

BOARD OF TRUSTEES

Carol Chaplin, Chair
Richard Jay, Vice Chair
Jennifer Cunningham, Treasurer
Adam Kramer, Secretary
Shaun Carey, Trustee
Joel Grace, Trustee
Kitty Jung, Trustee
Art Sperber, Trustee
Cortney Young, Trustee



PRESIDENT/CEO

Daren Griffin, A.A.E.

CHIEF LEGAL COUNSEL

Ian Whitlock

BOARD CLERK

Lori Kolacek

AGENDA

Board of Trustees Regular Meeting
Thursday, May 23, 2024 | 9:00 AM
Reno-Tahoe International Airport, Reno, NV
Administrative Offices, Second Floor

Notice of Public Meeting

Meetings are open to the public and notice is given pursuant to [NRS 241.020](#).

This meeting will be livestreamed and may be viewed by the public at the following link:

Watch on Zoom: <https://us02web.zoom.us/j/86188201516>

Listen by Phone: Dial 1-669-900-6833

Webinar ID: 861 8820 1516

Accommodations

Members of the public who require special accommodations or assistance at the meeting are requested to notify the Clerk by email at lkolacek@renoairport.com or by phone at (775) 328-6402. Translated materials and translation services are available upon request at no charge.

Public Comment

Anyone 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.

Posting

This agenda has been posted at the following locations:

1. RTAA Admin Offices, 2001 E. Plumb
2. www.renoairport.com
3. <https://notice.nv.gov/>

Supporting Materials

Supporting documentation for this agenda is available at www.renoairport.com, and will be available for review at the Board meeting. Please contact the Board Clerk at lkolacek@renoairport.com, or (775) 328-6402 for further information.

1. INTRODUCTORY ITEMS

- 1.1 Pledge of Allegiance
- 1.2 Roll Call

2. PUBLIC COMMENT

3. APPROVAL OF AGENDA (*For Possible Action*)

4. APPROVAL OF MINUTES

- 4.1 April 11, 2024, Board of Trustees meeting
- 4.2 April 23, 2024, Board of Trustees workshop

5. PRESIDENT/CEO REPORT

6. BOARD MEMBER REPORTS AND UPDATES

7. CONSENT ITEMS (All consent items may be approved together with a single motion, be taken out of order, and/or be heard and discussed individually.)

- 7.1 Board Memo No. 05/2024-16 (*For Possible Action*): Review, discussion and potential authorization for the President/CEO to execute a one-year contract for the Reno-Tahoe Airport Authority employee workers' compensation insurance coverage for Fiscal Year 2024-2025, with Starr Aviation, in the amount of \$145,367
- 7.2 Board Memo No. 05/2024-17 (*For Possible Action*): Review, discussion and potential authorization for the President/CEO to execute a five-year contract for the operation and maintenance of the Baggage Handling System to Daifuku Services America Corporation in accordance with requirements of the original manufacturer and the Transportation Security Administration with the five-year total for all services in the amount of \$8,231,595.73
- 7.3 Board Memo No. 05/2024-18 (*For Possible Action*): Review, discussion and potential authorization for the President/CEO to execute a professional services agreement for design services for the General Aviation East Apron and Taxilane Reconstruction Project at the Reno-Tahoe International Airport, with Kimley-Horn and Associates, Inc, in the amount of \$437,080

8. INFORMATION / POSSIBLE ACTION ITEMS

- 8.1 (*Non-Action Item*): Public Hearing on adoption of the Reno-Tahoe Airport Authority's Fiscal Year 2024-25 Budget (July 1, 2024 through June 30, 2025)
(*This is an opportunity for the public to comment on the Reno-Tahoe Airport Authority's proposed budget for the 2024-2025 fiscal year.*)

- 8.2 Board Memo No. 05/2024-19 (*For Possible Action*): Review, discussion and potential adoption of the Reno-Tahoe Airport Authority’s Fiscal Year 2024-25 Budget (July 1, 2024 through June 30, 2025)
- 8.3 Board Memo No. 05/2024-20 (*For Possible Action*): Review, discussion and potential adoption of Resolution No. 567 Amending Resolution No. 565, Establishing the Airport Rates and Charges for Fiscal Year 2024-25 Pursuant to the Reno-Tahoe Airport Authority Budget for Fiscal Year 2024-25
- 8.4 Board Memo No. 05/2024-21 (*For Possible Action*): Review, discussion and potential approval of Investment Banking Pool of Underwriters Related to the Issuance of Airport Revenue Bonds by the Reno-Tahoe Airport Authority for the MoreRNO Program of Projects with BofA Securities Inc., Jefferies LLC, Samuel A. Ramirez & Co., Wells Fargo Corporate & Investment Banking, Academy Securities Inc., Loop Capital Markets, RBC Capital Markets LLC, and Stifel Nicolaus & Company Inc. and Underwriter Assignments for the Initial Issuance of Bonds Anticipated in 2024
- 8.5 Board Memo No. 05/2024-22 (*For Possible Action*): Review, discussion and potential approval of Resolution No. 568 Authorizing Declarations of Official Intent Under Internal Revenue Code Regulations with Respect to Reimbursements from Bond Proceeds of Advances Made for Payments Prior to Issuance and Related Matters
- 8.6 Board Memo No. 05/2024-23 (*For Possible Action*): Review, discussion and potential adoption of Reno-Tahoe Airport Authority Fiscal Year 2024-25 Liability and Property Insurance Program and Approval of Premiums in the Amount Not to Exceed \$1,630,00
- 8.7 Board Memo No. 05/2024-24 (*For Possible Action*): Review, discussion and potential adoption of Resolution No. 566 Amending Resolution No. 548 – A Resolution Adopting an Update to Policy No. 600-007 on the Financial Incentives for Airlines and Dedicated Cargo Carriers at the Reno-Tahoe International Airport
- 8.8 Board Memo No. 05/2024-25 (*For Possible Action*): Review, discussion and potential authorization for the President/CEO to execute an Amendment No. 1, to the Professional Services Agreement, for design services for 30 to 100% for the HQ Project at Reno-Tahoe International Airport, with RS&H Company, in an amount of \$6,326,407
- 8.9 (*Non-Action Item*): CEO's recommended changes to CSP and Management Guidelines

10. TRUSTEE COMMENTS AND REQUESTS

11. UPCOMING RTAA MEETINGS

DATE	MEETING
06/11/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
06/13/2024	Board of Trustees Regular Meeting

07/09/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
07/11/2024	Board of Trustees Regular Meeting
08/06/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
08/08/2024	Board of Trustees Regular Meeting

12. PUBLIC COMMENT

13. ADJOURNMENT

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CHIEF LEGAL COUNSEL

Ian Whitlock

BOARD CLERK

Lori Kolacek

--DRAFT--

MINUTES

**Board of Trustees Regular Meeting
Thursday, April 11, 2024 | 9:00 AM
Reno-Tahoe International Airport, Reno, NV
Administrative Offices, Second Floor**

1. INTRODUCTORY ITEMS

Chair Chaplin called the meeting to order at 9:01 a.m. Trustee Kramer led the pledge. Roll was taken by the Clerk of the Board.

Trustees Present:

Shaun Carey, Carol Chaplin, Jennifer Cunningham, Joel Grace, Richard Jay, Kitty Jung, Adam Kramer, Art Sperber, Cortney Young

2. PUBLIC COMMENT

Chair Chaplin called for public comment. There was none.

3. APPROVAL OF AGENDA (For Possible Action)

Motion: Move to approve the agenda as presented.

Moved by: Art Sperber

Seconded by: Richard Jay

Vote: Motion passed

4. APPROVAL OF MINUTES

4.1 February 8, 2024, Board of Trustees meeting

4.2 March 14, 2024, Board of Trustees meeting

Chair Cunningham asked if there were any corrections to the Minutes of February 8, 2024, and March 14, 2024. Hearing none, the Minutes were approved as presented.

5. PRESIDENT/CEO REPORT

Dennis LeBaron, Facilities Project Manager II, gave a presentation on spring cleaning safety.

CEO Griffin recapped events happening around the airport. He spoke about the Board's approval of Phase III with Conrac Solutions at last month's Board meeting and thanked the team for their efforts to complete the commercial close. He updated the Board on Air Service developments and also reminded the Board about the 16th Annual RTAA Employee Art Show. Lastly, he congratulated Aurora Ritter, Interim Chief Commercial Officer, for being the nominee for this year's Woman of Achievement recognition.

6. BOARD MEMBER REPORTS AND UPDATES

Trustee Jay announced that Mike Larragueta has been named the permanent CEO for the RSCVA.

7. INFORMATION / POSSIBLE ACTION ITEMS

7.1 Board Memo No. 04/2024-13: *(For Possible Action)* Review, discussion and potential approval of a Technical Services Agreement with ServiceTec International, Inc., for a renewal of services, effective September 1, 2023, for \$124,100 annually; an amendment dated October 10, 2023, which increases support hours from 56 to 92 per week for \$91,791 annually; an amendment dated March 1, 2024, to further extend support hours from 92 to 112 per week for annual total of \$257,806; finally, a renewal of the agreement commencing September 1, 2024, for an annual amount of \$257,806

This item was previously heard by the Finance & Business Development Committee on April 9, 2024. No presentation was requested by the Board and no discussion took place. The following action was taken:

Motion: Move to authorize the President/CEO to execute a Technical Services Agreement with ServiceTec International, Inc for a renewal of services, effective September 1, 2023 for \$124,100 annually; an amendment dated October 10, 2023 which increases support hours from 56 to 92 per week for \$91,791 annually; an amendment dated March 1, 2024 to further extend support hours from 92 to 112 per week for annual total of \$257,806; finally, a renewal of the agreement commencing September 1, 2024 for an annual amount of \$257,806

Moved by: Jennifer Cunningham

Seconded by: Adam Kramer

Vote: Motion passed

7.2 Board Memo No. 04/2024-14: *(For Possible Action)* Review, discussion and potential approval of a Professional Services Agreement for consulting services for federal lobbying services, with Van Scoyoc Associates, in the amount of \$6,000 per month through June 30, 2026, with options for two, 2-year extensions upon mutual agreement

This item was presented by Lindsay Anderson, Director of Government Affairs, and was first heard by the Finance & Business Development Committee on April 9, 2024. After discussion, the Board took the following action:

Motion: Move to authorize the President/CEO to execute a Professional Services Agreement for consulting services for federal lobbying with Van Scoyoc Associates (VSA) for the period of May 1, 2024 through June 30, 2026, with two additional options to extend for two years each

Moved by: Kitty Jung

Seconded by: Joel Grace

Vote: Motion passed

7.3 Recommended Changes to the CSP & Management Guidelines (Non-Action Item)

Larry Harvey, Chief People, Culture & Equity Officer, walked the Board through the upcoming changes to the CSP & Management Guidelines and the timeline for the process. These guidelines will be revised to update outdated language, titles and procedures for performance reviews. All revisions to these guidelines must be approved by the Board. In May, staff will give a presentation on the specific revisions and, in June, bring the changes to the Board for approval. He thanked Trustees Chaplin and Jung for their help in this process.

8. BOARD MEMBER COMMENTS AND REQUESTS

Chair Chaplin called for any Board member comments or requests. There were none.

9. UPCOMING RTAA MEETINGS

DATE	MEETING
04/23/2024	Board of Trustees Annual Budget Workshop
05/21/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
05/23/2024	Board of Trustees Regular Meeting
06/11/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
06/13/2024	Board of Trustees Regular Meeting
07/09/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
07/11/2024	Board of Trustees Regular Meeting

10. PUBLIC COMMENT

Chair Chaplin called for public comment. There was none.

11. ADJOURNMENT

Chair Chaplin adjourned the meeting at 9:30 a.m.

Adam Kramer, Secretary

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CHIEF LEGAL COUNSEL
Ian Whitlock

BOARD CLERK
Lori Kolacek

--DRAFT--

MINUTES

Board of Trustees Workshop
Tuesday, April 23, 2024 | 10:00 AM
-- Virtual Only --

1. INTRODUCTORY ITEMS

The meeting was called to order at 10:00 a.m.

Art Sperber was absent at the time of roll call. All other Trustees were present by Zoom.

2. PUBLIC COMMENT

Chair Chaplin called for public comment. There was none.

3. INFORMATION / POSSIBLE ACTION ITEMS

Board Memo No. 04/2024-15 (*For Possible Action*): Review, discussion and potential authorization for the President/CEO to negotiate final terms and execute a settlement agreement with Granite Construction Company, Inc., to resolve potential litigation related to the reconstruction of Runway 17R/35L at the Reno-Tahoe International Airport pursuant to the Contract Agreement dated April 8, 2020, between Granite Construction Company, Inc. and the Reno-Tahoe Airport Authority

Chair Chaplin called for discussion on this item. Tom Luria, Associate General Counsel, noted clerical errors included in the Board Memo and corrected those errors on the record. Those changes are shown in the attached redlined Board Memo. After discussion, Chair Chaplin called for a motion and the following vote was taken:

Motion: With the corrections mentioned by Mr. Luria, move to authorize the President/CEO to negotiate final terms and execute a settlement agreement with Granite Construction Company, Inc., to resolve potential litigation related to the reconstruction of Runway 17R/35L at the Reno-Tahoe International Airport pursuant to the Contract Agreement dated April 8, 2020, between Granite Construction Company, Inc. and the Reno-Tahoe Airport Authority.

Moved by: Adam Kramer

Seconded by: Richard Jay

Absent: Art Sperber

Vote: Motion passed

[Trustee Sperber joined the meeting at 10:10 a.m.]

3.2 Board Workshop on the Preliminary Budget of the Reno-Tahoe Airport Authority for the Fiscal Year Beginning July 1, 2024 (FY 2024-25) (Non-Action Item)

This item was presented by Alex Kovacs, Director of Finance.

4. PUBLIC COMMENT

Chair Chaplin called for public comments. There was none.

5. ADJOURNMENT

Chair Chaplin adjourned the meeting at 11:06.

Adam Kramer, Secretary

President/CEO Report

To: All Board Members
From: Daren Griffin, President/CEO
Date: May 2024

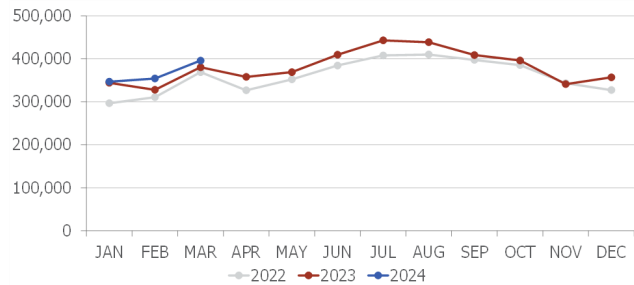
AIR SERVICE DEVELOPMENT

Airline Meetings

Staff will attend the Airport Council International JumpStart conference in Washington, D.C., during the second half of May. Staff will hold pre-arranged one-on-one meetings with eight airlines. The airlines include Southwest Airlines, Air Canada, United Airlines, JetBlue, Sun Country, Spirit Airlines, Frontier Airlines, and American Airlines.

March 2024 RNO Passengers

Reno-Tahoe International Airport (RNO) served 395,906 passengers in March 2024, an increase of 4.1% versus the same period last year. In March 2024, RNO was served by 11 airlines to 22 non-stop destinations. The total seat capacity increased 9.4% and flights increased 6.1% when compared to March 2023.



