest Business, along with CEO Griffin, spoke to a sold-out crowd. Dave Harvey addressed the impressive growth of the region and the collaboration of the Reno-Tahoe partners. Happy to be the "hometown carrier", Southwest was supportive and complimentary of the airport's plans for MoreRNO.

Total November 2022 RNO Passengers

Reno-Tahoe International Airport (RNO) served 343,130 passengers in November 2022, an increase of 6.1% versus November 2021. In November 2022, RNO was served by 12 airlines to 20 non-stop destinations. The total seat capacity increased 10.5% and flights decreased 5.8% when compared to November 2021.

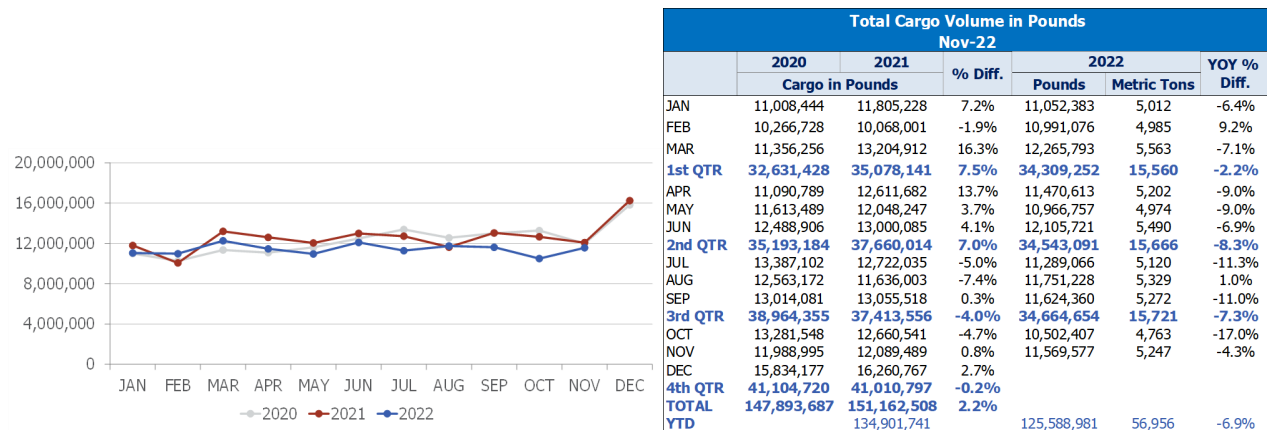
JSX offers non-stop flights from RNO to Las Vegas, Orange County and Burbank using a 30-seat Embraer 135/145 aircraft. JSX operates out of Stellar Aviation, a private Fixed Base Operator, located at 485 South Rock Blvd.



January 2023 RNO Flight Schedule			
Destination	Airlines	Total Departures	Details
Austin	American	40	Twice daily 1-9, Daily 10-31
Burbank	Southwest	27	Daily. No flight on Sat
Dallas-Love	Southwest	1	Jan 2 only
Dallas/Fort Worth	American	91	Three daily
Denver	Southwest	69	Three daily 1-3 and Sun. Twice daily 4-31
	United	121	Three daily 1-3, Four daily 4-31
Guadalajara	Volaris	22	Five weekly. Mon - Fri
Houston-Intercontinental	United	24	Five weekly, Mon, Thu, Fri, Sat, Sun
Las Vegas	Allegiant	9	Twice weekly Thu, Sun
	Frontier	14	Three weekly Mon, Fri, Sat
	Southwest	285	10 flights Mon-Fri. Six on Sat. Eight on Sun
	Spirit	62	Twice daily
Long Beach	Southwest	58	Twice daily. Once on Sat
Los Angeles	Delta	92	Three daily
	JetBlue	31	Daily
	Southwest	54	Twice daily. Once on Sat, Sun
	United	31	Daily
New York-JFK	JetBlue	3	Daily Jan 1-3
Oakland	Southwest	54	Twice daily. Once on Sat, Sun
Orange County	Southwest	1	Jan 2 only
Phoenix	American	90	Three daily
	Southwest	62	Twice daily
Portland	Alaska	38	Daily. Twice a day on Jan 1-6, 8
Salt Lake City	Delta	91	Three daily
San Diego	Southwest	62	Twice daily. Once on Sat. Three times on Sun
San Francisco	United	91	Three daily
San Jose	Southwest	27	Daily. No flight on Sat
Seattle	Alaska	83	Two to three daily
Multiple airlines in a market			
12.29.2022			

Total November 2022 RNO Cargo Volume

RNO handled 11,569,577 pounds of air cargo in November 2022, a decrease of 4.3% when compared to November 2021.



OPERATIONS & PUBLIC SAFETY

Department	Event	October 2022	October 2021	October 2020
Joint Actions	Aircraft Alerts: ARFF, Ops, Police, Aircom	0	8	0
	Medicals: ARFF, Ops, Police, Aircom	21	25	10
Operations	Inspections	123	77	75
	Wildlife Incidents	5	8	9
Police	TSA Checkpoint Incidents	40	12	1
	Case Numbers Requested	10	13	29
Security	Alarm Responses	134	280	114
	Inspections: Vehicle, Delivery, Employee	1157	1083	666
	Badge Actions	989	718	461
ARFF	Inspections: Fuelers/Facilities	10/7	0/0	0/0
Landside	Public Parking – Total Revenue	\$1,639,780.00	\$1,187,724.00	\$489,971.00
	Public Parking – Total Transactions	41,230	38,894	19,901
	Public Parking – Average \$ Per Transaction	\$39.77	\$30.54	\$24.62
	Shuttle & Bus Trips Through GT	8513	8,431	3,700
	Transportation Network	13,562	10,668	5,623
	Company Trips			
	Taxi Trips Through GT	6,081	6,057	2,176

Department	Event	November 2022	November 2021	November 2020
Joint Actions	Aircraft Alerts: ARFF, Ops, Police, Aircom	2	2	0
	Medicals: ARFF, Ops, Police, Aircom	22	16	13
Operations	Inspections	127	73	65
	Wildlife Incidents	1	3	3
Police	TSA Checkpoint Incidents	32	14	4
	Case Numbers Requested	9	13	19
Security	Alarm Responses	92	258	97
	Inspections: Vehicle, Delivery, Employee	1059	976	610
	Badge Actions	821	927	366
ARFF	Inspections: Fuelers/Facilities	10/5	16/1	18/0
Landside	Public Parking – Total Revenue	\$1,455,340	\$1,123,771	\$479,283
	Public Parking – Total Transactions	39,145	37,007	19,224
	Public Parking – Average \$ Per Transaction	\$37.18	\$30.37	\$24.93
	Shuttle & Bus Trips Through GT	8,717	7,470	3,428
	Transportation Network	12,779	10,682	5,024
	Company Trips			
	Taxi Trips Through GT	4,992	5,192	1,779

PLANNING & INFRASTRUCTURE

FACILITIES & MAINTENANCE

Airfield Maintenance received the Glycol Recovery Vehicle, Water Truck, and the John Deere Backhoe in November and December 2022.