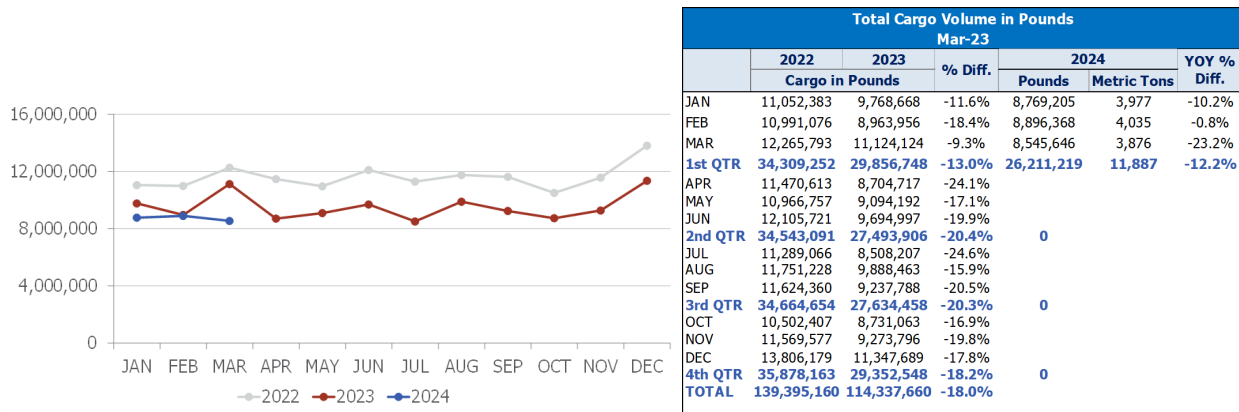
Total Passengers					
Mar-23					
	Passengers		% Diff.	Passengers	
	2022	2023		2024	YOY % Diff.
JAN	296,641	344,268	16.1%	346,845	0.7%
FEB	310,738	327,934	5.5%	354,252	8.0%
MAR	368,946	380,363	3.1%	395,906	4.1%
1st QTR	976,325	1,052,565	7.8%	1,097,003	4.2%
APR	326,787	357,924	9.5%		
MAY	352,255	368,930	4.7%		
JUN	384,429	409,467	6.5%		
2nd QTR	1,063,471	1,136,321	6.9%	0	
JUL	407,867	442,942	8.6%		
AUG	409,942	438,621	7.0%		
SEP	397,404	408,732	2.9%		
3rd QTR	1,215,213	1,290,295	6.2%	0	
OCT	385,466	396,147	2.8%		
NOV	343,130	341,084	-0.6%		
DEC	327,353	356,972	9.0%		
4th QTR	1,055,949	1,094,203	3.6%	0	
TOTAL	4,310,958	4,573,384	6.1%		

May 2024 RNO Flight Schedule			
Destination	Airlines	Total Departures	Details
Austin	American	25	Daily, starting May 6
Burbank	Southwest	31	Daily
Chicago-O'Hare	United	32	Daily
Dallas-Love	Southwest	1	Only on May 26
Dallas/Fort Worth	American	121	Four daily. Three daily on 1,4,25
Denver	Southwest	92	Three daily
	United	102	Three daily 1-22. Four daily 23-31
Guadalajara	Volaris	23	Five weekly. Mon-Fri
Houston-Intercontinental	United	2	Only on May 25,26
Las Vegas	Southwest	282	10 daily Mon-Fri. Six on Sat. Eight on Sun
	Spirit	97	Three daily. Four on 10,17,24,31
Long Beach	Southwest	54	Twice daily. Once on Sat Sun
Los Angeles	Delta	93	Three daily
	JetBlue	31	Daily
	Southwest	34	Daily. Twice on 5,12,19
	United	59	Twice daily. Once on 2,3,5
Minneapolis/St. Paul	Sun Country	3	Once on 23,26,30
Oakland	Southwest	54	Twice daily. Once on Sat Sun
Phoenix	American	155	Five daily
	Southwest	63	Twice daily. Three on May 26
Portland	Alaska	91	Three daily. Twice on 25,26
Salt Lake City	Delta	93	Three daily
San Diego	Southwest	53	Twice daily. Once on Tue Wed
San Francisco	United	113	Four daily. Two to three 23-31
San Jose	Southwest	28	Daily. No flights on 5,12,19
Seattle	Alaska	118	Four daily. Three on Tue, Wed
	Multiple airlines		

4.26.2024

March 2024 RNO Cargo Volume

RNO handled 8,545,646 pounds of air cargo in March 2024, a decrease of 23.2% when compared to March 2023.



ECONOMIC DEVELOPMENT

Concessions

Gaming Industry Days

The RTAA held Gaming Industry Days on April 16-17, 2024, to share the upcoming gaming concession opportunity and provide an update on MoreRNO. Six separate one-on-one meetings were held with interested parties representing different gaming entities from casinos, manufactures, and gaming operators. These meetings allowed staff to hear from interested parties on what, in their experience, makes a successful gaming operation, and how the gaming program might be planned in New Gen A&B to create a viable program while balancing the passenger experience. The meeting opportunity was posted on the RTAA's website, advertised in the Reno Gazette Journal, Nevada Government eMarketplace (NGEM), and shared directly with local casinos as well as members of the Association of Gaming Equipment Manufacturers (AGEM). Staff is working on next steps including follow up meetings and an upcoming public solicitation.

Properties

GTC Project

After the Board voted to proceed with Phase III of the project, Commercial Close was achieved on April 9, 2024, which entailed execution of various documents including the 30-year Ground Lease between RTAA and RNO Conrac, LLC, the design-build construction contract, and various financial hedges that locked in debt rates for the deal with JP Morgan Chase. Conrac Solutions and airport staff and representatives have continued to work diligently to prepare the required documentation for Financial Close, finalizing design, and submitting building permits for enabling projects. Conrac Solutions achieved Financial Close on May 2, 2024.

RTS Land Development

Dermody Properties Development

Grading work continues on the Phase I site with slab pours following shortly after. The first wall tilt-up for the buildings is scheduled for July 10, 2024.

RNO Land Development

Stellar Aviation

Stellar continues to focus on the construction of their second hangar to complete their Phase I project. Stellar is coordinating with RTAA Staff for a grand opening event toward the end of May, possibly May 23rd.

Tolles Development

The Tolles Development project is proceeding according to schedule and should be complete by the end of May or beginning of June. Preleasing continues to be strong. Tolles is coordinating with RTAA Staff for a grand opening event towards the middle of June.

OPERATIONS & PUBLIC SAFETY

Department	Event	03/2024	03/2023	03/2022
Joint Actions	Aircraft Alerts: ARFF, Ops, Police, Aircom	5	2	0
	Medicals: ARFF, Ops, Police, Aircom	27	39	22
Operations	Inspections	146	12	65

	Wildlife Incidents	2	0	6
Police	TSA Checkpoint Incidents	19	24	16
	Case Numbers Requested	11	9	11
Security	Alarm Responses	61	76	228
	Inspections: Vehicle, Delivery, Employee	940	1082	1045
	Badge Actions	1012	1006	805
ARFF	Inspections: Fuelers/Facilities	13/1	22/7	2/9
Landside	Public Parking – Total Revenue	\$1,511,823.00	\$1,483,506.00	\$1,114,479.00
	Public Parking – Total Transactions	40,578	39,318	37,474
	Public Parking – Average \$ Per Transaction	\$37.26	\$37.73	\$29.74
	Shuttle & Bus Trips Through GT	9,369	8,970	8,819
	Transportation Network Company Trips	34,191	15,344	11,709
	Taxi Trips Through GT	4,670	6,108	6,376

PLANNING & INFRASTRUCTURE

Engineering & Construction

Ticketing Hall

The Ticketing Hall Grand Opening ceremony occurred on April 12, 2024. The ribbon cutting ceremony was well attended by former trustees, local agencies, design and construction teams, airline representatives, tenants, and many guests. The elevator beacon tower was dedicated to General Herbert XX. The 450-foot art wall was presented with Dixie Friend Gay discussing the inspiration of her artwork.

Loop Road Construction

Phase 2 of the Loop Road Construction began on April 15, 2024. The roadway section adjacent to the ticketing hall and baggage claim was reopened and the roadway adjacent to the parking structure was closed with single lanes available for the parking lot and rental car returns.

Planning & Environmental

Truckee Meadows Regional Planning Authority – RTAA Annual Report

As an affected entity, per Nevada Revised Statutes 278.0286, the RTAA is required to submit an annual report to the Truckee Meadows Regional Planning Agency (TMRPA) which indicates how RTAA actions in the previous year (Calendar Year 2023) have furthered or assisted in implementing the 2019 Truckee Meadows Regional Plan. As required, Planning & Environmental staff provided a targeted narrative report that addresses specific Regional Plan goals, capital improvement plan data, and public infrastructure data by the April 1, 2024 deadline. In recent years, TMRPA staff have evolved the static PDF report into an interactive website available here <https://tmrpa.org/tmar/>. The 2022 data is currently available, and the newly reported 2023 data should be accessible in the coming months.

FAA Airport Capital Improvement Program (ACIP)

Planning & Environmental staff submitted the required annual update to the Federal Aviation Administration’s (FAA) Five-Year Airport Capital Improvement Program (ACIP) for both the Reno-Tahoe International Airport and the Reno-Stead Airport on May 3, 2024. Information submitted is incorporated by the FAA Regional Airports Office into its regional ACIP. The Regional ACIPs are then incorporated into the National ACIP. The National ACIP is the primary planning tool used by the FAA to identify and prioritize nationwide airport capital improvement needs and to plan for the distribution of Airport Improvement Program (AIP) funds over the next 3 to 5 years.

Facilities & Maintenance

Electrical Feeds to Terminal Building

On April 30, Building Maintenance along with contractors IME & Vertiv completed connection and balancing of the two main electrical feeds that serve our two concourses and the terminal building. This will ensure that should we have an issue with one of the electrical main feeds serving the terminal, only portions of the terminal or one concourse would be on generator power until full power could be switched to the other main electrical feed.

Asphalt Shoulder Repair

The Airfield Maintenance teams have been using two recently purchased pieces of equipment to perform asphalt crack repair and asphalt patching. The RTAA invested in a Rock Saw to grind the cracks and a 4-Ton Hot Box to keep the asphalt at the correct temperature and deliver to the locations. Currently, the work is on the asphalt shoulders of the runway and taxiways. The deficiencies were noted in the previous year’s inspection by the FAA to begin addressing the issues. The airfield team has provided over 4,000 man-hours and have repaired over 3,000 lineal feet of crack repair and over 77 tons of asphalt repairs. The work is considered pre-work that needs to be completed prior to the shoulders being slurry sealed and extending the useful life of the pavement and reduce rehabilitation or replacement cost in the future.

For more project updates, please refer to the Monthly Project Status Reports which are posted with Planning & Construction Committee meetings agendas. Click [HERE](#) to view those agendas.

PEOPLE, CULTURE AND EQUITY

Time frame: 4/01/2024 through 4/30/2024

Open Positions	0
New Starts	6
Resignations/Terminations*	3
Promotions	2
<i>*Termination refers to an employee leaving under any circumstances, good or bad.</i>	

The Culture Club sponsored an “After Hours Social Meet Up” at the Reno Public Market. Participants enjoyed the variety of food choices as well as cornhole, a trivia contest, and some amazing conversation. People Operations staff assisted Battalion Chiefs with testing for an Engineer (Fire) to replace a vacancy.

The test consists of a written portion as well as a practical application segment that tests on various functions and apparatuses. All candidates were internal.

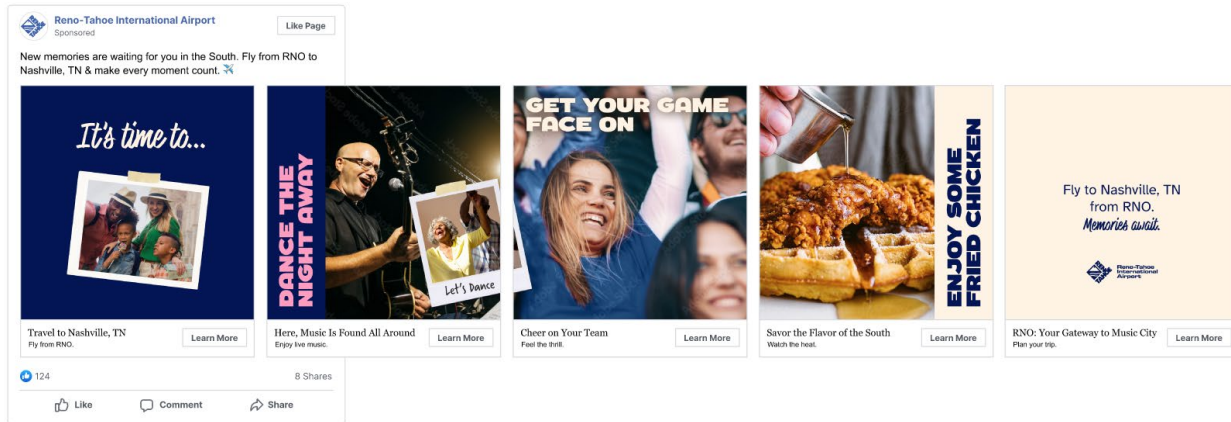
All employees were scheduled to attend “Intro to DEI: Unconscious Bias” training as part of an organization-wide initiative to focus on Diversity, Equity, and Inclusion. Conducted by Angie Taylor of Guardian Quest, this program was highly interactive and impactful, and participant feedback has been very positive.

MARKETING & PUBLIC AFFAIRS

Marketing

A refreshed advertising campaign began in mid-April, shifting concentration to RTAA’s Air Service focus nonstop destinations: Austin, Texas, and Atlanta, Georgia; while also seeding the market with ads for Nashville, Tennessee, (see example below). These ads, along with complementary videos, are appearing on Facebook, Instagram, X, Google and StackAdapt. We anticipate a slight increase in advertising spend

will result in higher impression rates in the coming months. Additionally, we welcomed the RTAA’s new Director of Marketing, April Conway, APR, MBA.

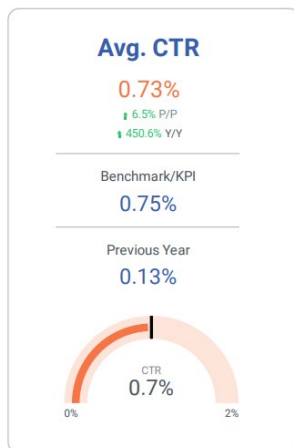
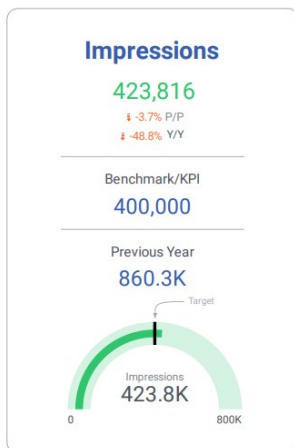


Notable metrics from March 16 – April 15 include:

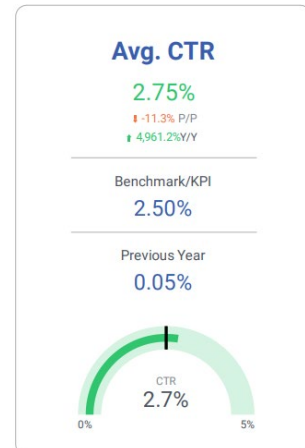
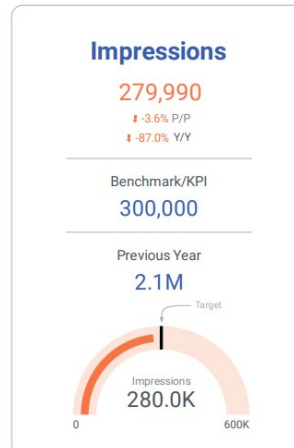
- Paid Campaigns:** Conversions (the total number of times a user completed a desired action after clicking on an ad) decreased compared to the outstanding rates of last period, however held close to desired benchmarks. Overall ad impressions held steady, increasing by 4.2% compared to last period earning more than 877,000 impressions through digital media, programmatic and social media ads.



KPIs | Meta

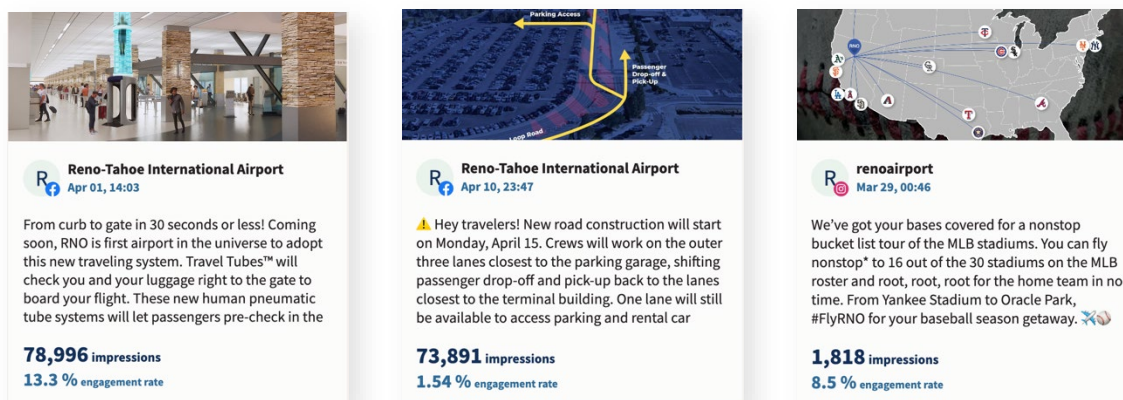


KPIs | Google



- Organic Social Media:** Overall, social media content saw a 13.3% increase in impressions compared to the previous period (with high-performing posts seen more than 70,000 times), accompanied by a steady rise in followers across all platforms. Notably, Facebook, Instagram, X and LinkedIn collectively totaled 39,500 followers, marking a 1% increase across platforms.

During this period, posts across platforms saw significant audience engagement, particularly on Facebook, which experienced a noteworthy 149% surge in interactions including likes, comments and shares. This uptick can be attributed to timely and resonant content, such as April Fools' Day posts and updates on air service, the Ticketing Hall/MoreRNO, and feel-good posts.



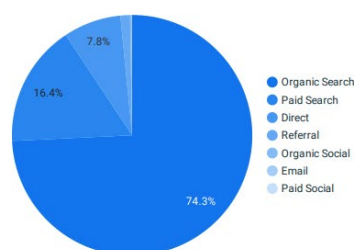
- Website:** The website saw decreases across the board, possibly indicating a slowdown in activity compared to the spikes seen (due to winter weather and spring break bookings) in the previous period. Specifically, traffic to the Arrivals and Departures page decreased by 51% compared to the previous period.

On the other hand, during this period, traffic to the Parking page increased by 31.6%, likely driven by spring break travelers seeking parking availability.

Website Overview

Sessions	Total Users	New Users
81,531 ↓ -27% P/P	54,854 ↓ -21% P/P	52,079 ↓ -22% P/P
2019 83,249	2019 55,287	2019 50,156
Engagement Rate	Avg. Session Duration	Page Views
50.3% ↓ -8% P/P	02:50 ↓ -9% P/P	132.2K ↓ -29% P/P
2019 Bounce Rate	2019	2019
61.8%	02:10	165.6K

Sessions by Channel



- Newsletter:** A new campaign was launched in March to reengage individuals that have signed up for the newsletter in the last 12 months. As projected, open rates have begun to level out at 52%, from the original send, this month (benchmark open rate 38%). The April newsletter heavily featured air service and the announcement of 90,000 more seats added this summer. Additionally, there were features on the Ticketing Hall Grand Opening and McCarthy Construction. The majority of readers clicked the link to the nonstop destinations page, showing continued interest in our nonstop flights.

Media and Public Outreach

The team issued a press release announcing the approval and financial close of the Ground Transportation Center and a media alert introducing the newest concessions addition of Liberty Toast to the C Concourse. Additionally, the team staffed interviews with President/CEO on Nevada Newsmakers, Face the State and Airport Improvement Magazine to engage media in MoreRNO program updates.

Government Affairs

FAA authorization was extended by Congress until May 10, but faces at least another short-term extension of about a week. There has been a bipartisan, bicameral compromise on all germane topics, but since this will likely be one of the last pieces of legislation done before the November election, all sorts of amendments are being proposed that the Senate must process. RTAA has signaled to our delegation that we are in support of the compromise provisions being proposed and urged them to pass this measure as quickly as possible. The compromise language includes several helpful provisions for RTAA.

The team continues to onboard Van Scoyoc Associates (VSA) as our federal lobbyist and has had several productive meetings about how to uncover additional federal funding and policy opportunities.

We also hosted our lead transportation staff contact from Senator Cortez Masto's office while he was in town for a briefing and tour of the new ticketing hall and all MoreRNO projects.

Art

Staff has been busy working on the next 1% for public art projects in HQ, GTC and New Gen A&B. We are energized by the community's overwhelmingly positive reaction to *Repeated Refrains* in the ticketing hall. Accolades continue to come in, most recently, at two Chamber events - Leadership Reno-Sparks and the Business Expo. The Art Advisory Committee is scheduled to meet this summer in preparation for multiple public art solicitations starting in late 2024.

The depARTures gallery has officially made the transition from Nevada Arts Council's exhibition, *Find Your Folklife*, to the 16th Annual Employee Art Show. 67 artists submitted 85 works that spanned a variety of mediums including paintings, works on paper, photography, sculptures, mixed media and new this year, quilts. The show will run through Aug. 12 with an awards reception taking place June 5. Big thanks to the National Arts Program for sponsoring the exhibit. Next up – Burning Man and their community-driven endeavors through the Burning Man Project including Burners Without Borders, Fly Ranch and the Global Grants program.

RNO is again a host location for Artown 2024! Three performances will take place at the ski statue during the month of July including High Desert Harmony, The Note-ables and for the first time, a dance ensemble from the India Arts and Culture Center.

Board Memorandum

05/2024-16

In Preparation for the Regular Board Meeting on May 23, 2024

Subject: Authorization for the President/CEO to execute a one-year contract for the Reno-Tahoe Airport Authority employee workers' compensation insurance coverage for Fiscal Year 2024-2025, with Starr Aviation, in the amount of \$145,367

STAFF RECOMMENDATION

Staff recommends approval of the Proposed Motion stated below.

BACKGROUND

State law requires that each employer provide insurance coverage for on-the-job injuries. The RTAA's current fully insured workers' compensation insurance policy provided through Starr Aviation will expire on June 30, 2024.

The RTAA, through a competitive request for proposal process, has retained Arthur J. Gallagher Risk Management Services, Inc. (AJG) as the Broker of Record.

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

DISCUSSION

In March 2024, AJG began marketing the RTAA FY 2024-2025 employee workers' compensation insurance coverage. This effort successfully obtained the following quotes:

FY 2024-2025 Workers' Compensation Insurance Bid Responses			
Carrier	FY 2023-2024 Premium	FY 2024-2025 Premium Quote	Annual Dollar / Percentage Difference
Starr Aviation	\$177,213	\$145,367	-\$31,846 / -18.0%
Old Republic	N/A	\$151,799	-\$25,414 / -14.3%
Global Aerospace	N/A	Declined to quote	N/A
Beacon Aviation	N/A	Declined to quote	N/A
USAIG	N/A	Will be exiting the market	N/A
QBE Aviation	N/A	Has exited the market	N/A
AIG Aerospace	N/A	Has exited the market	N/A

As indicated in the chart on the previous page, AJG received two quotes, including one from our current carrier, Starr Aviation; while two carriers declined to submit a quote based on the potential for high police and fire claim exposures due to Nevada's generous heart & lung statutes. The other three carriers will or have exited the market altogether.

The quote provided by Starr Aviation represents a sizeable decrease over the current premium and is the most competitive. In addition, based on the RTAA's continued success in safety and loss control, Starr Aviation is offering a sliding scale dividend plan which could potentially credit us back a portion of our premium based on claim costs. Therefore, staff is recommending continuing the RTAA's coverage with Starr Aviation.

Founded by Cornelius Vander Starr in 1919, Starr is one of the world's fastest growing insurance organizations, providing property, casualty and accident coverage insurance to almost every imaginable business and industry in virtually every part of the world.

FISCAL IMPACT

The FY 2024-2025 premium quote from Starr Aviation totals \$145,367, an 18% decrease from FY 2023-2024. A portion of this decrease is due to the RTAA's lower experience modification (e-mod) factor (.75 to .72). This reduction indicates that RTAA claim costs are continuing to trend lower than previous fiscal years when compared to organizations of comparable size and function to the RTAA. This lower experience modification factor also reflects the on-going efforts of the management team to keep claims costs down through safe work practices, and by involving injured workers in the RTAA's modified duty return to work program. In addition, Starr Aviation has provided almost \$13,000 in premium discounts and a dividend plan which could potentially credit us back a portion of our premium based on FY 2024-2025 claim costs.

The FY 2024-2025 budget will be adjusted at mid-year to reflect this lower premium.

COMMITTEE COORDINATION

Finance & Business Development Committee

PROPOSED MOTION

"It is hereby moved that the Board of Trustees authorizes the President/CEO to execute a one-year contract with Starr Aviation to provide workers' compensation insurance for RTAA employee on-the-job injuries for Fiscal Year 2024-2025, in the amount of \$145,367."

Board Memorandum

05/2024-17

In Preparation for the Regular Board Meeting on May 23, 2024

Subject: Authorization for the President/CEO to execute a five-year contract for the operation and maintenance of the Baggage Handling System to Daifuku Services America Corporation in accordance with requirements of the original manufacturer and the Transportation Security Administration with the five-year total for all services in the amount of \$8,231,595.73

STAFF RECOMMENDATION

Staff recommends that the Board adopt the motion stated below.

BACKGROUND

The Reno-Tahoe Airport Authority (RTAA) owns, maintains, and is responsible for the functional operation of the integrated in-line explosion detection and baggage handling system (BHS). The system includes the ticket counter take-away belts, conveyors, sorting devices and baggage carousels. Specifically, the system consists of 1.17 miles of conveyors, 441 Variable-Frequency Drive (VFD) electric motors, motor control panels (MCP), integrated push type baggage diverters, vertical sorter devices, one (1) Vaculex baggage vacuum lift assistance device, and a very sophisticated Programmable Logic Control (PLC) computer system that controls the timing and operations of the belt system. The value of the BHS system is in excess of \$20,000,000 including \$401,458 in parts inventory.

In order to properly maintain the investment and to ensure maximum operational availability and efficiency of such a complex integrated conveyor system, a contract with a maintenance service provider has been required to perform the preventive maintenance and oversee the operation of the in-line system. Additionally, the maintenance service provider is responsible for the housekeeping duties for the BHS conveyor system in the Baggage Make-Up (BMU) matrices.

The contractor is required to be on site and managing the system on a twenty-four (24) hour per day, seven (7) days per week schedule. The contractor oversees the operation utilizing the Central Control Room (CCR) that houses the computer control stations for the conveyor systems and the associated Closed-Circuit Television (CCTV) system that provides a visual tool for monitoring the bags as they move through all three of the conveyor and screening matrices. They provide manpower sufficient to respond to any baggage jams in the system having jams cleared within two (2) minutes and are required to notify the RTAA Facilities and Maintenance Department (FMD) within five (5) minutes if any system and/or component malfunction failures occur as well as provide the FMD with a report of the anticipated repair time. A variety of daily, weekly, and monthly reports detailing the operations, availability, and accuracy of the BHS is provided. The

reports are used to establish the contractor’s ability to meet or exceed the performance requirements of the system and the contractor’s monthly payment are subject to penalties if the criteria are not met.

The contractor is required to survey the system and provide the RTAA with a detailed contingency plan for any type of system or system component failure to ensure continuous and minimally interrupted baggage delivery to the outbound pick-up carousels. The contractor trains on each type of contingency scenario to ensure that their personnel are ready to react should such a failure occur. The RTAA provides a variety of different types of BHS equipment components for the contractor’s use in live, hands-on preventive maintenance training. The contractor is further required to maintain training on the equipment should it be needed for integration into the BHS.

The contractor is responsible for procuring and maintaining minimum required stock levels of BHS parts inventory. They are required to utilize the RTAA’s IBM Maximo Computerized Maintenance Management System (CMMS) to monitor the preventive maintenance program, parts inventory, and warranties of the system. The contractor maintains the computer database with all pertinent information for the Preventive Maintenance (PM) work order tasks, parts inventory, and BHS asset information. The RTAA has access to the BHS Maximo program to monitor the contractor performance and preventive maintenance program’s status and compliance.

DISCUSSION

The Request for Proposals (RFP 23/24-14) was released and published on February 2, 2024, in the Reno-Gazette Journal (RGJ) and posted on the RTAA’s website, and on the Nevada Government eMarketplace (NGEM) website. Three prospective proposers attended the non-mandatory pre-proposal meeting held on February 13, 2024. Four proposals were received and opened on March 11, 2024. The following table outlines the annual maintenance costs submitted by each proposer:

Company	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Daifuku	\$1,504,141.26	\$1,567,463.48	\$1,634,058.74	\$1,716,472.67	\$1,809,459.58	\$8,231,595.73
ERMC	\$1,404,547.46	\$1,394,238.83	\$1,430,983.83	\$1,475,564.52	\$1,514,547.28	\$7,219,881.93
JSM	\$1,749,996.00	\$1,802,496.00	\$1,856,580.00	\$1,912,284.00	\$1,969,644.00	\$9,291,000.00
Oshkosh	\$1,876,900.00	\$1,841,763.00	\$1,898,586.00	\$1,959,557.00	\$2,011,461.00	\$9,588,267.00

A selection committee comprised of the Southwest Airline’s Station Manager, the United Airline’s Station Manager, and RTAA staff evaluated all proposals received.

The evaluation criteria considered critical areas of the qualifications of the proposing firms, including their proposed on-site operations, maintenance and management team, the firm’s detailed work plan for meeting the program requirements, references, and finally, the contract costs. The panel was unanimous in their evaluation of Daifuku Services America Corporation being the best choice of the four proposals. The panel recommended a direct selection of DSAC to the Board whose proposal was most advantageous to the RTAA.

Key advantages from the DSAC proposal:

- Although price was not the only consideration, DSAC submitted the second lowest overall cost proposal.

- DSAC has 30 years of experience in the operation and maintenance of complex airport baggage handling systems.
- DSAC has 20 locations in the United States for backup support.
- Specific experience at other airports with similar systems include Detroit International, Los Angeles International, Phoenix International, San Antonio International, Sacramento International, and John Glenn International.
- Strength of reference checks.
- Excellent proposed procedures for daily operation, preventative maintenance, and handling system emergencies.
- Successful management of the RTAA BHS system for the last fifteen years meeting all contractual requirements and expectations.
- Excellent working relationship with the RTAA staff.

The request is to approve the full five-year contract agreement for a total of \$8,231,595.73. Each contract year's pricing is inclusive of the required annual Brock Solutions software connection for programmable logic control support and site visits. The five-year term agreement will expire June 30, 2029.

FISCAL IMPACT

Funding for the first year of this contract is included in the requested Fiscal Year 2024-25 Building Maintenance's Operating and Maintenance budget that will be presented for approval at the May Board meeting. The first-year budgeted amount for the maintenance agreement is \$1,504,141.26.

The first year's maintenance agreement represents 65% of the total budget associated with the BHS of \$2,312,641 in Fiscal Year 2024-25. The overall budget also includes \$65,000 for replacement parts associated with the system. Subsequent years funding will be in the Building Maintenance's Operation and Maintenance budget.

The entire Baggage Handling System budget of \$2,312,641 is 100% reimbursable from the airlines through a per bag fee calculation as outlined in the current year Master Fee Resolution.

COMMITTEE COORDINATION

Finance & Business Development Committee

PROPOSED MOTION

“Move to authorize the President/CEO to execute a five-year contract for the operation and maintenance of the Baggage Handling System to Daifuku Services America Corporation in accordance with requirements of the original manufacturer and the Transportation Security Administration the five-year total for all services in the amount of \$8,231,595.73.”

Board Memorandum

05/2024-18

In Preparation for the Regular Board Meeting on May 23, 2024

Subject: Authorization for the President/CEO to execute a professional services agreement for design services for the General Aviation East Apron and Taxilane Reconstruction Project at the Reno-Tahoe International Airport, with Kimley-Horn and Associates, Inc, in the amount of \$437,080

STAFF RECOMMENDATION

Staff recommends that the Board adopt the motion stated below.

BACKGROUND

The Reno-Tahoe International Airport General Aviation East project area is located on the east side of the airfield adjacent to Rock Boulevard. The General Aviation East project area is developed and is approximately 9 acres. It is bordered to the west by Taxiway Charlie, north by the fuel farm, south by East lighting Vault and east by Rock Boulevard.

The General Aviation East Apron is a non-exclusive use apron with taxilanes that were previously under a long-term lease with a fixed base operator which has expired and reverted to the Airport Authority. The apron has not been rehabilitated in over 20 years and has exceeded its useful life. The Pavement Condition Index (PCI) for the pavement in this area ranges from 5 (failed) to 24 (serious) based on the 2022 Pavement Maintenance report. The pavement requires significant maintenance to mitigate the pavement raveling and creating foreign object debris (FOD).

The General Aviation East Apron and Taxilane Reconstruction Project has been deemed necessary to the General Aviation Airport Operations. There are over 60 general aviation tenants using the area and lease nearby hanger space . Additionally, several business operate out of this area including Grandview Aviation, which provides medical flights, Stellar Aviation, and JSX which serves approximately 300 passengers weekly.

DISCUSSION

A Request for Qualifications (RFQ) for design services was publicly advertised on October 13, 2023, and Statements of Qualifications (SOQ) were received on November 16, 2023, from the following firms:

- AtkinsRéalis
- Kimley Horn & Associates

An evaluation committee comprised of RTAA staff reviewed the submittals and determined Kimley-Horn as the most qualified firm for the project. The evaluation was based on the qualifications and experience requirements stipulated in the RFQ of similar type projects.

Kimley-Horn has extensive experience in airfield pavement design projects at Commercial and General Aviation airports across the United States. The Kimley-Horn design team also includes sub-consultants MAPCA Surveying and Corestone (geotechnical engineer). Additionally, Kimley-Horn conducts in-house electrical design, airfield analyst and pavement design as part of their core services. Kimley-Horn proposes to meet the minimum Disadvantage Business Enterprise (DBE) goal of 11.5% with Corestone and MAPCA both being DBEs. Members of Kimley-Horn’s design team have performed multiple projects at the Reno Stead Airport in recent years.

The Professional Services Agreement for the project tasks include field survey, geotechnical investigation, hydrology conditions, existing storm drain evaluation, construction phasing, operational plan, client review, cost estimates, development of the design and bid packages. Outreach will be conducted with the RTAA Stakeholders including the Commercial Business, Planning, Engineering, Operations, Airfield Maintenance and the airportuser groups.

The stakeholder meetings will generate information to identify project constraints and operational criteria to be utilized in the basis of design. The construction is expected to begin in early 2026. The construction schedule and phasing plan will be developed during the design process.

Upon completion of the design, the construction documents will be issued for bids and submitted to the FAA for approval. The construction contract will be brought separately for Board approval at a later date and is expected to be funded under a new AIP grant. The AIP construction grant will include construction, construction administration, construction management, and administration services as well as project close out.

The table 1 is an estimate of the preliminary schedule:

Table 1 – Preliminary Schedule

Activity	Date
Board Approval	May 23, 2024
FAA AIP Grant Award	June 1, 2024
Notice to Proceed	June 2, 2024
Design	June 2 – December 1, 2024
Bid Package Complete	January 1, 2024

FISCAL IMPACT

The PSA for design services in the amount of \$437,080 is funded by FAA AIP pending grant. The FAA eligible share is \$417,958 (93.75%) and the RTAA share is \$27,864 (6.25%).

An Airport Improvement Program (AIP) Grant has been submitted to the FAA.