PLANNING & ENVIRONMENTAL

Airport Sustainability Advisory Committee (ASAC)

On December 15, 2022, the Airport Sustainability Advisory Committee (ASAC) meeting convened for the second time. Informational presentations included a detailed Quarterly Noise Report for July – September 2022, staff updates on the non-aeronautical industrial development project at Reno-Stead Airport (Dermody) and the landscaping plan for the non-aeronautical development south of Reno-Tahoe International Airport (Tolles), and an overview of Sustainable Aviation Fuels (SAF). Additionally, the FAA provided an update on RNO flight procedure changes that went into effect in November 2022.

In order to encourage Committee attendance, these meetings are hybrid meetings with in-person and remote participation. Public comment is accepted at the meetings in-person or by Zoom and in advance of the meeting by email. The next ASAC meeting is scheduled for March 16, 2023.

PEOPLE, CULTURE AND EQUITY

Time frame: 10/31/2022 through 11/28/2022	
Open Positions	13
New Starts	3
Resignations/Terminations*	1
Promotions	0
*Termination refers to an employee leaving under any circumstances, good or bad.	

People Ops is hosted its 2nd Airport-wide job fair at the Hyatt on November 8th and have about 11 vendors/tenants participate. All vendors reported they had good conversations with quality candidates, and a few had on-the-spot interviews that resulted in at least 2 immediate hires.

People Ops coordinated a training course for Managers: "The Science of Leadership." Presented by Rachel Llanes of the Gardin Group, this dynamic program instructed our team on the "ABC's of Leadership: Autonomy, Belonging, and Competence," and provided motivation to attain the status of inspired leadership.

MARKETING & PUBLIC AFFAIRS

MARKETING

The marketing team has updated the flight status tool on the website to equip passengers with more detailed updates on flights. The team also introduced a new flight map tool that provides quick details on flights from RNO. RTAA partners have the link to the tool and have already been sharing it with their audiences. The team continues to use paid advertising and organic messaging on the MoreRNO construction program on our media channels.

The Wait & Win Giveaway launched in November and ran through December 31, with the goal of enticing vehicles waiting on the curb to use the Free Waiting Lot for a chance to win free flights. This promotion also provided staff with insights on what people want in the Free Waiting Lot through a survey that was required to enter the contest.

MEDIA AND PUBLIC OUTREACH

Local media covered the busy holiday travel season and various issues around the country that caused some delays over the holidays, including weather. The industry continues to be interested in the MoreRNO program and the airport will be featured in Airport Council International – North America's *Centerlines* magazine.

For the final time in 2022, 35 Honor Flight veterans were greeted with cheers when they returned from Washington D.C.

The DepARTures Gallery displays an impressive exhibition from the Stewart Indian School and Visit Carson City Gallery – *We Remember Your Sacrifices. You are Not Forgotten. The Story and Art of the Stewart Indian School*. The exhibit features Stewart alumni and stories of hardships, strength, resilience, and triumph. The team facilitated a tour for Visit Carson City executives to view the exhibition.

Holiday music performances returned to RNO to bring spirit to passengers heading into busy travel days.

Ticketing Hall Art RFQ submissions closed on November 21 with a total of 62 qualified submissions. Art Advisory Committee has finalized their scoring and winners will be presented to the Board in April.

Joy and holiday cheer were brought to the children and families of The Children's Cabinet at the annual Operation Santa Claus event December 10. Employees, sponsors, tenants and business supporters welcomed 25 families to Santa's Village at Atlantic Aviation, which showcased a winter wonderland with Santa Claus and Mrs. Claus arriving on a C-130.

Staff worked with Partner in Education, Swope Middle School, to display gingerbread houses in the Connector Concourse made by students. Passengers voted for their favorite house by placing money in the display's individual containers, which will be donated to Swope and their selected charity, the Center for Adaptive Riding.

With the great success of RNO's Gratitude Wall at Thanksgiving, the airport again hosted the New Year's Resolution Wall December 27 – January 4.

The team worked with the airline station managers and TSA to plan for the arrival and departure of the 2023 National Pole Vault Summit over the busy Martin Luther King, Jr. weekend, January 13 - 14. This unique group of 1,000 athletes from across the world brings 18' long poles through the terminal, presenting unique challenges for airline baggage handling staff and TSA screeners.

GOVERNMENT AFFAIRS

RTAA's congressional delegation remains the same. Senator Cortez Masto was elected to serve another term and will remain Nevada's senior U.S. Senator. Congressman Amodei was re-elected to Nevada's Second Congressional District.

Congress approved an omnibus spending bill for FY23 which included the \$3.59 million funding earmark for the Terminal Road Improvements sponsored by Congressman Amodei and supported by the entire Nevada delegation.

Nevada will be inaugurating a new Governor on January 2, 2023. CEO Griffin and staff have been in communication with Governor-elect Lombardo's team and legislators to communicate airport legislative priorities in collaboration with The Griffin Company. The State of the State speech is scheduled for January 23 and that will be the first glimpse into the legislative and budget priorities going into the 2023 Nevada Legislative Session

CEO Griffin presented to both the Washoe County Commission and the Sparks City Council on a general RTAA update with an emphasis on MoreRNO. The Washoe County Commission will have two new Commissioners come January while the Sparks City Council will retain the same membership. The Reno City Council has seen turnover between resignations and reappointments and newly elected members. Staff has been working with new members, including newly appointed Ward 3 Councilman Martinez. Ward 3 includes the Reno-Tahoe International Airport, and he joined CEO Griffin and staff for an onsite briefing about the airport operations as an initial step in building a collaborative relationship. A cross-functional RTAA team has been working with the City of Reno as the city pursues a new stormwater utility fee that will have a significant financial impact on the airport.

Board Memorandum

To: All Board Members

Memo #: 01/2023-01

From: Daren Griffin, President/CEO

Subject: Authorization of the President/CEO to award a Contract for the Purchase of Five (5) Trucks with Corwin Ford, in the amount of \$350,912.25

STAFF RECOMMENDATION

Staff recommends that the Board authorize the President/CEO to award a contract for the purchase of five (5) Trucks with Corwin Ford, in the amount of \$350,912.25.

PURPOSE

The purpose of this action is to authorize the President/CEO to award a contract for the purchase of one (1) 2023 Ford F-250 Regular Cab pickup, one (1) Ford F-250 Regular Cab pickup with utility bed, two (2) Ford F-250 Super Cab pickups w/ utility beds, and one (1) F-350 Super Cab pickup w/Cranemaster service bed. The vehicles are replacement vehicles for aging units in the airfield maintenance department.

This action is in support of the RTAA Strategic Priorities as identified in the Reno-Tahoe Airport Authority Fiscal Year (FY) 2019-2023 Strategic Plan.