Table 2 – Design Professional Services Estimate at Completion

Airside Design	Other Direct Costs	Estimate At Completion
\$437,080	\$8,742*	\$445,822

* Other Direct Costs include but are not limited to: reimbursable agreement with the FAA, administrative costs, advertising, printing, permits and miscellaneous fees.

The Estimate at Completion (EAC) is a preliminary estimate for budgetary purposes only.

COMMITTEE COORDINATION

Planning and Construction Committee

PROPOSED MOTION

“Move to authorize the President/CEO to execute Professional Services Agreement for design of the General Aviation East Apron and Taxiway Reconstruction Project at Reno-Tahoe International Airport (RNO), with Kimley-Horn and Associates, in the amount of \$437,080.

Board Memorandum

05/2024-19

In Preparation for the Regular Board Meeting on May 23, 2024

Subject: Adoption of the Reno-Tahoe Airport Authority's fiscal year (FY) 2024-25 Budget (July 1, 2024, through June 30, 2025)

STAFF RECOMMENDATION

Staff recommends that the Board adopts the Fiscal Year 2024-25 budget of the Reno-Tahoe Airport Authority (RTAA).

PURPOSE

The purpose of this action is to adopt the RTAA's annual budget for FY 2024-25, representing the period of July 1, 2024, through June 30, 2025. Pursuant to State law, the budget is to be considered by the Board in a noticed public hearing. The notice was published in the Reno Gazette-Journal on May 14, 2024. In accordance with State law, the Board must adopt the budget on or before June 1, 2024. Accompanying this memorandum is the RTAA's proposed budget for FY 2024-25 for consideration and adoption by the Board of Trustees.

BACKGROUND

The budget is RTAA's annual fiscal plan of revenues and expenses to fund operations and the annual capital improvement program for the Reno-Tahoe International Airport (RNO) and Reno-Stead Airport (RTS) as owned and operated by RTAA.

On April 23, 2024, the Board held a workshop on the proposed budget. Staff presented an overview of the proposed budget, including passenger traffic, landed weight, revenue, and operating expense estimates for the upcoming fiscal year to begin on July 1, 2024. The presentation included information on fixed assets and capital projects proposed for next fiscal year. The FY 2024-25 budget and airline rates and charges were also discussed with the Airline Airport Affairs Committee as required by the RTAA's airline agreement with signatory airlines.

DISCUSSION

Airline traffic at RNO has made a tremendous recovery following the COVID pandemic. We celebrated new records of enplaned passengers in some months of FY 2023-24. However, the updated FY 2023-24 traffic forecast has shown signs of a slowing growth trend with a reduction in both landed weight and passenger traffic. Some of the carriers exited the Reno market (Allegiant, Frontier, New Pacific), while new airlines started operating at RNO – Spirit, Sun Country. The existing airlines are still facing operational challenges primarily caused by

equipment shortages and safety concerns. As we look at the airline traffic for next fiscal year, we are cautiously optimistic. Our airline partners are forecasting increased landed weight when compared to the current year forecast and expecting the passenger traffic to stabilize next year. RTAA staff is currently in consultation with airlines on the FY 2024-25 traffic forecast and will continue to closely monitor airline traffic changes and the impact this may have on revenues.

FY 2024-25 is the second year of the new ten-year Airport-Airline Use and Lease Agreement (AAULA or airline agreement) with Alaska Airlines, American Airlines, Delta Air Lines, Federal Express (FedEx), Southwest Airlines, United Parcel Service (UPS), and United Airlines referred to as Signatory Airlines. The AAULA defines the premises leased by Signatory Airlines and provides the terms and conditions under which they operate at RNO. The airline agreement sets forth the rate methodology by which Signatory Airlines pay for the facilities and services they use.

The MoreRNO capital program is expected to make significant progress in FY 2024-25 with the continued design process of the New Gen A&B concourses, South Remain Overnight (RON) pad, Central Utility Plant (CUP), and New Headquarters (HQ). Upon Board approval construction is also expected to start next year on the South RON, CUP, and HQ. Funding for the MoreRNO program is from federal grants, passenger facility charges (PFC), airline rates and charges, RTAA cash, and airport revenue bonds. Staff is currently anticipating issuing bonds in August 2024.

RTAA has recently entered into a ground lease and a public-private partnership agreement with ConRAC Solutions to build a new ground transportation center (GTC). The project will be funded exclusively by customer facility charges (CFCs) paid by rental car customers. All CFCs are managed by a third-party trustee and RTAA no longer receives those revenues from the rental car companies. A \$150,000 annual administrative fee will be paid to RTAA for the duration of the agreement.

The proposed budget is balanced, includes necessary cost increases, higher revenues, and required adjustments based on various contractual obligations. Working closely with the Executive Team we are continuing to closely monitor airline traffic, revenues, and expenses and are prepared to make necessary adjustments if the current forecast does not materialize.

FISCAL IMPACT

As discussed in the attached FY 2024-25 Budget of the Reno-Tahoe Airport Authority.

COMMITTEE COORDINATION

Finance and Business Development Committee

PROPOSED MOTION

“Move that the Board of Trustees adopts the budget of the Reno-Tahoe Airport Authority for Fiscal Year 2024-25 as presented.”

FY 2024-25 PROPOSED BUDGET

Summary

The FY 2024-25 proposed budget includes total revenues of \$105.485 million to fund airport operating expenses, debt service, equipment, and capital improvements. This section provides a financial overview of the proposed FY 2024-25 budget and key metrics.

Budget Category	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Forecast	FY 2024-25 Budget	Budget to Budget	
					\$ Change	% Change
Operating Budget						
Revenues	\$ 66,493,459	\$ 85,456,219	\$ 85,208,518	\$ 88,408,803	\$ 2,952,583	3.5%
Expenses	(55,842,097)	(65,144,750)	(65,111,301)	(68,668,035)	(3,523,285)	5.4%
Revenues over Expenses	10,651,362	20,311,469	20,097,217	19,740,768	(570,702)	(2.8%)
Other Sources (Uses)						
Property, Plant and Equipment	(1,667,829)	(894,962)	(920,911)	(702,657)	192,305	(21.5%)
Debt Service	(400,000)	(1,110,519)	(910,609)	(1,915,560)	(805,041)	72.5%
Federal Stimulus Funds	1,520,000	1,160,094	960,184	-	(1,160,094)	(100%)
Interest Income	2,899,224	1,976,400	2,778,700	2,696,900	720,500	36.5%
Other Non-Operating Revenue	300,994	298,400	300,000	302,900	4,500	1.5%
Total Other Sources (Uses)	2,652,389	1,429,413	2,207,364	381,583	(1,047,830)	(73.3%)
Net Sources over Uses	13,303,751	21,740,882	22,304,581	20,122,350	(1,618,532)	(7.4%)
Other Revenues:						
Passenger Facility Charges	8,372,017	9,394,600	9,167,900	9,076,700	(317,900)	(3.4%)
Customer Facility Charges	7,863,374	9,573,000	11,218,500	-	(9,573,000)	(100%)
Total Other Sources	16,235,391	18,967,600	20,386,400	9,076,700	(9,890,900)	(52.1%)
Capital Budget	24,002,427	58,384,588	58,384,588	100,139,053	41,754,465	71.5%

Key

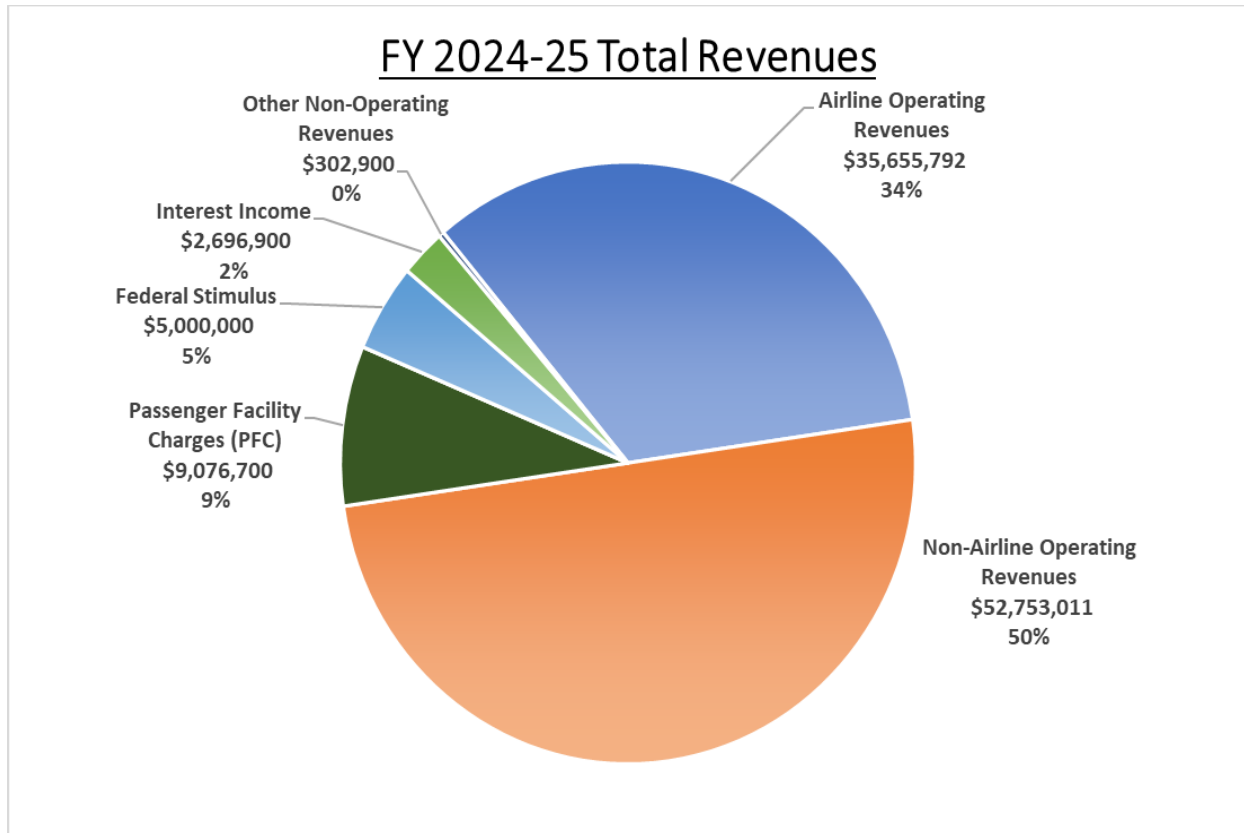
Metrics

Description	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Forecast	FY 2024-25 Budget	Budget to Budget	
					\$ Change	% Change
Enplaned Passengers	2,229,254	2,496,862	2,369,767	2,414,737	(82,125)	(3.3%)
Sig. Cost Per Enplanement	\$ 6.33	\$ 9.65	\$ 10.17	\$ 10.93	\$ 1.28	13.3%
Landed Weight (000's)	3,100,328	3,506,091	\$3,249,801	3,378,382	(127,709)	(3.6%)
Landing Fee (Signatory)	\$ 3.79	\$ 3.99	\$ 4.26	\$ 4.19	\$ 0.20	5.0%
Landing Fee (Non-Signatory)	\$ 3.79	\$ 4.59	\$ 4.90	\$ 4.82	\$ 0.23	5.0%
Terminal Rental Rate (Avg.)	\$ 34.47	\$ 142.44	\$ 143.68	\$ 156.40	\$ 13.96	9.8%
Debt Service Coverage	53.49	27.92	34.79	16.47	(11.45)	(41.0%)

The revenue forecast for next year assumes 2.415 million enplaned passengers, a 3.3% decrease from the current year budget, and 1.9% increase from the updated forecast. The decrease in enplaned passengers is due to the exit of some carriers from the RNO market, downsizing of equipment by exiting carriers, and a lower load factor assumption.

Total Revenues

Total airport revenues, composed of operating and non-operating revenues, forecasted for FY 2024-25 are \$105.485 million, a \$2.373 million or 2.2% decrease from the FY 2023-24 adopted budget. Total revenues also include federal stimulus funds.



Operating Revenues

Budget Category	FY 2022-23	FY 2023-24	FY 2023-24	FY 2024-25	Budget to Budget	
	Actual	Budget	Forecast	Budget	\$ Change	% Change
Operating Revenues:						
Airline Revenues	\$ 17,989,194	\$ 34,223,253	\$ 34,211,506	\$ 35,655,792	\$ 1,432,539	4.2%
Non-Airline Revenues	48,504,266	51,232,966	50,997,012	52,753,011	1,520,044	3.0%
Total Operating Revenues	66,493,459	85,456,219	85,208,518	88,408,803	2,952,583	3.5%

Of the total revenues, \$88.409 million are operating revenues derived from airline and non-airline revenue sources. Operating revenues are forecasted to increase \$2.953 million or 3.5% from the FY 2023-24 adopted budget. Operating revenues are summarized in two major categories:

- Airline revenues** – generated from landing fees and terminal building rents, are forecasted to be \$35.656 million, approximately 40% of the total operating revenues. The 4.2% increase from the current fiscal year is primarily due to the increase in the cost of operating and maintaining the Airfield and Terminal cost centers resulting in higher landing fees and terminal rental rates. The addition of debt service related to the ticketing hall expansion project also contributed to the rate increases.
- Non-airline revenues** – generated from public parking, car rental, retail, food and beverage, advertising, gaming, and other concessions represent \$52.753 million, or approximately 60% of total operating revenues. The 3.0% increase from the FY 2023-24 budget is primarily due to ground transportation and land rental revenues.

Airline Rates and Charges

Airline rates and charges primarily refer to landing fees, terminal rents, and baggage handling fees established annually by RTAA. The rates and fees are calculated to recover budgeted costs to operate and maintain the airfield, terminal facilities, and the baggage handling system (BHS). At the end of the fiscal year, a true up is performed to account for the difference between actual costs and the budgeted rates and charges in accordance with the airline agreement between RTAA and seven signatory airlines.

Landing Fee Calculation

Airfield Cost Center	FY 2022-23	FY 2023-24	FY 2023-24	FY 2024-25	Budget to Budget	
	Actual	Budget	Forecast	Budget	\$ Change	% Change
Operating Expenses	\$ 12,964,388	\$ 14,463,446	\$ 14,298,462	\$ 14,175,962	\$ (287,483)	(2.0%)
Operating Reserve	457,788	266,897	266,897	122,377	(144,521)	(54.1%)
Fixed Assets/Equipment	511,398	240,407	255,559	238,004	(2,403)	(1.0%)
Capital Projects	57,160	-	-	516,180	516,180	100%
Amortization of Capital Items	-	697,355	696,815	634,458	(62,897)	(9.0%)
Less: Federal Stimulus	(1,120,000)	(300,000)	(300,000)	-	300,000	(100%)
Less: Non-Signatory Landing Fees	-	(1,672,489)	(1,569,695)	(1,283,952)	388,537	(23.2%)
Less: Airfield Revenues	(1,133,856)	(1,151,625)	(1,268,915)	(1,364,311)	(212,685)	18.5%
Total Requirement (A)	11,736,878	12,543,990	12,379,123	13,038,718	494,728	3.9%
Total Landed Weight	3,100,328	3,506,091	3,249,801	3,378,382	(127,709)	(3.6%)
Signatory Landed Weight (000s) (B)	2,795,471	3,141,595	2,907,820	3,111,919	(29,676)	(0.9%)
Sig. Landing Fee Rate Per (000s) (A/B)	\$ 4.20	\$ 3.99	\$ 4.26	\$ 4.19	\$ 0.20	5.0%
Non-Signatory Landing Fee Rate (15%)		\$ 4.59	\$ 4.90	\$ 4.82	\$ 0.23	5.0%

Landing fees are charged to passenger and cargo carriers for each aircraft landing based on the aircraft's maximum gross landed weight. RTAA currently recovers 100% of its costs of operating and maintaining the airfield through landing fees. The Landing Fee rate is calculated by dividing (i) the total requirement (net cost) of the airfield by (ii) the total landed weight of Signatory Airlines. Non-signatory airlines pay a 15% premium for the landing fee rate compared to Signatory Airlines. The forecasted total landed weight of 3.378 million thousand pounds is a 3.6% decrease from the current year budget.

Demand for travel through RNO is expected to remain relatively strong in FY 2024-25 with landed weight to exceed the current year updated traffic forecast. Landing fees are forecasted to increase to \$4.19 per thousand pounds for Signatory Airlines and \$4.82 for non-signatory airlines. The new rates represent a 5.0% increase from the current year budget due to higher costs associated with operating and maintaining the airfield and the 3.6% reduction in the landed weight forecast for FY 2024-25. Also, federal stimulus funds have been fully committed to RTAA capital projects and are no longer available to pay for operating expenses.

Terminal Rent Rate Calculation

Terminal Cost Center	FY 2022-23	FY 2023-24	FY 2023-24	FY 2024-25	Budget to Budget	
	Actual	Budget	Forecast	Budget	\$ Change	% Change
Operating Expenses	\$ 23,417,804	\$ 27,730,434	\$ 27,838,835	\$ 29,447,538	\$ 1,717,104	6.2%
Debt Service	-	-	-	1,665,560	1,665,560	100%
Other Debt Service	-	250,425	250,425	-	(250,425)	(100%)
Debt Coverage	\$ -	-	-	166,556	166,556	100%
Operating Reserve	476,149	511,716	511,716	254,211	(257,505)	(50.3%)
Fixed Assets/Equipment	502,906	342,333	348,279	282,945	(59,388)	(17.3%)
Capital Projects	253,566	577,838	577,838	84,480	(493,358)	(85.4%)
Amortization of Capital Items	-	345,586	345,586	598,949	253,363	73.3%
Less: Gaming Concession (50%)	-	(699,100)	(710,900)	(724,400)	(25,300)	3.6%
Less: In-Terminal Concessions	-	(4,421,517)	(4,294,420)	(4,636,712)	(215,194)	4.9%
Less: Airline Reimbursements	(364,192)	(344,350)	(361,600)	(350,900)	(6,550)	1.9%
Total Requirement	24,286,232	24,293,365	24,505,759	26,788,228	2,494,863	10.3%
Terminal Square Footage (SF)	262,114	170,553	170,553	171,275	722	0.4%
Average SF Terminal Rental Rate	\$ 92.66	\$ 142.44	\$ 143.68	\$ 156.40	\$13.96	9.8%
Signatory Airline Allocated Cost	11,698,900	17,545,300	17,698,100	19,377,800	1,832,500	10.4%
Less Revenue Sharing Transfer	(7,347,400)	-	-	-	-	-
Net Terminal Requirement	4,351,500	17,545,300	17,698,100	19,377,800	1,832,500	10.4%
Signatory Airline Leased SF	126,256	123,177	123,177	123,899	722	0.6%
Signatory Airline Terminal Rate SF	\$ 34.47	\$ 142.44	\$ 143.68	\$ 156.40	\$ 13.96	9.8%

Airline terminal rentals reflect recovery of terminal costs allocated to airline occupied facilities, with total facility costs divided by airline rentable square footage. The average terminal rental rate is calculated by applying the total required cost to operate and maintain terminal facilities, plus debt service, capital improvement projects, and amortization of capital items, minus 50% of Gaming Concession and In-Terminal Concession revenues, divided by the total airline rentable terminal space. The proposed average terminal rental rate is \$156.40, a 9.8% increase from the FY 2023-24 budget. This increase is due to the higher cost to maintain and operate the Terminal building, and the introduction of debt service related to the ticketing hall expansion project.

Baggage Handling System (BHS) Fee Calculation

Baggage Handling System	FY 2022-23	FY 2023-24	FY 2023-24	FY 2024-25	Budget to Budget	
	Actual	Budget	Forecast	Budget	\$ Change	% Change
Operating Expenses	\$ 2,063,279	\$ 2,093,553	\$ 2,093,553	\$ 2,406,541	\$ 312,988	15.0%
Operating Reserve	36,666	38,633	38,633	20,775	(17,858)	(46.2%)
Less: TSA Reimbursements	(69,694)	(45,240)	(65,000)	(45,900)	(660)	1.5%
Less: Airline Reimbursements	(148,548)	(194,300)	(169,300)	(155,300)	39,000	(20.1%)
Total Requirement	1,881,704	1,892,646	1,897,886	2,226,116	333,470	17.6%
Signatory Airline Bags Processed	1,349,877	1,371,948	1,308,648	1,376,911	4,963	0.4%
Signatory Airline Rate per Bag	\$ 1.39	\$ 1.38	\$ 1.45	\$ 1.62	\$ 0.24	17.2%
Non-Signatory Airline Rate per Bag	\$ 1.53	\$ 1.52	\$ 1.52	\$ 1.78	\$ 0.26	17.1%

The baggage handling fee is meant to recover the operating, maintenance, and capital costs allocated to the BHS cost center, which now include amortization of capital items. RTAA manages the BHS through a service contract with a specialized vendor for the ongoing maintenance of the system used by the airlines. RTAA establishes a rate per checked piece of luggage based on a net cost recovery formula. The BHS signatory fee is forecasted to be \$1.62 per bag and \$1.78 per bag for non-signatory airlines which pay a ten percent premium per the airline agreement. The new

rate is a 17.2% increase when compared to the FY 2023-24 budget due to a new negotiated maintenance agreement, utility cost increases, and the reduction in passenger traffic.

Revenue Sharing Calculation

Revenue Sharing	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Forecast	FY 2024-25 Budget	Budget to Budget	
					\$ Change	% Change
Airline Revenue	\$ 25,664,461	\$ 34,057,053	\$ 34,045,006	\$ 35,704,192	\$ 1,647,139	4.8%
Non-Airline Revenue	48,481,132	51,226,466	51,010,512	52,753,011	1,526,544	3.0%
Total Revenue	74,145,593	85,283,519	85,055,518	88,457,203	3,173,683	3.7%
O&M Expense	55,010,334	64,015,150	64,040,701	67,005,134	2,989,984	4.7%
Total Debt Service	400,000	1,110,519	910,609	1,915,560	805,041	72.5%
O&M Reserve Requirement	1,167,557	1,202,130	1,202,130	592,789	(609,341)	(50.7%)
Fixed Asset	1,667,829	894,962	920,911	702,657	(192,305)	(21.5%)
Capital Project	310,727	1,671,088	1,671,088	1,964,500	293,412	17.6%
Amort of Capital Items	3,455,432	3,081,081	3,030,501	3,284,031	202,950	6.6%
Special Fund	504,916	489,385	497,651	507,095	17,710	3.6%
General Purpose Fund Requirement	-	3,000,000	3,000,000	3,000,000	-	-
Interest Income	(1,546,090)	(956,000)	(1,818,900)	(2,668,800)	(1,712,800)	179%
Federal Stimulus	(1,520,000)	(1,160,094)	(960,184)	-	1,160,094	(100%)
Total Requirement	59,450,703	73,348,221	72,494,507	76,302,966	2,954,746	4.0%
Funds Remaining	14,694,890	11,935,298	12,561,011	12,154,236	218,938	1.8%
Revenue Share per Enplaned Passenger	-	\$ 2.00	\$ 2.00	\$ 2.00	-	-
Signatory Airline Enplaned Passengers	2,008,315	2,212,819	2,110,723	2,220,824	8,005	0.4%
\$2 per EP Revenue Share	-	4,425,637	4,221,446	4,441,648	16,011	0.4%
Net Funds Remaining after Rev. Share	14,694,890	7,509,661	8,339,566	7,712,588	202,927	2.7%
Total Airline Revenue Sharing Credit	7,347,445	8,180,468	8,391,229	8,297,900	117,432	1.4%
Amount to RTAA General Purpose Fund	7,347,445	6,754,831	7,169,783	6,856,294	101,463	1.5%
Effective Revenue Share per EP	\$ 3.66	\$ 3.70	\$ 3.98	\$ 3.74	\$ 0.04	1.1%

The revenue share calculation with signatory airlines is based on funds remaining after satisfying the RTAA's financial obligations for the year, including a \$3.0 million set aside for the general-purpose fund. The revenue share is now distributed monthly on a per enplaned passenger basis to Signatory Airlines and applied as a credit in the billing process. There are specific debt service coverage (DSC) requirements used in the calculation – a minimum 1.4 DSC must be met before revenue sharing with the airlines; between 1.4 – 1.5 DSC \$2/enplanement will be shared, and above 1.5 the excess revenues are shared 50/50 between RTAA and the Signatory Airlines.

Cost Per Enplaned Passenger (CPE) – Calculated as all rates and charges paid by the airlines to operate at RNO, divided by the forecasted number of enplaned passengers. The signatory cost per enplaned passenger is forecasted to be \$10.93, a \$1.28, or 13.3% increase from the current year budget rate of \$9.65.

Non-Airline Revenues

The non-airline operating revenues forecasted in the FY 2024-25 proposed budget include concession fees (e.g., gaming, food & beverage, retail, advertising, etc.), parking, ground transportation, auto rental, reimbursed services, building and land rents, and other rentals. These revenues are estimated to be \$52.753 million, reflecting an increase of \$1.520 million or 3.0% from the current budget year. This overall increase is primarily attributed to higher building and land rental revenues, and the increase in operating activity for ground handling and support services at RNO. Consumer Price Index (CPI) rental rate adjustments were also factored in the FY 2024-25 budget.

RNO concession revenue from security services and ground handling services is expected to increase significantly by 161.7% and 50.7%, respectively, driven by the increase in operational activity. Ground transportation revenues are anticipated to increase by \$321,900, or 32.9% due to the increased activity expected for Transportation Network Companies (TNCs) and higher fees. Other terminal rents, including ground handling office/storage space, are expected to increase by \$81,600, or 7.8% due to rate adjustments. Retail revenues are forecasted to experience an increase of approximately \$104,600 or 8.5% compared to the current year budget. The significant increase in Reno Stead land rental revenue of \$341,600, or 58.4%, is primarily driven by the annual option payment from Dermody Properties.

Despite these increases, certain revenue streams face declines, notably auto rental and auto parking revenues impacted by the decrease of passenger traffic and change in passenger behavior. The decrease in auto rental revenue is driven by on-airport rentals expected to generate slightly less revenue per enplaned passenger in FY 2024-25 and the exit of Payless from RNO, resulting in an overall loss of approximately \$921,200. This is partially offset by the peer-to-peer rental revenue increase estimated at \$304,200. Auto parking is expected to decrease by \$106,900, or 0.6%, due to less passenger traffic and reduced utilization of the public parking lot in favor of TNCs. Lastly, RTAA will no longer receive federal funds for the Law Enforcement Officer (LEO) and Canine program, resulting in a revenue loss of approximately \$436,000 for FY 2024-25.

Non-Operating Revenues

The proposed budget includes non-operating revenues of \$16.593 million to be received from Passenger Facility Charges (PFCs), federal stimulus funds, investment interest, and aviation gas tax. PFCs are estimated to decrease by \$317,900 or 3.4% from the current year budget attributable to reduced passenger traffic and a slight decrease in the proportion of passengers paying PFCs. Furthermore, RTAA will no longer receive CFCs revenue directly, as it will be managed by a third-party trustee. The forecasted Federal Stimulus funds of \$5.000 million are designated to fund RTAA Capital Improvement Projects in FY 2024-25.

Budget Category	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Forecast	FY 2024-25 Budget	Budget to Budget	
					\$ Change	% Change
Non-Operating Revenues:						
Passenger Facility Charges	\$ 8,372,017	\$ 9,394,600	\$ 9,167,900	\$ 9,076,700	\$ (317,900)	(3.4%)
Customer Facility Charges	7,863,374	9,573,000	11,218,500	-	(9,573,000)	(100%)
Federal Stimulus	1,520,000	1,160,094	960,184	5,000,000	3,839,906	331%
Interest Income	2,899,224	1,976,400	2,778,700	2,696,900	720,500	36.5%
Other Non-Operating	300,994	298,400	300,000	302,900	4,500	1.5%
Total Non-Operating Revenues	20,955,609	22,402,494	24,425,284	17,076,500	(5,325,994)	(23.8%)

Operations and Maintenance (O&M) Expenses

The proposed budget for operating and maintenance (O&M) costs in FY 2024-25 amounts to \$68.668 million, a \$3.523 million or 5.4% increase compared to the FY 2023-24 budget. The table below outlines the RTAA's operating expenses, categorized by major expense groups.

Budget Category	FY 2022-23	FY 2023-24	FY 2023-24	FY 2024-25	Budget to Budget	
	Actual	Budget	Forecast	Budget	\$ Change	% Change
Operating Expenses:						
Personnel Services	\$ 37,414,401	\$ 42,186,109	\$ 41,886,109	\$ 45,219,168	\$ 3,033,059	7.2%
Utilities and Communications	3,962,745	4,543,050	4,543,050	4,658,400	115,350	2.5%
Purchased Services	7,861,870	9,992,704	10,195,255	11,281,164	1,288,460	12.9%
Materials and Supplies	3,234,273	3,674,957	3,686,957	2,983,930	(691,027)	(18.8%)
Administrative Expenses	3,368,807	4,747,930	4,799,930	4,525,373	(222,557)	(4.7%)
Total Expenses	55,842,097	65,144,750	65,111,301	68,668,035	3,523,285	5.4%

Personnel Services – This expense category is estimated at \$45.219 million, representing 65.9% of the total O&M budget. It includes expenses related to salaries, wages, and benefits for the RTAA's workforce consisting of 295.5 full-time equivalent (FTE) positions. The proposed FY 2024-25 personnel budget is an increase of \$3.033 million, or 7.2% over the FY 2023-24 budget. This increase is primarily attributed to the salary and wage increases per the existing bargaining agreements and anticipated health insurance and other benefit increases. Increases in overtime pay, shift differential, and standby pay also contributed to the higher budget. The proposed budget includes two new positions, totaling 1.5 FTEs: an Environmental Program Manager (budgeted for 6 months) and the Chief Air Service Development Officer. Two additional FTEs were added as part of the new MoreRNO team and will be charged to ongoing capital projects.

The unrepresented groups of Civil Service Plan (CSP) and Management employees are eligible for a merit increase estimated at an average of 4.8% in base salary and an average of 5.6% in performance-based incentives. The budget increase for merit and performance-based incentive increase compared to FY 2023-24 is approximately \$228,000. The International Brotherhood of Teamsters (Teamsters) are eligible for a Consumer Price Index (CPI) increase not to exceed 2.75% and a step increase. The proposed budget includes both a CPI and step increases, resulting in an approximately \$435,000 increase from the current budget.

Overtime pay, shift differential, and standby budgets across all RTAA departments increased by approximately \$359,000 compared to FY 2023-24. This increase includes \$49,000 for the Airport Fire Department, \$96,000 for the Airport Police Department, and \$214,000 for other departments with hourly-paid staff qualified to earn these types of additional compensation.

Employee benefits, including group health insurance premiums for medical, dental, vision, workers' compensation, and other employer-paid benefits (except retirement contributions) are projected to increase by approximately \$392,000.

Utilities and Communications – This expense category includes costs for electricity, water, sewer, natural gas, and telephone and data communications services for RTAA-owned facilities. These costs are estimated to be \$4.658 million, an increase of \$115,400 or 2.5% from the FY 2023-24 budget. This increase is attributed largely to the telephone and data communications costs and the increasing sewer, water, and natural gas costs.

Purchased Services – This expense category accounts for legal and professional services, and specialized service contracts to maintain and repair mechanical systems and equipment. These costs are estimated at \$11.281 million, an increase of approximately \$1.288 million, or 12.9% from the FY 2023-24 budget.

The proposed increase in the budget encompasses several specific allocations:

- \$439,000 will cover additional costs for maintenance of common-use equipment, fire prevention, building inspections, hardware maintenance support, custodial services for common-use ticket counters, and BHS services.
- \$300,000 for project management related to the GTC development.
- Subscription-based software service agreements were moved from the Materials and Supplies expense category to Purchased Services.
- \$155,000 of advertising contracted services were moved from Administrative Expenses.
- Approximately \$100,000 will supplement already established contracts.

Materials and Supplies – This category includes estimates to obtain needed supplies and materials, primarily for the Facilities and Maintenance staff, to maintain all RTAA facilities and airfield. The requested budget of \$2.984 million is a decrease of \$691,000, or 18.8% from the FY 2023-24 budget.

In addition to the software and advertising budget reclassification described above, the budget decrease is also due to reductions in:

- Machinery maintenance and supplies - \$30,000
- Runway taxiway lighting expenses - \$41,000
- Thermoplastic markings - \$55,000
- Telephone equipment and labor expenses - \$20,000
- Pavement treatment supplies - \$41,000

These adjustments were made based on the review of the current and prior year actual expenses.

Administrative Expenses – The administrative expenses category is used to account for training, conference registration fees, travel, air service development, airport economic development, conference sponsorship, airport community relations, insurance premiums, and credit card processing fees. The budget estimate for this category of \$4.525 million is a decrease of \$222,600 or 4.7% from the FY 2023-24 budget.

In addition to the budget transfers outlined above, a decrease of \$92,000 is noted in the community outreach budget related to the Air Races. These reductions are partially offset by insurance premium increases and air service promotion budget allocations.

Property, Plant and Equipment

The Property, Plant and Equipment category includes estimated acquisition costs for assets with a useful life exceeding one year and a cost greater than \$5,000. The cost of items greater than \$500,000 are amortized over the estimated useful life of the asset and included in the rate base paid by airline and non-airline revenues. The total proposed budget for this category is \$702,700, a decrease of \$192,300 or 21.5% from the FY 2023-24 budget.

Items included in this category are as follows:

- Computer Hardware Refresh (\$84,650) – replacement of existing 25% of laptops and 20% of desktops within the organization. This is part of the RTAA refresh cycle program, which is conducted annually to ensure the organization has access to up-to-date technology.
- Twenty (20) Camera Replacement (\$80,000) – replacement of 20 security cameras and cable supporting infrastructure that have aged beyond their life expectancy.
- Two (2) 2025 Chevrolet Tahoe Special Service Vehicle 4WD (\$150,533) – These vehicles are replacements for the Airside Operations, Operations and Public Safety vehicles due to high mileage and operating costs.
- 2025 Chevrolet Silverado 1500 Standard Cab 4WD Pickup (\$47,275) – a replacement of the Building Maintenance vehicles due to high mileage and operating cost.
- Two (2) Hali-Brite RCM-D-L-893L-Lighted X (\$55,573) – replacement of the LED Xs that have aged and are failing. The lighted Xs are necessary to meet Part 139 regulations and are used as markers when closing a runway.
- PEG-203EE Stallion (\$89,895) – replacement of air compressor for Airport Rescue and Fire due to the current air compressor for the SCBAs is outdated and showing signs of wear. Furthermore, the unit's computer module is experiencing malfunctions.
- Snow Blower Modification Components (\$47,000) – Purchasing components from Larue to modify the existing snow blower. This upgrade will significantly enhance operator flexibility, enabling them to distribute snow more evenly and reduce the formation of high snow piles on the airfield, which can affect aircraft operations and may not comply with Advisory Circular recommendations.