- Strategic Priority # 3 Facilities for the Future
- Strategic Priority # 4 Safety & Security
- Strategic Priority # 7 People
- Strategic Priority # 8 Sustainability

BACKGROUND

It is the policy of the RTAA that fleet evaluation criteria and standard replacement schedules be established, and to be used as a guideline for the planning, programming, and budgeting to support the vehicle fleet and for heavy/special equipment acquisition requirements of the airport. The intent of this policy is to provide justification to update the current vehicle and equipment fleet with standardized specifications pertinent to current and future mission requirements, and when operationally feasible, to provide cross-utilization during the life cycles of the assets. The program goals are:

- Reduce operations and maintenance expense
- Ensure safety and reliability

- Maintain and annually evaluate program criteria to ensure applicability and efficiency
- Ensure adequate number and types of vehicles to maintain airport mission requirements
- Maximize available manufacturer warranties
- Investigate lease options if applicable to the need of the vehicle
- Rotate vehicles to other uses with less demands as applicable
- Use of Life Cycle Cost Analysis as a decision-making tool in future purchases
- Comply with local, state and federal laws, rules and regulations

It is also the intention to promote cleaner combustion vehicles, including electric vehicles where applicable, for airport use.

DISCUSSION

The equipment recommended for this procurement are the following:

One (1) 2023 Ford F-250 Regular Cab pickup
One (1) Ford F-250 Regular Cab pickup with a utility bed
Two (2) Ford F-250 Super Cab pickup with a utility bed
One (1) Ford F-350 Super Cab with a Cranemaster service bed

The requested vehicles are to replace aging units that are quickly reaching the end of their service life, which are costing more funding to maintain and not meeting the needs of the organization. The vehicles set to be replaced have met the criteria set in the Vehicle/Equipment Acquisition and Replacement Policy for Light Duty Vehicles.

It is critical for staff to have reliable vehicles to perform their duties safely, efficiently and effectively.

COMPANY BACKGROUND

Corwin Automotive Group was founded in 1914 and is one of the few, 4th generation family-owned dealerships in the United States. They are based out of Fargo, North Dakota with locations in Idaho, Missouri, Montana, Nebraska, Colorado, North Dakota, Washington and Nevada. They purchased Jones West Ford in 2020 and are now Corwin Ford Reno.

FISCAL IMPACT

Funding for this contract is included in the approved Fiscal Year 2022-2023 (FY 22-23) operating and maintenance budget. The initial cost for these vehicles was budgeted at \$372,667.00 and the requested contract is in the amount of \$350,912.25. The original budget (FY 22-23) was generated almost a year ago and was for a total of 8 vehicles. However, with the current supply chain issues and rising costs, the originally provided cost estimates for each vehicle have risen approximately 35%. With the additional cost of each vehicle, only 5 of the 8 vehicles will be purchased this year. The top 5 were prioritized using the Vehicle/Equipment Acquisition and Replacement Policy for Light Duty Vehicles.

COMMITTEE COORDINATION

Finance and Business Development Committee

RECOMMENDED MOTION

Staff recommends that the Board adopt the following motion:

“It is hereby moved that the Board of Trustees authorizes the President/CEO to award a contract for the purchase of five (5) Trucks, with Corwin Ford, in the amount of \$350,912.25

Board Memorandum

To: All Board Members

Memo #: 01/2023-02

From: Daren Griffin, President/CEO

Subject: Authorization for the President/CEO to execute Amendment #2 to the Professional Services Agreement for Design Services for the Ticketing Hall Expansion Project at Reno-Tahoe International Airport, with RS&H Nevada, Inc., in the amount of \$74,455, increasing the total contract amount to \$2,324,566

STAFF RECOMMENDATION

Staff recommends the Board authorize the President/CEO to execute Amendment #2 to the Professional Services Agreement for Design Services for the Ticketing Hall Expansion Project at Reno-Tahoe International Airport, with RS&H Nevada, Inc., in the amount of \$74,455, increasing the total contract amount to \$2,324,566.

PURPOSE

The purpose of this action is to request authorization for the President/CEO to execute Amendment #2 to the Professional Services Agreement (PSA) for Design Services for the Ticketing Hall Expansion Project at Reno-Tahoe International Airport (RNO), with RS&H Nevada, Inc. (RS&H), in the amount of \$74,455, increasing the total contract amount to \$2,324,566.

This action is in support of the Reno-Tahoe Airport Authority (RTAA) Strategic Priorities as identified in the Reno-Tahoe Airport Authority Fiscal Year (FY) 2019-2023 Strategic Plan.

- Strategic Priority #3 – Facilities for the Future
- Strategic Priority #4 – Safety and Security
- Strategic Priority #6 – Customer Experience

BACKGROUND

A Request for Qualifications (RFQ) for design services was advertised on March 4, 2021, and Statements of Qualifications (SOQ) were received by the due date of April 8, 2021. The Board authorized the President/CEO to execute a Professional Services Agreement for Design Services with RS&H on July 8, 2021, and RS&H began the design for the Ticketing Hall Expansion Project in August 2021.

The project consists of constructing an approximately 9,500 sf expansion to the west and renovation of the existing ticketing hall located at the Reno-Tahoe International Airport. The

scope includes modification of structural steel, elevator relocation, fire riser room relocation, upgraded utilities, roof replacement, new restrooms, and new finishes. The approximate project construction limits extend from the face of the ticket counters to approximately twenty (20) feet to the west of the existing exterior wall, and from the existing escalators at the north end to the south existing wall.

Amendment #1 was executed with RS&H on November 2, 2021. The scope of work was a Shared Use System Assessment that included analysis of the ticketing counters, ticketing self-check kiosks, and boarding gates. The Amendment was executed with RS&H in order to facilitate an expedited timeline to implement shared use systems. The scope was related to the ticketing hall but not directly associated with the Ticketing Hall Expansion Project, therefore Amendment #1 was funded outside of the project.

DISCUSSION

Throughout the design process, the RTAA directed RS&H to proceed with changes to the design and deliverables that were outside of the original scope of the project. Those changes included:

- Removal and Relocation of the Existing Fire Riser Room
- Creation of Pre-Packages for Long Lead Item Procurement
- Hydronic Piping Revision

In addition, the original estimated construction timeframe was extended by three (3) months. The time extension requires additional Construction Administration scope by RS&H.

A summary of the updated Contract Amount is shown below in Table 1 – Updated Contract Amount Summary below:

Table 1 – Updated Contract Amount Summary

Description	Cost
Original Contract	\$2,205,821
Amendment #1 (Shared Use System Assessment)	\$44,290
Amendment #2 (Scope Increase)	\$74,455
Updated Total Contract Amount	\$2,324,566
Updated Contract Amount (Less Amendment #1)	\$2,280,276

COMPANY BACKGROUND

RS&H is a leading architecture, engineering, and consulting services firm. Established in 1941, they have a tradition of quality service spanning 80 years. The firm has more than 1,400 associates at 70 locations, coast to coast, including Aviation offices in San Francisco, Los Angeles, and Denver, that will specifically provide services for our project. RS&H has a history of serving airports of all sizes and has provided services at 200 airports in the U.S.