Seven (7) other assets below \$40,000 are also included in the FY 2024-25 proposed budget totaling \$147,731: four (4) air respirators, four (4) 4500 psi air bottles, virtual runway camera project, 2025 Chevrolet Colorado pickup, tasers, workstations and chairs, and the new interactive employee training.

Debt Service

On July 14, 2022, the Board approved a non-revolving credit agreement with Wells Fargo Bank to provide a short-term financing facility for its capital program. Funds can be drawn in any amount as needed, up to a maximum of \$50 million. RTAA is using short-term borrowing for expenses primarily related to the MoreRNO capital program. As of February 2024, a total of \$35.272 million has been drawn, leaving a balance of \$14.728 million available for future capital financing needs. Repayment of a portion of the drawn funds, along with interest and fees, is from federal stimulus funds.

As we move forward with the design and construction of the projects included in the MoreRNO capital program, staff intends to issue airport revenue bonds to pay for a portion of the project cost. Bond issuance is currently planned for August 2024. The FY 2024-25 budget includes \$1.666 million debt service related to the expansion of the ticketing hall.

Capital Improvement Projects

The proposed program of capital improvement projects reflects a total budget of \$100.139 million for 18 projects, including the design and construction of some of the MoreRNO projects. Budget amounts for these projects only reflect the forecasted expenses in FY 2024-25. The proposed projects are to be funded with federal grants, PFC, airport bonds, and internal funds generated from airline and non-airline revenue sources. For the purpose of the airline rates and charges calculation, projects with a cost greater than \$500,000 are amortized over the estimated useful life of the asset.

Descriptions of the proposed capital projects are as follows:

- New Gen A&B Design and Pre-Construction (\$15,300,000) – the continuation of the design of the New Gen A&B projects through completion, estimated at 2027-2028. The budget reflects only work expected for the 2024-25 fiscal year. A significant portion of this project is intended to be funded through the collection of PFCs. The project consists of four individual projects:
 - Concourse A and associated apron work (New Gen A).
 - Concourse B and associated apron work (New Gen B).
 - South Remain Overnight (S. RON) - expansion of the south apron.
 - Central Utility Plant (CUP) - new CUP serving the concourses.
- Central Utility Plant Construction (\$45,000,000) – construction of a new central utility plant in conjunction with the New Gen A&B project. The requested budget amount only reflects the work expected to be done in FY 2024-25. The project will be completed in FY 2025-26.
- South Remain Overnight Construction (RON) (\$5,000,000) – reconstruction and expansion of the current South RON pad parking area to the south by approximately 100 feet to accommodate five aircraft parking spaces. Funding for this project is through federal grants and PFCs.
- RTAA Administration and Police Headquarters Design and Preconstruction Services (\$5,000,000) – design and preconstruction. The design is based on the recommendations by

the Workspace Study prepared by H+K Architects. The design is currently in progress and expected to be completed in FY 2024-25.

- RTAA Administration and Police Headquarters Construction (\$25,300,000) – construction of the new HQ building. The budget includes only work expected in FY 2024-25.
- Pavement Management System – Airside (\$900,000) – airside pavement and maintenance projects identified by RTAA Engineering and Maintenance staff based on the pavement management reports and field observations that may not qualify for federal Airport Improvement Project (AIP) grant funds. Additionally, the project will pay for the annual Pavement Condition Index (PCI) inspections and report as required to receive FAA AIP grant funding for airside projects.
- Base Building Roof Replacement (\$122,100) – this project is for a complete roof replacement of the Base Building. The roof size is approximately 7,200 square feet. The project will include some masonry parapet wall repair and rebar replacement.
- General Aviation (GA) East Landside Parking Lot (\$665,000) – the primary objective of this project is the reconstruction of the landside parking lot for GA East, situated off Rock Boulevard. The initiative aims to enhance the functionality, safety, and aesthetics of the parking facility.
- Airfield Main Shop Alteration (\$309,600) – this request is to modify/alter the existing maintenance shop to make better use of existing space by removing walls, adding a 30X14 roll up door, and removing two columns with structural reinforcement to accommodate the changes to the existing structure. The post removal allows for the new wide door to be installed and more space in the center of the building for large equipment to pull inside.
- Roof Replacement of 1600 National Guard Way (\$324,360) – the project consists of demolition and disposal of existing roofing system and light weight concrete down to existing metal deck, mechanically attach new rigid insulation, and install new 60 mil TPO roofing membrane, fabricate and install new 24-gauge parapet caps.
- Replace Microwave Antenna Network (\$253,440) – the project consists of the upgrade and replacement of the current Siklu microwave antennae with newer technology. The existing equipment is approaching ten years of service.
- Taxi/TNC Relocation Ground Transportation Center (GTC) Enabling Project (\$75,000) – this project will replace existing outdated Transcore readers. This is an enabling project for the GTC P3 development. The readers are essential to identify and track the transponders issued to ground transportation operators.
- Reno Stead Airport (RTS) Runway 8/26 Sealing (\$380,000) – the project scope is preservation and marking renewal for the RTS Runway 8/26. The runway measures 7,600 feet in length by 150 feet in width, which is 128,000 square yards of asphalt pavement. Sealing RWY 8/26 and

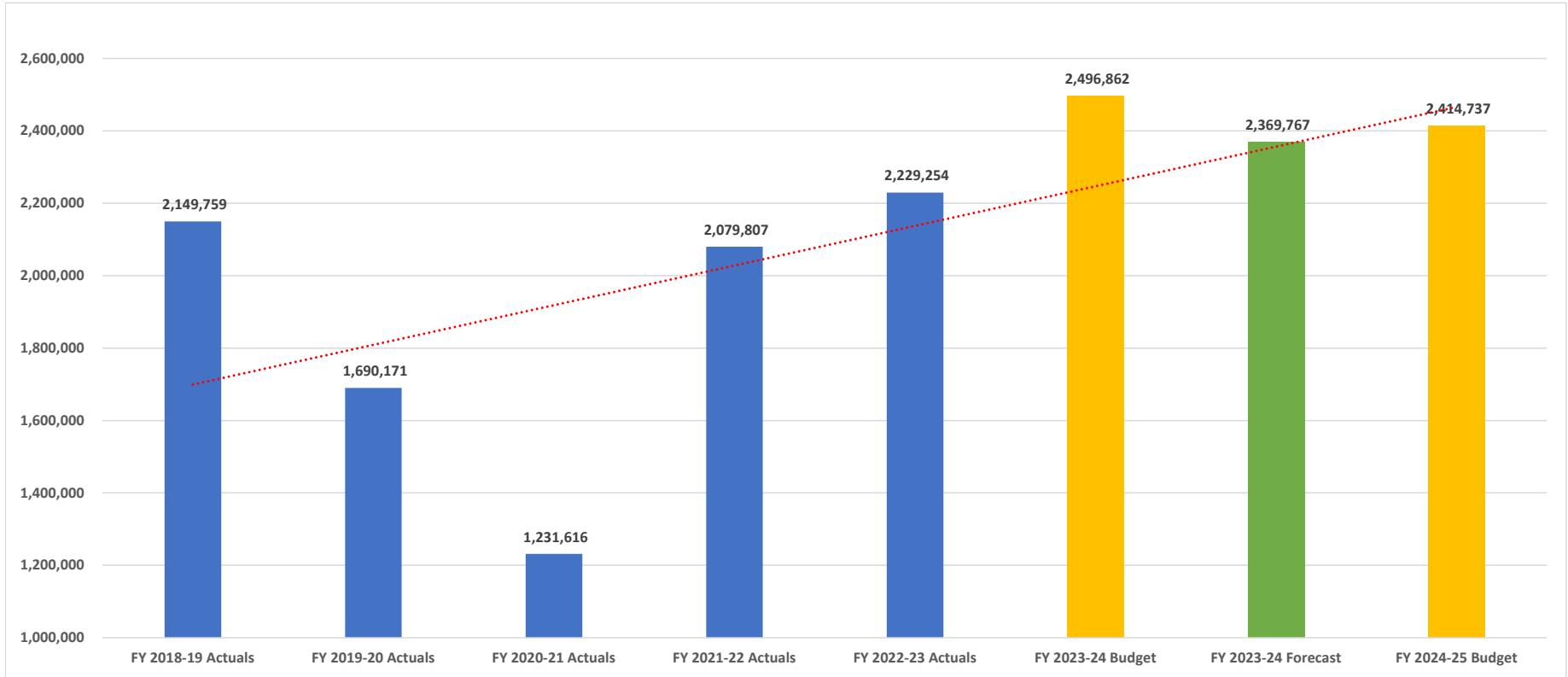
the associated require restriping will preserve the runway and enhance the existing runway infrastructure.

- RTS Runway 14/32 Sealing (\$509,553) – the project scope is preservation and marking renewal for the RTS Runway 14.32. The runway measures 9,100 feet in length by 150 feet in width and is 156,000 square yards of asphalt pavement. The primary objective of this project is to address the extensive network of over 100,000 linear feet of cracks present on RWY 14/32 by crack sealing. In addition, applying a P-608 surface treatment to seal the pavement surface will ensure the longevity and optimal condition of the asphalt pavement. These preservation measures are intended to extend the pavement's life significantly over the next several years.
- RTS O Block Utilities (\$1,000,000) – the scope of this project includes the establishment of gas and electric utilities in the O-block area of Stead Airport to encourage the development of new aircraft hangars.

Attached additional budget information:

- Bar Chart Reflecting Enplaned Passengers
- Total Revenues – Operating and Non-Operating
- Operating Revenues – Non-Airline Revenues
- Operations and Maintenance Expenses by Department
- Operations and Maintenance Expenses by Department by Expense Category
- RTAA Organizational Chart
- RTAA Listing of Positions by Department

Enplaned Passengers



Reno-Tahoe Airport Authority
FY 2024-25
ANNUAL BUDGET
Total Revenues

	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Forecast	FY 2024-25 Budget	% Change 2024-25 Budget to 2023-24 Budget	2023-24 Forecast
Operating revenues						
Airline Revenues	\$ 17,989,194	\$ 34,223,253	\$ 34,211,506	\$ 35,655,792	4.2%	4.2%
Other Operating Revenues	48,504,266	51,232,966	50,997,012	52,753,011	3.0%	3.4%
Total Operating Revenues	66,493,459	85,456,219	85,208,518	88,408,803	3.5%	3.8%
Non-Operating Revenues						
Passenger Facility Charges (PFC)	\$ 8,372,017	\$ 9,394,600	\$ 9,167,900	\$ 9,076,700	(3.4%)	(1.0%)
Customer Facility Charges (CFC)	7,863,374	9,573,000	11,218,500	-	(100%)	(100%)
Federal Stimulus	1,520,000	1,160,094	960,184	5,000,000	331%	421%
Interest Income	2,899,224	1,976,400	2,778,700	2,696,900	36.5%	(2.9%)
Other Non-Operating Revenues	300,994	298,400	300,000	302,900	1.5%	1.0%
Total Non-Operating Revenues	20,955,609	22,402,494	24,425,284	17,076,500	(23.8%)	(30.1%)
TOTAL REVENUES	\$ 87,449,068	\$ 107,858,713	\$ 109,633,802	\$ 105,485,303	(2.2%)	(3.8%)

Reno-Tahoe Airport Authority
FY 2024-25
ANNUAL BUDGET
Non-Airline Revenues

Non-Airline Revenues	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Forecast	FY 2024-25 Budget	% Change 2024-25 Budget to 2023-24 Budget 2023-24 Forecast	
Auto Parking	\$ 17,566,153	\$ 19,129,032	\$ 18,440,228	\$ 19,022,147	(0.6%)	3.2%
Ground Transportation	671,811	977,700	962,351	1,299,560	32.9%	35.0%
Auto Rental	10,536,423	10,936,255	10,763,952	10,319,270	(5.6%)	(4.1%)
Non-Terminal Rents (RNO)	6,669,437	7,328,258	7,210,200	7,936,691	8.3%	10.1%
Reimbursed Services	3,384,894	3,142,836	3,301,286	3,159,116	0.5%	(4.3%)
Food & Beverage	2,213,720	2,221,488	2,109,093	2,224,574	0.1%	5.5%
Gaming Concession	1,442,617	1,398,243	1,421,860	1,448,842	3.6%	1.9%
Merchandising Revenue	1,139,908	1,223,500	1,279,674	1,328,105	8.5%	3.8%
Aircraft Fees	1,128,234	1,210,325	1,263,415	1,357,811	12.2%	7.5%
Reno Stead Rents	1,100,805	982,400	1,279,900	1,404,900	43.0%	9.8%
Other Terminal Rents	901,799	1,048,900	1,092,600	1,130,461	7.8%	3.5%
Advertising	753,108	831,964	735,628	900,253	8.2%	22.4%
Other Concessions	960,651	703,265	1,024,026	1,121,080	59.4%	9.5%
Miscellaneous	34,708	98,800	112,800	100,200	1.4%	(11.2%)
Total Non-Airline Revenues	48,504,266	51,232,966	50,997,012	52,753,011	3.0%	3.4%

Reno-Tahoe Airport Authority

FY 2024-25

ANNUAL BUDGET

Operations and Maintenance Expenses by Department

Division/Department	FY 2022-23	FY 2023-24	FY 2024-25	Budget to Budget	
	Actual	Budget	Budget	\$ Change	% Change
Board of Trustees	\$ 129,890	\$ 190,095	\$ 188,335	\$ (1,760)	(0.9%)
Legal	527,374	685,613	668,418	(17,195)	(2.5%)
President/CEO	786,477	840,120	788,860	(51,260)	(6.1%)
Air Service Business Develop	622,184	823,080	1,117,090	294,010	35.7%
Marketing and Public Affairs	1,937,553	2,423,291	2,397,860	(25,431)	(1.0%)
Airport Economic Development	1,846,142	2,186,065	2,206,529	20,464	0.9%
Outside Properties Budget	609,068	691,421	836,888	145,467	21.0%
CFC Operating Expenses	535,537	592,600	726,301	133,701	22.6%
MoreRNO	n/a	n/a	471,900	n/a	n/a
CONRAC	n/a	n/a	300,000	n/a	n/a
People, Culture, & Equity	1,412,481	1,734,460	1,810,970	76,510	4.4%
Technology & Information Systems	4,168,299	5,662,431	5,327,395	(335,036)	(5.9%)
Reno Stead Airport	1,123,926	1,337,000	1,408,960	71,960	5.4%
Finance Administration	1,958,399	2,230,100	2,373,260	143,160	6.4%
Contract & Procurement	734,614	815,360	874,755	59,395	7.3%
Operations & Public Safety Admin	817,789	1,044,248	872,454	(171,794)	(16.5%)
Airside Operations	1,411,384	1,697,209	1,630,290	(66,919)	(3.9%)
Landside Operations	2,928,063	3,201,318	3,487,119	285,801	8.9%
Airport Rescue & Fire	5,082,819	6,143,692	6,274,985	131,293	2.1%
Airport Police	4,308,398	4,967,439	5,486,750	519,311	10.5%
Airport Communications	1,596,171	1,845,405	1,994,464	149,059	8.1%
Airport Security	1,933,668	2,101,310	764,190	(1,337,120)	(63.6%)
Terminal Operations	276,535	736,621	2,594,621	1,858,000	252.2%
Planning & Infrastructure	701,451	462,625	464,850	2,225	0.5%
Planning & Environmental Serv	1,016,970	1,158,999	1,381,654	222,655	19.2%
Engineering & Construction	1,318,571	1,275,949	942,395	(333,554)	(26.1%)
Facilities & Maintenance Admin	377,772	447,892	443,892	(4,000)	(0.9%)
Airfield Maintenance	4,750,324	5,115,647	5,368,164	252,517	4.9%
Building Maintenance & Services	9,186,083	10,308,981	10,531,695	222,714	2.2%
Baggage Handling System	2,063,279	2,093,553	2,406,541	312,988	15.0%
Non Departmental	1,384,650	1,795,226.00	1,889,850	94,624	5.3%
Customs Border Protection	197,428	198,000	216,000	18,000	9.1%
Fuel Tax Expenses	98,798	339,000	420,600	81,600	24.1%
Total Expense	55,842,097	65,144,750	68,668,035	3,523,285	5.4%