RS&H leads a team that includes local firms Wood Rodgers, Inc., Ainsworth Associates, and PK Electrical. These local architectural and engineering firms have previously collaborated as a team

on several successful RTAA projects including the RNO Airfield Maintenance Mechanics Shop Large Bay Expansion Program Study, the RNO East Airfield Lighting Vault, the RNO Snow Removal Equipment Building, and the Reno-Stead Airport Terminal/Emergency Operations Center Building.

The project team also includes M Lee Corporation for cost estimating, and Selbert Perkins Design for signage and wayfinding. Both firms are industry leaders, have extensive airport experience, and have experience working in the Reno-Tahoe area.

FISCAL IMPACT

This project is a RTAA Capital Improvement Project and was approved with the FY 2022-23 budget. The construction is being funded by a combination of money from the RTAA General Fund as well as through the letter of credit, to be repaid by CARES or ARPA funding.

The money to fund this Amendment is being used from unused funds in the CM Pre-Construction contract, as well as contingency funds identified under Other Direct Costs. No additional money is being added to the overall project budget as a result of this Amendment.

The program budget and other project costs are tabulated in the following Table 2 – Project Estimate at Completion:

Table 2 – Project Estimate at Completion

Description	Cost
Design*	\$2,280,276
CMAR Pre-Construction	\$300,000
CM Pre-Construction	\$13,190
Bid Package #1	\$1,466,549
AHU-1 Procurement	\$1,223,790
Bid Package #2	\$25,911,972
Construction Management	\$1,359,900
Other Direct Costs**	\$424,035
Estimate At Completion	\$32,979,712

* Amount does not include Amendment #1 for \$44,290 because scope was not directly associated with the Ticketing Hall Expansion Project and therefore is not being charged to the project.

** Other Direct Costs include but are not limited to administrative costs, advertising, printing, permits, miscellaneous fees, and an art allowance.

The Estimate at Completion (EAC) is a preliminary estimate for budgetary purposes only. This estimate will be revised as we progress through the construction. The EAC amount is currently used for programming of funds.

COMMITTEE COORDINATION

Planning and Construction Committee

RECOMMENDED MOTION

Staff recommends that the Board adopt the following motion:

“It is hereby moved that the Board authorize the President/CEO to execute Amendment #2 to the Professional Services Agreement for Design Services for the Ticketing Hall Expansion Project at Reno-Tahoe International Airport, with RS&H Nevada, Inc., in the amount of \$74,455, increasing the total contract amount to \$2,324,566.”

Board Memorandum

To: All Board Members

Memo #: 01/2023-03

From: Daren Griffin, President/CEO

Subject: Acceptance of the Annual Comprehensive Financial Report for Fiscal Year 2021-2022

STAFF RECOMMENDATION

Staff recommends that the Board accept the Reno-Tahoe Airport Authority's (RTAA) Annual Comprehensive Financial Report (ACFR) for the Fiscal Year (FY) 2021-2022.

PURPOSE

The purpose of this action is to receive Board acceptance of the ACFR for the fiscal year ended June 30, 2022. This action is in support of RTAA's Strategic Priority – Financial Diversification and Growth, as adopted in the FY 2019-2023 Strategic Plan.

BACKGROUND

The Nevada Revised Statute (NRS) 354.624 requires that an independent accounting firm conduct an audit of RTAA's financial statements on an annual basis. The audit, including the opinion and findings of the auditing firm, has been completed and is provided in the accompanying ACFR. In accordance with the NRS, the audit is being submitted to the Board for acceptance.

The accounting firm of Crowe LLP (Crowe) conducted the audit. Through a competitive request for proposal process, RTAA hired Crowe as the auditors in 2014 for a five (5) year term with options for two (2) year extensions. This is the eighth year of that contract. The ACFR is comprised of the following:

1. Introductory Section
2. Financial Section (Statements and Accompanying Notes)
3. Statistical Section
4. Compliance Section (Audit Findings and Responses)

The Compliance Section also includes a review of RTAA's internal controls and compliance with federal grant programs and the Passenger Facility Charge (PFC) program.

DISCUSSION

Crowe has examined RTAA's financial statements and accompanying notes, and concluded the report fairly represents the financial position of RTAA as of June 30, 2022. In addition, no material weaknesses or significant deficiencies were identified and reported.

Financial highlights for FY 2021-2022 include the following:

- RTAA's assets and deferred outflows exceeded liabilities and deferred inflows, or Net Position, by \$459.125 million at June 30, 2022.
- The number of enplaned passengers at the Reno-Tahoe International Airport (RNO) increased 69% to 2.080 million and landed weights increased 28% from the prior year.
- At June 30, 2022 RTAA had no debt. As of June 30, 2021, RTAA had \$12.290 million of outstanding airport revenue bonds related to the construction of the public parking garage. On December 9, 2021, the Board of Trustees approved the prepayment of the 2015 Bonds. RTAA received federal stimulus funds as reimbursement of the debt payoff amount in January 2022.
- RTAA's operating revenues increased by \$14.402 million (33%) from the prior fiscal year due to increased airport traffic. Of the \$58.065 million in total operating revenue, \$16.496 million was related to airline operations.
- New in this fiscal year, RTAA recognized \$41.522 million in lease receivables, \$41.265 million in deferred inflow of resources, and \$592 thousand in lease interest income related to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.
- Federal stimulus grant revenue increased 59% over prior year to \$14.483 million for the year ended June 30, 2022. Funding sources include award amounts from the Coronavirus Aid, Relief and Economic Security (CARES) Act, American Rescue Plan Act (ARPA), and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funding. This funding was used primarily for debt service, wages, capital projects, and concession rent relief.

Analysis of RTAA's financial position and results as of June 30, 2022, are included in the Management Discussion & Analysis (MD&A) of the Financial Section of the ACFR. A high-level overview of the results and analysis will be provided to the Board at the January meeting prior to seeking acceptance of the ACFR. In addition, the auditor will be present to provide comments and address any questions from the Board.

COMPANY BACKGROUND

Crowe LLP is one of the largest public accounting and consulting firms in the United States. Founded in 1942 in South Bend, Indiana, Crowe uses its deep industry expertise to provide audit services to public and private entities. With offices coast to coast and 4,100 personnel, Crowe is ranked as one of the nation's top ten accounting and consulting firms.

Crowe's National Government Services Team is comprised of approximately 250 individuals that serve more than 600 federal, state, and local governments including public transportation organizations throughout the United States. RTAA is served from the Indianapolis, Indiana office, which is the location of the airport audit team lead by Mr. Scott Nickerson, Certified Public Accountant (CPA), Engagement Partner, and Mr. Kevin Kerswick CPA, Senior Manager.

FISCAL IMPACT

RTAA's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB). RTAA is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when paid. Capital assets are capitalized and depreciated over their useful lives. See the notes to the RTAA's financial statements for a summary of the significant accounting policies.

The RTAA's Statement of Net Position (Balance Sheet) and Statement of Operating Revenues, Expenses, and Changes in Net Position (Income Statement) are attached along with a summary explanation of the significant changes. More detailed analysis, statements, footnotes, and statistical data are contained in the ACFR.

COMMITTEE COORDINATION

None.

RECOMMENDED MOTION

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

"It is hereby moved that the Board accepts the Annual Comprehensive Financial Report for Fiscal Year 2021 - 2022."

Board Memorandum

To: All Board Members

Memo #: 01/2023-04

From: Daren Griffin, President/CEO

Subject: Authorization for the President/CEO to execute a Construction Contract for Airfield Administrative & Airport Duty Managers Offices with Reyman Brothers Construction Inc. in the amount of \$1,554,679 and authorize an Owner's Contingency in the amount of \$235,000

STAFF RECOMMENDATION

Authorization for the President/CEO to execute a Construction Contract for the Airfield Administrative & Airport Duty Managers Offices at the Reno-Tahoe International Airport with Reyman Brothers Construction Inc. in the amount of \$1,554,679 and authorizes an Owner's Contingency in the amount of \$235,000.

PURPOSE

The purpose of this action is to authorize the President/CEO to execute a Construction Contract for the relocated Airfield Administrative & Airport Duty Managers Offices at Reno-Tahoe International Airport (RNO) with Reyman Brothers Construction Inc. in the amount of \$1,554,679 and authorizes an Owner's Contingency in the amount of \$235,000.

This action is in support of the Reno-Tahoe Airport Authority (RTAA) Strategic Priorities as identified in the Reno-Tahoe Airport Authority Fiscal Year (FY) 2019-2023 Strategic Plan.

- Strategic Priority #3 – Facilities for the Future
- Strategic Priority #4 – Safety and Security
- Strategic Priority #6 – Customer Experience

BACKGROUND

Airfield Administrative Offices: The current airfield administrative offices are located within the existing vehicle maintenance building. The office space is inadequate in the number and the size of the offices, inefficient in layout and continuity, located in areas with inadequate heating and cooling systems, located adjacent to loud work, and many offices don't meet the American Disabilities Act (ADA) requirements. In addition, the vehicle maintenance storage areas/rooms have been reduced in size or eliminated due to conversion to offices. Management and administrative staffing levels have increased since the original building was constructed in 1978.

Airport Duty Managers Office: The existing Airport Duty Managers (ADM) offices are located in the Airport Vassar Annex (AVA) warehouse building. The building houses the ADMs, Airport Communications and Purchasing departments. Traveling between the ADM's current office location to anywhere on the airfield or landside requires the ADM's to travel a circuitous and congested section of deteriorated roadway, drive at a low rate of speed, and weave between Air Cargo aircraft. The congestion is created by tugs towing multiple containers as well as other ground equipment in the area. Additional delays can occur if aircraft are pushing back or taxiing in the area as aircraft always have the right of way. The ADM's have a mission critical role to provide quick emergency response, especially during winter operations and to wildlife hazard management. The mission critical roles are hampered by the remote location and lack of connectivity to the airport operation.

DISCUSSION

RTAA staff looked at numerous buildings on the airport campus to determine the right location and the best and highest use for both the AFM Administration building and the ADM building. The Chief Operations & Public Safety Officer, Manager of Airport Operations, Chief Planning & Infrastructure Officer, and Director of Facilities & Maintenance all agreed to the proposed locations.

The best location identified for the AFM Administration building is the old, vacated, Enterprise Rental Car building located adjacent to and within walking distance to the existing vehicle maintenance shop. The building meets the requirement for both airside and landside access. The building is in the area identified as expansion for airfield maintenance. Relocating the administration and management staff will return much needed storage rooms and office space at the vehicle maintenance building.

The building identified for the ADM offices is the base building at the original air traffic control tower. The building is ideally located near the center of the airfield, at the intersection of Runways 17R/35L and 8/26. The ADMs can respond quickly to all locations on the airfield.

Both existing buildings are structurally sound but need upgrades to the heating, cooling and electrical systems, as well as flooring and ceilings. Walls will be constructed for the offices, break rooms, bathrooms and conference rooms. Both buildings will provide excellent services for their respective groups for years to come. Architectural, electrical, and mechanical design services are required for the renovation of the buildings.

The Airfield Administrative & Airport Duty Managers Offices project was advertised on November 3, 2022. Bids were opened on December 13, 2022. Three responsive bids were received, and a summary is given below in Table 1:

Table 1 – Bid Recap

Description	Cost
Q&D Construction	\$1,853,000
Bruce Purves	\$1,733,600
Reyman Brothers	\$1,554,679

COMPANY BACKGROUND

Since 1975, Reyman Brothers Construction Inc., a local general contractor, has completed projects throughout Nevada and California and many west coast states. Their commercial project experience includes warehousing, commercial, retail, medical, banks, and historical preservation projects in the area. They have successfully completed a project for the RTAA in the last 5 years.

FISCAL IMPACT

This project is a RTAA Capital Improvement Project and was approved with the FY 2022-23 budget. The construction is being funded through the letter of credit, to be repaid by CARES or ARPA funding.

The program budget and other project costs are tabulated in the following Table 2 – Project Estimate at Completion:

Table 2 – Project Estimate at Completion

Description	Cost
Design	\$156,100
FFE	\$135,000
Base Bid	\$1,554,679
Construction Contingency	\$235,000
Construction Admin	\$50,000
Construction Management	\$25,000
Other Direct Cost	\$33,221
Estimate At Completion	\$2,189,000

* Other Direct Costs include but are not limited to administrative costs, advertising, ACM/Lead testing, printing, permits, and miscellaneous fees.

The Estimate at Completion (EAC) is a preliminary estimate for budgetary purposes only. This estimate will be revised as we progress through the construction. The EAC amount is currently used for programming of funds.

COMMITTEE COORDINATION

Planning and Construction Committee

RECOMMENDED MOTION

Staff recommends that the Board adopt the following motion:

“It is hereby moved that the Board authorize the President/CEO to execute a Construction Contract for Airfield Administrative & Airport Duty Managers Offices at the Reno-Tahoe International Airport with Reyman Brothers Construction Inc. in the amount of \$1,554,679 and authorizes an Owner’s Contingency in the amount of \$235,000.”

Board Memorandum

To: All Board Members

Memo #: 01/2023-05

From: Daren Griffin, President/CEO

Subject: Authorization for the President/CEO to Negotiate Final Terms and Execute a Five-Year Professional Services Agreement with Two One-Year Options to Extend for Concessions Consultant Services at the Reno-Tahoe International Airport, with Paslay Management Group, L.P. dba Paslay Group, in the Amount Not to Exceed \$1,800,000

STAFF RECOMMENDATION

Staff recommends that the Board authorize the President/CEO to negotiate final terms and execute a five-year Professional Services Agreement (PSA) with two one-year options to extend for concessions consultant services at the Reno-Tahoe International Airport (RNO), with Paslay Management Group, L.P. dba Paslay Group (PG), in the amount not to exceed \$1,800,000.