Reno-Tahoe Airport Authority

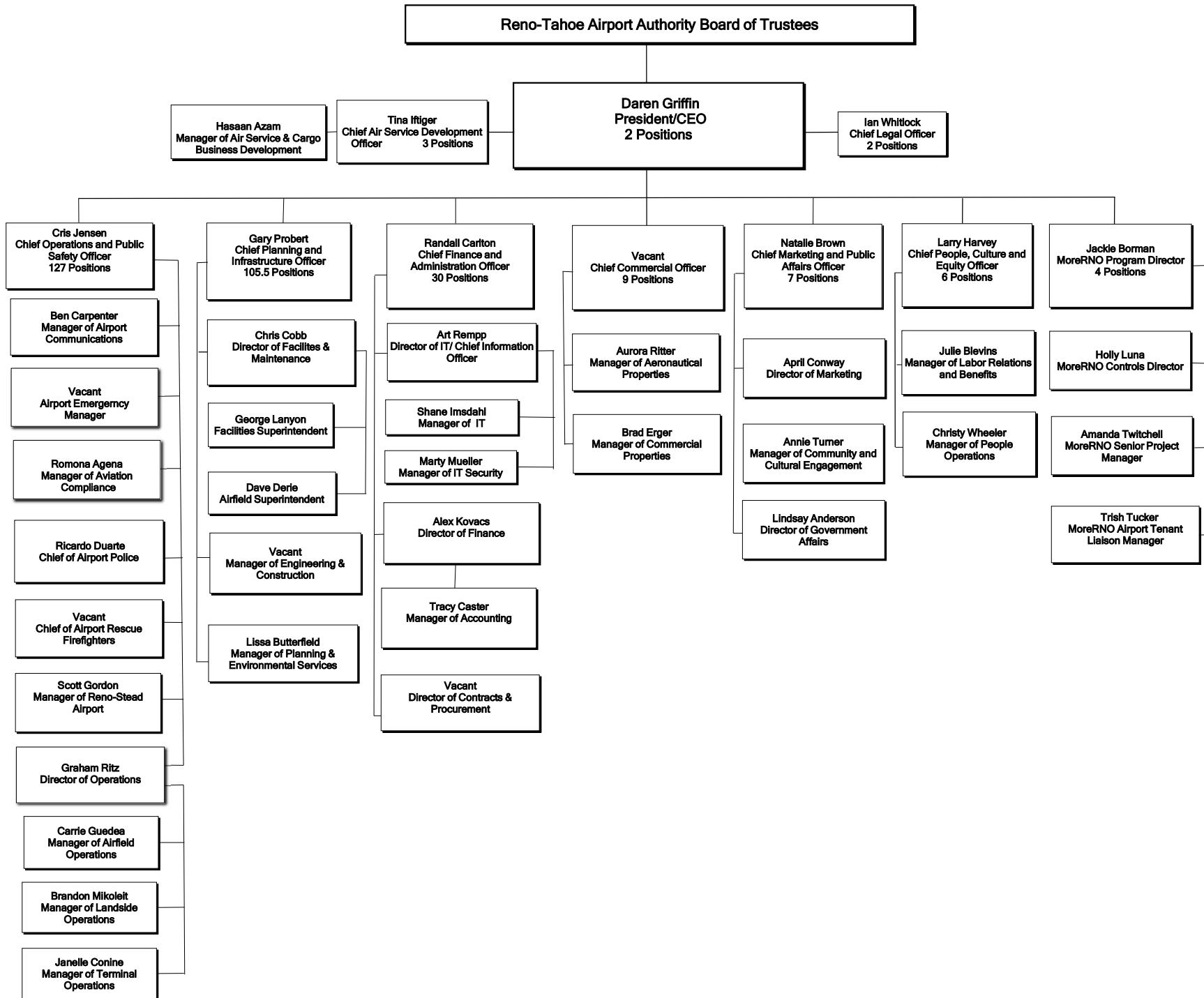
FY 2024-25

ANNUAL BUDGET

Operations and Maintenance Expenses by Expense Category

Division/Department	Personnel Services	Utilities	Purchased Services	Materials & Supplies	Admin Expenses	TOTAL
Board of Trustees	\$ 132,340.00	\$ -	\$ 3,100	\$ 3,350	\$ 49,545	\$ 320,675
Legal	570,200	-	70,000	900	27,318	1,238,618
President/CEO	678,100	-	150	6,700	103,910	1,466,960
Air Service Business Develop	759,100	-	219,400	11,950	126,640	1,876,190
Marketing and Public Affairs	1,248,400	-	415,880	43,050	690,530	3,646,260
Airport Economic Development	1,315,300	750	808,569	8,020	73,890	3,521,829
Outside Properties Budget	195,250	293,050	324,788	3,900	19,900	1,032,138
CFC Operating Expenses	-	-	726,301	-	-	726,301
MoreRNO	446,900	-	20,000	-	5,000	471,900
CONRAC	-	-	300,000	-	-	300,000
People, Culture, & Equity	1,436,685	-	139,310	7,200	227,775	1,810,970
Technology & Information Systems	2,105,100	615,000	2,322,147	226,300	58,848	6,764,080
Reno Stead Airport	929,600	193,100	132,810	137,950	15,500	3,514,060
Finance Administration	1,991,600	-	317,600	12,700	51,360	2,373,260
Contract & Procurement	803,600	-	31,100	10,350	29,705	2,866,355
Operations & Public Safety Admin	722,200	-	68,500	16,150	65,604	872,454
Airside Operations	1,449,800	-	108,690	35,750	36,050	2,352,490
Landside Operations	2,274,243	-	594,600	75,810	542,466	4,936,919
Airport Rescue & Fire	5,589,900	-	193,450	286,100	205,535	8,549,228
Airport Police	5,324,200	-	52,300	91,850	18,400	11,076,650
Airport Communications	1,679,800	-	268,565	40,299	5,800	7,318,664
Airport Security	652,700	-	54,400	48,225	8,865	2,443,990
Terminal Operations	2,132,350	-	375,021	78,650	8,600	3,247,321
Planning & Infrastructure	446,900	-	2,650	5,150	10,150	2,597,200
Planning & Environmental	1,028,100	-	335,969	2,500	15,085	1,828,554
Engineering & Construction	851,100	-	64,110	2,000	25,185	1,970,495
Facilities & Maintenance Admin	407,200	-	11,000	16,865	8,827	1,294,992
Airfield Maintenance	3,759,700	347,500	105,500	1,114,414	41,050	5,775,364
Building Maintenance & Services	6,494,900	2,519,000	869,013	625,797	22,985	14,291,395
Baggage Handling System	93,900	690,000	1,550,641	72,000	-	8,901,441
Non Departmental	(300,000)	-	484,600	-	1,705,250	1,983,750
Customs Border Protection	-	-	216,000	-	-	216,000
Fuel Tax Expenses	-	-	95,000	-	325,600	420,600
Total Expense	45,219,168	4,658,400	11,281,164	2,983,930	4,525,373	68,668,035

FY 2024-25



Reno-Tahoe Airport Authority
FY 2024-25
ANNUAL BUDGET
Preliminary Personnel Complement

	FY 2022-23 Funded	FY 2023-24 Funded	FY 2024-25 Funded
Board of Trustees Division			
Board of Trustees *	9.0	9.0	9.0
Total Board of Trustees Division *	9.0	9.0	9.0
President/CEO Division			
President/CEO Section			
President/CEO	1.0	1.0	1.0
Executive Assistant/Board Assistant	1.0	1.0	1.0
Total President/CEO	2.0	2.0	2.0
Legal Section			
Chief Legal Officer	1.0	1.0	1.0
Legal Secretary	1.0	0.0	0.0
Associate General Counsel	0.0	1.0	1.0
Total Legal Section	2.0	2.0	2.0
MoreRNO Section			
MoreRNO Program Director	0.0	0.0	1.0
MoreRNO Program Controls Director	0.0	0.0	1.0
MoreRNO Program Tenant Liaison Manager	0.0	0.0	1.0
Senior Project Manager	0.0	0.0	1.0
Total MoreRNO Section	0.0	0.0	4.0
Total President/CEO Division	4.0	4.0	8.0
Marketing & Public Affairs Division			
Director of Marketing	0.0	0.0	1.0
Chief Marketing and Public Affairs Officer	1.0	1.0	1.0
Manager of Public Affairs	1.0	1.0	1.0
Director of Government Affairs	0.0	1.0	1.0
Art Administrator and Marketing Specialist	0.0	0.0	1.0
Marketing Coordinator	2.0	1.0	1.0
Public Affairs Coordinator	0.0	1.0	0.0
Manager of Community and Cultural Engagement	1.0	1.0	1.0
Customer Service Supervisor	1.0	0.0	0.0
Administrative Assistant III	1.0	1.0	0.0
Receptionist	1.0	1.0	0.0
Total Marketing & Public Affairs Division	9.0	8.0	7.0
Air Service Business Development Division			
Chief Air Service Development Officer	0.0	0.0	1.0
Manager of Air Service & Cargo Business Development	1.0	1.0	1.0
Air Service Development Specialist	0.0	0.0	1.0
Air Service Development & Community Engagement	1.0	1.0	0.0
Total Air Service Business Development Division	2.0	2.0	3.0

Reno-Tahoe Airport Authority
FY 2024-25
ANNUAL BUDGET
Preliminary Personnel Complement

	FY 2022-23 Funded	FY 2023-24 Funded	FY 2024-25 Funded
Airport Economic Development Division			
Chief Commercial Officer	1.0	1.0	1.0
Manager of Aeronautical Properties	0.0	1.0	0.0
Manager of Economic Development	1.0	0.0	1.0
Manager of Properties	1.0	0.0	0.0
Manager of Commercial Properties	0.0	1.0	1.0
Concessions Manager	1.0	1.0	1.0
Aviation Business Program Manager	0.0	1.0	1.0
Property Specialist II	2.0	1.0	1.0
Property Specialist I	1.0	1.0	1.0
Contract Manager	1.0	0.0	0.0
Property Technician	2.0	2.0	2.0
Total Economic Development Division	10.0	9.0	9.0
People, Culture & Equity Division			
People Operations Assistant	0.0	0.0	1.0
Chief People, Culture & Equity Officer	1.0	1.0	1.0
Manager of Labor Relations & Benefits	1.0	1.0	1.0
Manager of People Operations	0.0	1.0	1.0
Senior People Business Partner	1.0	0.0	0.0
People Business Partner	2.0	1.0	1.0
People Operations Generalist	0.0	1.0	1.0
People Coordinator	1.0	1.0	0.0
Total People, Culture & Equity Division	6.0	6.0	6.0
Finance & Administration Division			
Technology and Information Systems Section			
Senior Business Analyst	0.0	0.0	1.0
IT Business Analyst	0.0	0.0	2.0
Director of IT/ Chief Information Officer	1.0	1.0	1.0
Manager of Information Technology	1.0	1.0	1.0
Manager of IT Security	1.0	1.0	1.0
Project Manager	2.0	2.0	0.0
Supervisor of IT	0.0	1.0	1.0
Cyber Security Analyst	0.0	1.0	1.0
Security Systems Technician	1.0	0.0	0.0
Security Systems Administrator	1.0	1.0	0.0
Network Administrator II	2.0	2.0	2.0
Service Desk Administrator	0.0	1.0	1.0
Database Administrator	1.0	0.0	0.0
Systems Analyst	1.0	0.0	0.0
Network Administrator I	1.0	1.0	1.0
Total Technology and Information Systems Section	12.0	12.0	12.0

Reno-Tahoe Airport Authority
FY 2024-25
ANNUAL BUDGET
Preliminary Personnel Complement

	FY 2022-23 Funded	FY 2023-24 Funded	FY 2024-25 Funded
Finance Section			
Chief Finance & Administration Officer	1.0	1.0	1.0
Senior Internal Auditor	0.0	0.0	1.0
Internal Auditor	1.0	1.0	0.0
Director of Finance	1.0	1.0	1.0
Senior Financial Analyst	1.0	0.0	0.0
Financial Analyst	1.0	2.0	2.0
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	2.0	2.0	1.0
Senior Accounting Technician	0.0	0.0	1.0
Administrative Assistant III	1.0	1.0	1.0
Total Finance Section	12.0	12.0	12.0
Contracts and Procurement Section			
Director of Contracts & Procurement	0.0	1.0	1.0
Manager of Purchasing & Materials Management	1.0	0.0	0.0
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 Contracts and Procurement Section	6.0	6.0	6.0
Total Finance & Administration Division	30.0	30.0	30.0
Operations & Public Safety Division			
Operations and Public Safety Administration Section			
Chief Operations & Public Safety Officer	1.0	1.0	1.0
Director of Operations	1.0	1.0	1.0
Airport Emergency Manager	1.0	1.0	1.0
Operations & Public Safety Compliance Coordinator	0.0	1.0	0.0
Operations Specialist	1.0	0.0	0.0
Total Operations and Public Safety Administration	4.0	4.0	3.0
Airside Operations Section			
Manager of Airside Operations	1.0	1.0	1.0
Airport Duty Manager	7.0	7.0	7.0
Total Airside Operations Section	8.0	8.0	8.0
Landside Operations Section			
Manager of Landside Operations	1.0	1.0	1.0
Landside Supervisor	2.0	2.0	2.0
Administrative Assistant I/II	1.0	1.0	1.0
Landside Attendant	13.0	13.0	13.0
Landside Shift Leader	6.0	6.0	6.0
Total Landside Operations Section	23.0	23.0	23.0

Reno-Tahoe Airport Authority
FY 2024-25
ANNUAL BUDGET
Preliminary Personnel Complement

	FY 2022-23 Funded	FY 2023-24 Funded	FY 2024-25 Funded
Airport Fire Section			
Chief of Airport Rescue Firefighters	1.0	1.0	1.0
Battalion Chief	3.0	3.0	3.0
Fire Captain	6.0	6.0	6.0
Engineer	9.0	9.0	9.0
Fire Fighter	3.0	6.0	6.0
Total Airport Fire Section	22.0	25.0	25.0
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
Police Compliance Specialist	1.0	1.0	1.0
Total Airport Police Section	25.0	25.0	25.0
Airport Communications Section			
Manager of Airport Communications	1.0	1.0	1.0
Airport Communications Supervisor	1.0	1.0	1.0
Airport Communications Specialist	11.0	11.0	11.0
Total Airport Communications Section	13.0	13.0	13.0
Aviation Compliance			
Manager of Airport Security	1.0	1.0	1.0
Operations & Public Safety Compliance Coordinator	0.0	0.0	1.0
Airport Security Supervisor	1.0	1.0	0.0
Lead Security Specialist	4.0	4.0	0.0
Airport Security Specialist	11.0	11.0	0.0
Security Compliance Supervisor	0.0	1.0	1.0
Security Compliance Specialist II	1.0	0.0	0.0
Security Compliance Specialist I	1.0	1.0	1.0
Total Aviation Compliance Section	19.0	19.0	4.0
Terminal Operations			
Airport Operations Specialist	0.0	0.0	11.0
Lead Airport Operations Specialist	0.0	0.0	4.0
Receptionist	0.0	0.0	1.0
Supervisor of Airport Ops	0.0	0.0	1.0
Manager of Terminal Operations	0.0	1.0	1.0
Customer Service Representatives	0.0	1.0	1.0
Total Terminal Operations	0.0	2.0	19.0

Reno-Tahoe Airport Authority
FY 2024-25
ANNUAL BUDGET
Preliminary Personnel Complement

	FY 2022-23 Funded	FY 2023-24 Funded	FY 2024-25 Funded
Reno-Stead Airport Section			
Manager of Reno-Stead Airport	1.0	1.0	1.0
Operations Specialist	0.0	1.0	1.0
Administrative Assistant III	1.0	0.0	0.0
Stead Technician I/II/III	3.0	3.0	2.0
Stead Technician IV	1.0	1.0	2.0
Stead Technician V	1.0	1.0	1.0
Total Reno-Stead Airport Section	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
Total Operations & Public Safety Division	<u>121.0</u>	<u>126.0</u>	<u>127.0</u>
Planning & Infrastructure Division			
Planning & Infrastructure Admin. Section			
Chief Planning & Infrastructure Officer	1.0	1.0	1.0
Director of Program Manager	1.0	0.0	0.0
Administrative Assistant III	1.0	1.0	1.0
Total Planning & Infrastructure Admin. Section	<u>3.0</u>	<u>2.0</u>	<u>2.0</u>
Planning and Environmental Services Section			
Manager of Planning/Environmental Service	1.0	1.0	1.0
Environmental Program Manager	1.0	1.0	1.5
Airport Planner II	2.0	2.0	2.0
Airport Noise Analyst	1.0	1.0	1.0
Total Planning and Environmental Services Section	<u>5.0</u>	<u>5.0</u>	<u>5.5</u>
Engineering and Construction Section			
Manager of Engineering & Construction	1.0	1.0	1.0
Senior Airport Project Manager	2.0	2.0	0.0
Capital Improvements & Grant Coordinator	1.0	1.0	1.0
Senior Facilities Project Manager	1.0	1.0	1.0
Airport Project Manager II	2.0	2.0	2.0
Total Engineering and Construction	<u>7.0</u>	<u>7.0</u>	<u>5.0</u>
Facilities and Maintenance Administration Section			
Director of Facilities and Maintenance	1.0	1.0	1.0
Facilities Project Manager	1.0	1.0	1.0
Total Facilities and Maintenance Administration Section	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>

Reno-Tahoe Airport Authority
FY 2024-25
ANNUAL BUDGET
Preliminary Personnel Complement