PURPOSE

The purpose of this action is to request authorization for the President/CEO to negotiate final terms and execute a PSA for concessions consultant services with PG to develop a Concessions Master Plan. PG's services will include evaluating existing facilities and providing recommendations for future facilities based on their analysis of concession business models, contract provisions, and trends to maximize non-aeronautical concession revenue. PG will also assist with solicitations and serve as a technical concessions representative through the RNO Concourse(s) Redevelopment Project.

This action is in support of the Reno-Tahoe Airport Authority (RTAA) Strategic Priority #3 – Facilities for the Future and Strategic Priority #6 – Customer Experience as identified in the RTAA Fiscal Year (FY) 2019-2023 Strategic Plan.

BACKGROUND

The redevelopment of existing Concourses B and C was identified in the 2018 Master Plan Update as a critical project to improve functional performance and operational efficiency. The necessary improvements identified included addressing the forecasted passenger demand, adding flexibility to address changing aircraft fleet mixes and schedules, providing additional passenger, airline, concession, and tenant spaces, and enhancing the overall level of service.

In January 2021, Mead & Hunt was issued a Notice to Proceed for a Concourse Redevelopment Detailed Planning Study at RNO to recommend a preferred alternative. A portion of this study included a concessions analysis, conducted by subconsultant ICF SH&E, Inc. (ICF), in Phase I. The focus was limited to concessions in Concourses B and C; the scope did not include evaluating the terminal connector nor the first floor which contains pre-security concessions. ICF's programming recommendations for future concession space in the new concourses include doubling the current 25,000 square feet of concession space.

In addition to the anticipated concourse redevelopment, several RNO concession agreements will expire between 2023-2030 which prompted the need to validate and expand on these programming recommendations to incorporate connector and pre-security concessions. This will help identify future needs of the entire RNO concession program while aligning the various assessment, planning, and implementation stages with the Concourse Redevelopment Project.

DISCUSSION

RNO's current concession program consists of a mix of food and beverage, retail, a common use lounge, advertising, gaming, and automated retail. Of the twenty-three (23) concession outlets in operation, nineteen (19) outlets or eighty-three percent (83%) are under contract with prime concessionaires SSP America, Inc and The Paradies Shops, LLC; both agreements are set to expire in September 2026. Other agreements for concession outlets include MAG US Lounge Management expiring July 2027, Vino Volo Wine Bar and Verdi Market with the initial term expiring May 2030 before options, and Subway's initial term expires in June 2023. Subway has notified the RTAA of its intent to exercise the first of three five-year options included in their agreement.

Other concession agreements include Lamar Airport Advertising expiring in January 2027 and the agreement for RNO's gaming Concession, managed by IGT, will come to term in November 2024. There are also two automated retail agreements with the initial term expiring over the next year.

The upcoming concourse projects and expiration of major concession agreements provides the RTAA with an opportunity to reimagine the concession program and implement post-pandemic best practices to help maximize concession revenue while also improving the passenger experience. Maximizing non-aeronautical concession revenue is more critical than ever given the MoreRNO capital improvement program and subsequent debt, airline expectations of concessions revenue helping to pay debt, and the overall growth of passenger traffic including the change in the catchment area demographics.

With the opportunity to redevelop the concession program, it is critical to consider emerging concession business trends including but not limited to the following: 1) concession contract provisions to ensure performance is maintained while understanding risk allocation and tolerance between both the RTAA and concessionaires, 2) changing concession business models such as developers, prime concessionaires, direct leasing or a hybrid approach, and 3) the integration of technology to offset ongoing labor challenges as well as the critical use of the data generated by digital operations to continuously improve operations to meet the ever-changing needs of passengers.

As a result of the shifting trends in concession business models and the opportunity to reimagine and redevelop the entire RNO concession program, the RTAA released a Request for Qualifications (RFQ) on August 26, 2022 seeking professional consulting services related to airport concessions at RNO. RFQ #22/23-08 received six Statement of Qualifications (SOQ) submittals. After the initial review of submittals, the Evaluation Committee selected three consultant firms to interview: ICF, Unison Consulting (Unison), and PG. These three firms demonstrated an understanding of RNO and proved similar experience and involvement in developing concession programs at airports undergoing major capital projects. Interviews with ICF, Unison, and PG were held the week of October 31, 2022.

All three firms interviewed met the qualifications established in the RFQ and demonstrated the ability to meet the scope of services requested in their submittals and interviews. PG was represented by a team of consultants including former airport leaders with decades of direct experience managing and developing concession programs. In addition to their relatable experience, PG showed outstanding professionalism and an impressive understanding of all necessary elements required to develop a successful concession program in alignment with planning, design, and construction of new facilities. The Evaluation Committee unanimously selected PG, and the Notice of Intent to Award was issued on November 7, 2022.

The multi-year scope, as outlined in Exhibit A - Summary of Concessions Development Program Tasks and Deliverables, will include validating and expanding on previous findings specific to the concessions program as part of the Concourse Redevelopment Project, assessing current concession shortcomings and recommending solutions to increase concession revenue, as well as identifying the future needs of the concession program and developing a Concessions Master Plan. This PSA is intended to align with the Concourse Redevelopment Project.

COMPANY BACKGROUND

PG is a specialized airport consulting firm with 16 years of experience advising and supporting airports in the areas of executive program management, land development, and enterprise-wide business strategy services, including concessions program development. The firm is based in Fort Worth, Texas, and was founded in 2006 by R. Clay Paslay following a 25-year career leading DFW International Airport's Development and Commercial activities. PG's guiding philosophy is rooted in the owner's perspective and first-hand knowledge of the challenges experienced at airports, including concession redevelopment programs. PG's leaders understand the challenges of operating public airports and the diverse aspects of successfully executing a concessions master plan that generates strong non-aeronautical revenue and high passenger satisfaction. PG also has extensive experience working with authority-governed airports, both as direct employees and as clients.

FISCAL IMPACT

The PSA, in the not to exceed amount of \$1,800,000 over a five-year period, will be funded with operating revenues, approved on an annual basis through the RTAA's standard budget process. An annual scope will be created to align with both the annual budget and timing of necessary deliverables throughout the Concourse Redevelopment Project and expiration of existing concession agreements. The current Board approved FY 2023 budget includes \$100,000 for concession consultant services to be used toward this recommended PSA.

The attached Exhibit B - Concession Consultant Tasks and Concourse Redevelopment Timeline, includes the anticipated timeline to perform the scope services aligning with the Concourse Redevelopment Project.

COMMITTEE COORDINATION

Finance and Business Development Committee

RECOMMENDED MOTION

Staff recommends that the Board adopt the following motion:

“It is hereby moved that the Board approves the President/CEO to negotiate final terms and execute a five-year Professional Services Agreement (PSA) with two one-year options to extend for concessions consultant services at the Reno-Tahoe International Airport (RNO), with Paslay Management Group, L.P. dba Paslay Group (PG), in the amount not to exceed \$1,800,000.”



Exhibit A - Summary of Concessions Development Program Tasks and Deliverables

Concessions Assessment and Strategy

Program Strategy, Planning and Goal Setting

Conduct workshops and meetings with RTAA to gain a comprehensive understanding of the goals, timelines, insights, priorities, objectives, and processes of the RTAA Concessions Program. Provide feedback and recommendations on best practices for airport concessions programs.

Deliverables: Regular status meetings, documentation of goals and objectives, and preliminary project plan.

Existing Conditions Assessment

Evaluate the current state of RTAA concessions operations, processes, sales and revenue performance, and identification of opportunity areas for the future concessions program. Recommend strategies for aligning concessions program with RTAA goals and industry.

Deliverables: Existing conditions analysis presentation, with recommendations, as required.

Utilization & Demand Analysis

Conduct business modeling and evaluation of capture rates, flight scheduling, day parts, customer feedback, KPIs, and other drivers that impact a concessions program to ensure optimization. Review and evaluate customer feedback to provide and/or recommend a customer needs assessment and demographic analysis. Review/update assumptions using latest data each fiscal/calendar year. Recommend strategy for enhancing current program performance and for maintaining/growing revenues during various phases of the development program.

Deliverables: Utilization and demand analysis document, summary, or presentation, with recommendations for current and future program as required. Revenue and customer experience optimization presentation. Updated analysis, recommendations, and documentation as program progresses.

Project Development and Documentation (PDD) Validation

Review, validate and recommend optimal future concession program square footage, location and breakdown between retail, food and beverage and services. Evaluate and integrate the design criteria with business strategy.

Deliverables: Report of recommendations based on analysis of the PDD.

Performance Metrics

Evaluate current performance metrics and KPIs and make recommendations based on best practices for maintaining and/or enhancing concessions monitoring, reporting and feedback/action plans based on results of metrics.

Deliverables: Recommendation document, summary, or presentation regarding performance metrics and processes.

Program Development

Concession Design & Planning Coordination

Provide direct input/feedback and coordination related to concessions programming and commercial/business objectives, including ongoing participation in planning, programming, and design coordination meetings with A&E team(s), as needed, to support RTAA's Concessions Manager. Summarize/brief RTAA on commercial issues requiring direction/decisions in support of the A&E design development schedule.

Deliverables: Weekly (regular) status report/summary, as required

Design Standards & Criteria

Review and comment on proposed updates/revisions to RTAA's Tenant Design Standards & Criteria, as required. Develop a program-specific responsibility matrix to minimize design & construction implementation gaps between base building concessions turnover and concessions fit-out. Provide technical input related to concessions infrastructure requirements, including best practices, utility points of connection and allocation of wet/dry storage needs to support RTAA's concessions program.

Deliverables: Concessions Utility Matrix, Responsibility Matrix, Storage/Support Criteria



ADVISORY SERVICES

PASLAY GROUP

Management Structure

Develop a high-level concessions delivery options overview for RTAA review/feedback, including a commercial framework and evaluation criteria for revenue generation and staffing requirements associated with different management structures / concessions delivery options.

Deliverables: Management structure presentation(s) & meeting(s)

Redline/Update Concessions Lease Agreement

Review and comment on commercial terms/conditions, including rental structure, capital improvement requirements, operational standards/requirements, reporting standards, program marketing, and general industry-wide best practices. Coordinate input/review with RTAA counsel, as required.

Deliverables: Redline Concessions Lease Agreement

Technical Advisor

Provide technical support to RTAA's Concessions Manager and other commercial/business objectives throughout design & construction implementation, as required.

Deliverables: Weekly (regular) status report/summary, as required

Solicitation, Selection & Award

Initial RFP & Community Outreach Planning

Coordinate the development of the initial schedule and milestones for RFP solicitation and community outreach. Coordinate and make recommendations for the business structure of the RFP, examples of items to evaluate include business terms, concepts, concept packaging, timing, scoring criteria, etc. Review current community outreach processes and make recommendations for enhancing the community outreach, content, and the execution of the outreach. Recommend media outlets, advertising, and timing to generate interest in the program.

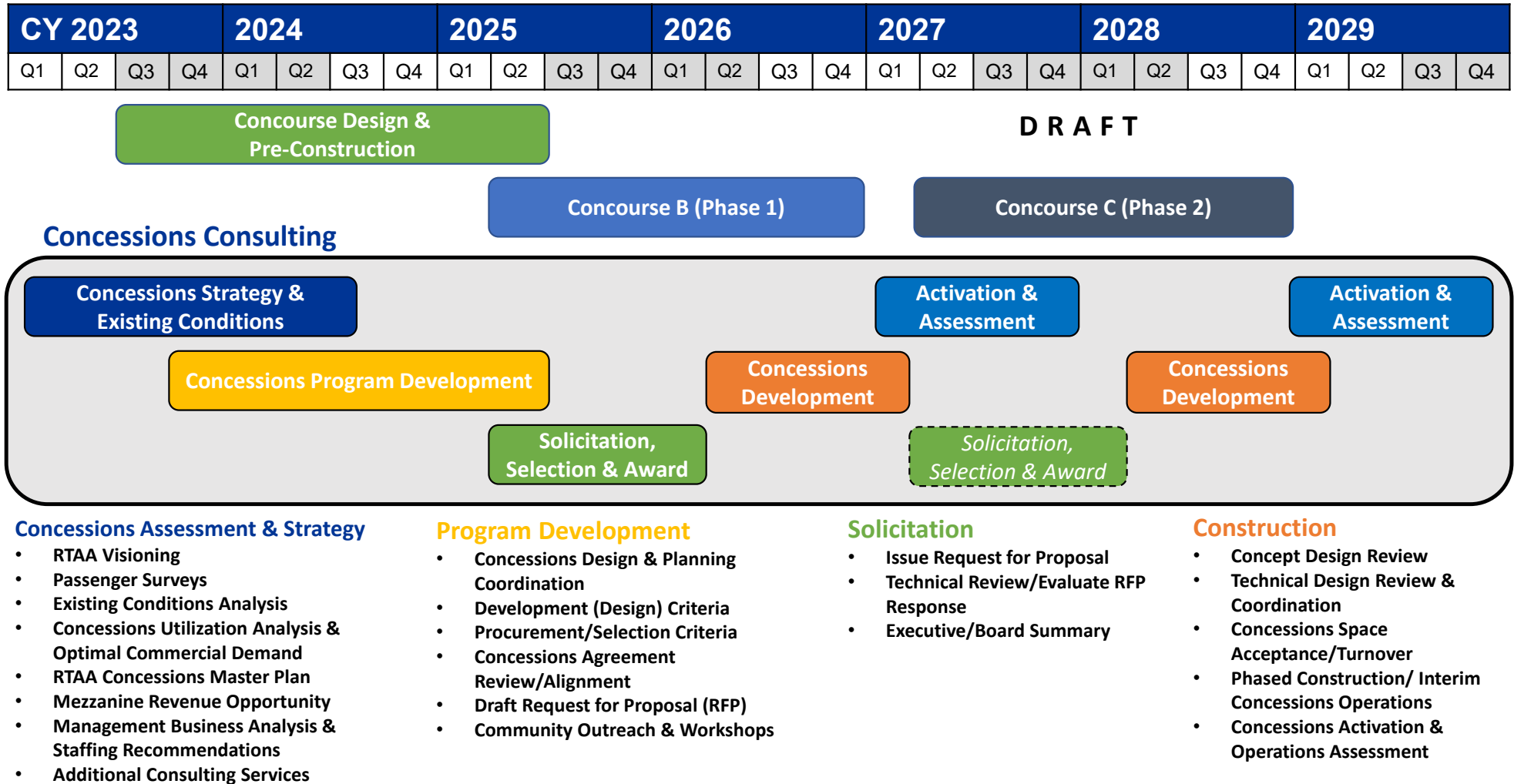
Deliverables: Approved RFP solicitation and provided support for Q&A/Addendum and other RFP processes. Community Outreach Plan. Red-line and recommendations of existing RFPs.

Initiate Media & Community Outreach

Recommend media outlets, advertising, and timing to generate interest in the program recommend execution strategies and content for community outreach program.

Deliverables: Completion of 3 community outreach events.

Exhibit B – Concession Consultant Tasks and Concourse Redevelopment Timeline



Board Memorandum

To: All Board Members

Memo #: 01/2023-06

From: Daren Griffin, President/CEO

Subject: Overview of the 82nd Nevada Legislative Session and Adoption of 2023 Legislative Platform

STAFF RECOMMENDATION

Staff recommends the Board adopt the 2023 Legislative Platform as proposed by the Reno-Tahoe Airport Authority (RTAA) Legislative Board Liaison Lisa Gianoli and Staff.

PURPOSE

The purpose of this action is to request Board adoption of the Legislative Platform for the 2023 legislative session. Due to its comprehensive nature, this action is in support of all RTAA Strategic Priorities –Strategic Priority #1: Air Service & Cargo, Strategic Priority #2: General Aviation, Strategic Priority #3: Facilities for the Future, Strategic Priority #4: Safety & Security, Strategic Priority #5: Financial Diversification & Growth, Strategic Priority #6: Customer Experience, Strategic Priority #7: People, and Strategic Priority #8: Sustainability, as adopted in the RTAA Fiscal Year (FY) 2019-2023 Comprehensive Strategic Plan.

BACKGROUND

The Legislative priorities and platform were drafted by Staff following discussions between the RTAA's state lobbyist, The Griffin Company, Trustee Lisa Gianoli and Staff. Trustee Gianoli, Staff and The Griffin Company will keep the full Board of Trustees abreast of legislative issues being supported, opposed, and/or monitored throughout the legislative session.

DISCUSSION

Trustee Gianoli, Staff and The Griffin Company reviewed the 2023 Legislative Platform and felt it was representative of the potential issues and associated bill draft requests (BDRs) that could be of consequence to the Reno-Tahoe International or Reno-Stead Airports should they become legislation.

The Legislative Platform identifies 10 inclusive categories of issues that could impact the RTAA. The issues are categorized by three actions the RTAA will take: 1.) issues the RTAA shall **support**, 2.) issues the RTAA shall **oppose**, and 3.) issues the RTAA will **closely monitor** and react to as necessary. For each of the categories, the inverse action to support or oppose also

applies, i.e. if legislation is sought to “kill” an issue the RTAA supports, the RTAA will oppose that legislation. The recommended 2023 Legislative Platform is attached as an exhibit to this Board memo.

As the 2023 Legislative Session progresses, RTAA subject matter experts may be testifying on behalf of the RTAA. It is recommended there be a certain amount of latitude granted to the RTAA representatives when things are moving quickly in Carson City. In addition, it is recommended that staff keep in close contact with the Board’s Legislative Liaison, Lisa Gianoli, to keep the Board abreast of current actions being undertaken by the Legislature in the event that a modification needs to be made or action taken immediately by staff.

The Griffin Company will work with staff to provide training to RTAA subject matter experts on the legislative guidelines and protocols required when testifying before a legislative committee. The Griffin Company also kindly offered RTAA staff the use of their office near the Capitol Building in Carson City during the legislative session.

FISCAL IMPACT

None identified at this time.

COMMITTEE COORDINATION

None

RECOMMENDED MOTION

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

“It is hereby moved that the Board adopts the 2023 Legislative Platform as recommended.

2023 Legislative Priorities Platform for 82nd Session of the Nevada Legislature

The RTAA Board of Trustees hereby sets forth its platform for the 2023 session of the Nevada Legislature. This platform may be modified by the Board from time to time as it sees fit.

1. Economic Development: The RTAA shall **support** any opportunities to encourage investment in infrastructure or other economic development that will have a positive impact on the activities of the RTAA.
2. Federal Inconsistencies: The RTAA shall **oppose** any legislation that could put RTAA out of compliance with any federal law or regulation governing airport operations including revenue diversion, safety requirements or other operational impacts.
3. Firearms: The RTAA shall **oppose** any efforts to allow public carrying of firearms on RTAA property.
4. Energy: The RTAA shall **support** efforts that facilitate the use of (cost-neutral) renewable or alternative energy by the RTAA.

5. Air Service: The RTAA shall **support** any efforts to encourage increased air service to the Reno-Tahoe International Airport (RNO), including any efforts to obtain financial appropriations.
6. UAS: The RTAA shall **support** the continued growth and development of the Unmanned Aerial Systems (UAS) industry in Nevada.
7. Public Employment: The RTAA will **closely monitor** any efforts to change public employment laws/regulations (i.e. worker's compensation, PERS, minimum wage, collective bargaining, overtime, work hours, etc.) and support or oppose such proposals based on the organizational, financial and/or other effect it may have on RTAA.
8. Public Works and Purchasing: The RTAA will **closely monitor** any efforts to change public works and purchasing laws/regulations (i.e. prevailing wages, apprenticeship requirements, contractor/vendor selection, contract terms and conditions, retention requirements, liability responsibility, union work rules/use requirements, etc.) and support or oppose such proposals based on the organizational, financial and/or other effect it may have on the RTAA.
9. Public Entities: The RTAA will **closely monitor** any efforts to change public entity laws/regulations (open meeting laws, public records retention and production, public posting requirement, etc.) and support or oppose such proposals based on the organizational, financial and/or other effect it may have on the RTAA.
10. Transportation: The RTAA will **closely monitor** any legislation impacting transportation or infrastructure in or around the Reno-Tahoe International and Reno-Stead airports.