	FY 2022-23 Funded	FY 2023-24 Funded	FY 2024-25 Funded
Airfield Maintenance Section			
Airfield Maintenance Superintendent	1.0	1.0	1.0
Airfield Maintenance Supervisor	2.0	2.0	2.0
Airfield Technician V	5.0	5.0	5.0
Airfield Equipment Mechanic IV	3.0	3.0	3.0
Airfield Landscape Technician IV	1.0	0.0	1.0
Airfield Landscape Technician III	1.0	1.0	0.0
Airfield Electrician Technician IV	2.0	2.0	2.0
Airfield Technician I, II, III	11.0	11.0	11.0
Airfield Technician IV	0.0	1.0	2.0
Airfield Automotive Technician III	1.0	1.0	1.0
Airfield Manintenance Technician	0.0	1.0	0.0
Airfield Maintenance Specialist	0.0	1.0	1.0
Administrative Assistant II	1.0	0.0	0.0
Total Airfield Maintenance Section	28.0	29.0	29.0
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	6.0	6.0	7.0
Facilities Jet Bridge Technician IV	2.0	2.0	2.0
Facilities Maintenance Technician IV	2.0	2.0	1.0
Facilities Plumber Technician IV	1.0	1.0	1.0
Facilities Maintenance Technician V	3.0	3.0	4.0
Facilities HVAC Plant Operator V	1.0	1.0	0.0
Facilities HVAC Technician IV	2.0	2.0	2.0
Facilities Electrician Technician IV	3.0	3.0	3.0
Maintenance Scheduler/Planner	1.0	1.0	1.0
Senior Airport Facilities Custodian	2.0	2.0	2.0
Airport Facilities Custodian	32.0	32.0	32.0
Total Building Maintenance and Services Section	62.0	62.0	62.0
Total Planning & Infrastructure Division	107.0	107.0	105.5
TOTAL AIRPORT (Does not include the appointed Board of Trustees)	289.0	292.0	295.5

* Appointed positions

Board Memorandum

05/2024-20

In Preparation for the Regular Board Meeting on May 23, 2024

Subject: Adoption of Resolution No. 567 Amending Resolution No. 565, Establishing the Airport Rates and Charges for Fiscal Year 2024-25 Pursuant to the Reno-Tahoe Airport Authority Budget for Fiscal Year 2024-25

STAFF RECOMMENDATION

Staff recommends that the Board adopts Resolution No. 567, a Resolution amending Resolution No. 565, a Master Fee Resolution setting forth Airport Rates and Charges for Fiscal Year (FY) 2024-25 pursuant to the Reno-Tahoe Airport Authority's (RTAA) FY 2024-25 Annual Budget.

BACKGROUND

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

DISCUSSION

The Resolution is updated on an annual basis to coincide with the budget process and may be amended during the fiscal year. Rates and charges, such as landing fees, terminal building rents, and fees for the baggage handling system are calculated to recover the estimated cost to operate these facilities as established in the proposed RTAA budget for FY 2024-25. Some of the highlights of the proposed Master Fee Resolution are as follows:

- The signatory landing fee rate is increasing from \$3.99 to \$4.19 per 1,000 lbs. of landed weight. The non-signatory landing fee rate is increasing from \$4.59 to \$4.82 per 1,000 lbs. This rate increase is attributed to the 3.6% decrease in forecasted landed weight in FY 2024-25 driven by less cargo activity and some passenger carriers exiting the Reno market. These adjustments in landing fees are necessary to meet the proposed budget requirements for funding operating expenses, fixed assets, amortization of capital projects, and capital improvement projects associated with the Airfield cost center.
- Terminal rental rates for the use of RNO terminal facilities are calculated as Conditioned and Unconditioned Space. Ticket Counters, Office, Holdrooms, Baggage Service Office, Operations, Baggage Makeup and Handling, Baggage Claim, and Wheelchair Storage space categories are consolidated into Conditioned Space. Unenclosed Areas and Tug

Drives are considered Unconditioned Space. Conditioned Space is increasing from \$150.76 to \$165.48 per square foot per annum (PSFPA) and Unconditioned Space is increasing from \$75.38 to \$82.74 for both signatory and non-signatory airlines. The average terminal rental rate is increasing from \$142.44 to \$156.40 PSFPA. The increase is due to higher O&M expenses for FY 2024-25 and the addition of debt service related to the ticketing hall expansion project. Funding allocated for fixed asset and capital project expenses is decreasing in FY 2024-25.

- The Ramp Overnight Fee (RON) is increasing from \$126.00 to \$132.00; this is mainly due to the increase in landing fee rates.
- Baggage Handling System (BHS) fee is increasing from \$1.38 to \$1.62 per bag for signatory airlines and \$1.52 to \$1.78 for non-signatory airlines. The BHS fee is calculated to recover the total cost of operating and maintaining the system. The increase is primarily due to the new maintenance contract effective July 1, 2024.
- The gate use charge is increasing from \$280.00 to \$300.00 per turn or \$2.60 to \$2.85 per turn per passenger due to the increase in the Conditioned Space rental rate.
- Joint use baggage makeup and handling, baggage claim, tug drives, and wheelchair storage fee is increasing from \$2.45 to \$2.80 per passenger mainly due to the higher terminal rental rate and decrease in the passenger traffic at RNO.
- Ticket counter per use fee is increasing from \$41.00 to \$45.00 per counter (two positions). The increase is due to higher terminal rental rates.
- Applicable land and building rents reflect a 3.50% Consumer Price Index (CPI) adjustment based on the increase from March 2023 to March 2024.
- General Aviation (GA) rental rates adjusted annually by CPI are proposed to change based on current contracts. T-hangars reflect an approximately 2% increase due to the cap in the T-Hangar Leasing Guidelines. Box hangars and other GA rental rates reflect a 3.50% CPI adjustment.
- Waste disposal fees are increasing from \$6,809 to \$6,943 per month due to higher costs associated with providing the trash removal services. This is based on the previous year's actual expenditures.
- Transportation Network Companies (TNC) rates are set to increase for FY 2024-25. The pick-up rate will increase from \$2.00 to \$3.00, and the drop-off rate will increase from \$1.00 to \$2.00.
- The ready/return parking fee has increased from \$97.00 to \$144.00 per space per month. This adjustment reflects the current short-term public parking garage maximum fee per day multiplied by four days per month.

- The IT service fee has been updated to incorporate an additional charge of \$75.00 per hour for support after the initial setup.
- Administrative fees are added for RTS to which include a \$25.00 charge per occurrence for storage unit lock services, a late fee of \$25.00 if payment is not received by the 5th of each month, a \$25.00 administrative fee for new rentals, and a \$35.00 charge for returned checks.
- The Landing Fees for Bureau of Land Management (BLM) at RTS are increasing from \$90.00 to \$93.00 per landing for aircraft weighing less than or equal to 155,000 lbs. and from \$240.00 to \$248.00 per landing for aircraft over 155,000 lbs. This rate adjustment is based on the 3.5% March CPI increase.

In addition to the rate changes outlined above, there is a terminology change from Cargo to RNO Air Operations Area (AOA) to provide a more accurate description of the leasable land locations.

FISCAL IMPACT

The fiscal impact related to Resolution No. 567 is reflected in the proposed FY 2024-25 budget.

COMMITTEE COORDINATION

Finance and Business Development Committee

PROPOSED MOTION

“Move to adopt Resolution No. 567 amending Resolution No. 565 establishing the Airport Rates and Charges for Fiscal Year 2024-25 pursuant to the RTAA’s proposed Budget for Fiscal Year 2024-25.”

RESOLUTION NO. 567

A RESOLUTION AMENDING RESOLUTION NO. 565, A MASTER FEE RESOLUTION SETTING FORTH AIRPORT RATES AND CHARGES FOR FY 2024-2025

(Note: Changes are in bold)

WHEREAS, Section 10 (10) of SB 198, Chapter 474, Statutes of Nevada 1977 provides that the Reno-Tahoe Airport Authority may charge fees, rentals, rates, and other charges:

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Reno-Tahoe Airport Authority that Resolution Number 565 is amended to set forth a list of master fees for Fiscal Year 2024-2025 for the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS).

Rates and charges that are being changed are noted in **bold** with the previous amount in **red**.

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO SIGNATORY RATES AND CHARGES	
Landing Fee	\$4.19 (\$3.99) per 1,000 lbs.
Terminal Conditioned Space	\$165.48 (\$150.76) PSFPA * *Per square foot per annum
Terminal Unconditioned Space	\$82.74 (\$75.38) PSFPA
Baggage Handling System (BHS) Charge	\$1.62 (\$1.38) per bag processed through the Baggage Handling System
RNO NON-SIGNATORY RATES AND CHARGES	
Landing Fee	\$4.82 (\$4.59) per 1,000 lbs.
Terminal Conditioned Space	\$165.48 (\$150.76) PSFPA
Terminal Unconditioned Space	\$82.74 (\$75.38) PSFPA
Baggage Handling System (BHS) Charge	\$1.78 (\$1.52) per bag processed through the Baggage Handling System
Joint Use Baggage Makeup and Handling, Baggage Claim and Tug Drives, Wheelchair Storage	\$2.80 (\$2.45) per Enplaned and Deplaned Passenger
Ticket Counter (Each Counter/ 2 Positions)	\$45.00 (\$41.00) per ticket counter (2 positions) per enplaning operation.

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO NON-SIGNATORY RATES AND CHARGES (Continued)	
Gate Use Charge	The lesser of \$2.85 (\$2.60) per enplaning and deplaning passenger or \$300.00 (\$280.00) per turn. However, the former will only be considered upon airline request and with airline provided specific, per flight passenger totals submitted with the required monthly landing report (10 days after the end of the month).
RNO OTHER AIRLINE CHARGES	
Ramp Overnight Fee (RON)	\$132.00 (\$126.00) per day over 3 hours
Gate Overstay Penalty	\$250.00 per 15-minute period exceeding initial 15 minutes after being directed to tow the aircraft.
Disposal Fees	\$6,943 (\$6,809) monthly
Customs and Border Protection Facility Use Charge	\$4.50 per deplaned international passenger
Passenger Boarding Ramp Equipment Use Fee	\$45.00 per enplaning or deplaning operation excluding scheduled international service.
Incentives for scheduled passenger air and air cargo carriers to increase air service to Reno	Policy guidelines for waiving landing fees and/or other charges as approved by the Board for a period of up to two years (365 days) . Resolution No. 566 (No. 548) amending Resolution No. 548 (No. 544) updating Policy No. 600-007.

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO AIR OPERATIONS AREA (AOA) (CARGO) LAND RENTS	
Improved Land on Air Operations Area (AOA) (Adjacent to Air Cargo Ramp)	\$1.14 (\$1.10) PSFPA
Unimproved Land on Air Operations Area (AOA) (As-Is Land in Air Cargo Area not adjacent to the Air Cargo Ramp)	\$0.77 (\$0.74) PSFPA
RNO MISCELLANEOUS AVIATION SERVICES	
Fuel Flowage Fees – Reno/Tahoe International	\$0.07 per gallon
Commercial Aviation Ground Handlers and Support Service Operators	6% of Gross Revenues per the Commercial Aviation Ground Handling and Support Services Operating Agreement.
RNO OTHER TERMINAL RENTS (NON-AIRLINE)	
Ticket Lobby/Office Support Space	\$165.48 (\$150.76) PSFPA
Ticket Lobby/Alcove Space	\$165.48 (\$150.76) PSFPA
Baggage Claim Ground Transportation Facility	\$165.48 (\$150.76) PSFPA
Baggage Claim Ground Transportation Vestibule Counter	\$442.96 (\$427.98) per counter per month \$150.00 per counter per day
Concession Office/Storage/Support Space	\$10.59 (\$10.23) PSFPA
RNO T-HANGAR RATES	
GA East E37-E57	\$472.00 (\$463.00) per unit per month
GA East E1-E36	\$626.00 (\$614.00) per unit per month
T-Hangar Storage Space (GA East)	\$0.372 per sq. ft. per month
<p>** Per General Aviation T-Hangar Leasing Guidelines adopted on May 18, 2017, and the General Aviation Rent Study (July 23, 2019) adopted by the Board on August 8, 2019, the following will apply to all RNO T-Hangar leases:</p> <ol style="list-style-type: none"> 1. All existing T-Hangar lease rental rates will be adjusted by a comparative rent analysis every five (5) years as well as an annual adjustment between each comparative rent analysis equal to the March CPI-U index, not to exceed 2%. 2. The rental rates for all T-Hangar leases with less than a one-year term and all month-to-month T-Hangar leases will be adjusted by the CPI plus an additional 10% differential. 	
RNO AIRCRAFT TIE-DOWN PARKING RATES	
Aircraft Tie-Down Parking	\$100.00 per aircraft tie-down position per month

Resolution No. 567 - Master Fees
 Fiscal Year 2024-25

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO BOX HANGAR RATES	
GA West Hangar #2 Hangar #7 Hangar #8	\$0.408 (\$0.394) per sq. ft. per month
GA West Hangar #9 Hangar #10	\$0.509 (\$0.492) per sq. ft. per month
GA West/East Aircraft Apron Parking	\$0.060 (\$0.058) per sq. ft. per month
GA East Hangar - Building B Hangar - Building E Hangar - Building F Hangar - Building G	\$0.509 (\$0.492) per sq. ft. per month
GA East and West Hangar Office	\$0.639 (\$0.617) per sq. ft. per month
RNO VEHICLE PARKING FEES	
Short Term – Garage (1 st floor)	1 - 10 min Free 11 - 20 min \$1.00 21 - 40 min \$2.00 41 - 60 min \$3.00 \$3.00 Each Additional Hour or Part Thereof up to 6 hours. Between 6 hours and 24 hours the daily maximum will be charged at the Maximum Per Day \$36.00
Long Term – Garage (2 nd and 3 rd floors)	1 - 10 min Free 11 - 20 min \$1.00 21 - 40 min \$2.00 41 - 60 min \$3.00 \$2.00 Each Additional Hour or Part Thereof Maximum Per Day \$16.00

Resolution No. 567 - Master Fees
 Fiscal Year 2024-25

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO VEHICLE PARKING FEES (Continued)	
Long Term – Surface Lot	1 - 10 min Free 11 - 20 min \$1.00 21 - 40 min \$2.00 41 - 60 min \$3.00 \$2.00 Each Additional Hour or Part Thereof Maximum Per Day \$12.00
Overflow Parking	Maximum Per Day \$12.00 Will be charged per calendar day
Yellow Lot	1 - 10 min Free 11 - 20 min \$1.00 21 - 40 min \$2.00 41 - 60 min \$3.00 \$2.00 Each Additional Hour or Part Thereof Maximum Per Day \$14.00
Blue Lot	1 - 10 min Free 11 - 20 min \$1.00 21 - 40 min \$2.00 41 - 60 min \$3.00 \$2.00 Each Additional Hour or Part Thereof Maximum Per Day \$12.00
Oversize Vehicle Parking	Charged at the published parking rate multiplied by the number of spaces the vehicle occupies.
Lost Ticket	Minimum charge for lost ticket is \$26.00
Parking Proximity Card Replacement	\$25.00 for each replacement card
Non-Domiciled Flight Crew Parking Tier-1	\$100.00 per month per employee
Non-Domiciled Flight Crew Parking Tier-2	\$50.00 per month per employee
Tenant Employee Parking	\$20.00 per month per employee

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO GROUND TRANSPORTATION FEES	
Vehicle Registration Fee	\$25.00 minimum annual fee per company, \$5.00 per vehicle over 5 vehicles, maximum \$200.00
New /Lost/ or Replacement Transponder	\$25.00 for license plate version, \$15 for windshield version
Non-domicile Bus (bus with no operating permit)	\$25.00 per trip
Buses (>24 seat capacity)	\$5.00 per trip
Shuttles (<24 seat capacity)	\$3.00 per trip
Scheduled Shuttles	\$2.00 per trip (companies with a minimum 16 trips per day on a set schedule.)
Courtesy Vehicles	\$3.00 per trip
Pay Limousine	\$3.00 per trip
Taxi	\$2.00 per trip
Transportation Network Companies	\$3.00 (\$2.00) per pick-up and \$2.00 (\$1.00) per drop-off
Ground Transportation Citation	\$100.00
Commercial Vehicle Overnight Parking	\$10 per space per night
RNO PARKING CITATIONS	
Unattended Vehicle	\$30.00
Front Curb Loading/Unloading	\$25.00
Commercial Loading/Unloading	\$25.00
Parking in Crosswalk	\$30.00
Curb Markings	\$30.00
Failure to Obey Sign	\$30.00
Accessibility Zone	\$250.00
Failure to Obey Officer	\$30.00
RNO OFF-AIRPORT PARKING CONCESSION	
Off-Airport Parking Operator Fee	7% of Gross Revenues
RNO AUTO RENTAL – ON AIRPORT	
Customer Facility Charge	\$9.80 per transaction day on each individual vehicle rental

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO AUTO RENTAL – ON AIRPORT (Continued)	
Terminal Counter Space	\$165.48 (\$150.76) PSFPA
Terminal Office Space	\$165.48 (\$150.76) PSFPA
Quick Turnaround Lot Premises and Common Area	\$1.652 (\$1.596) PSFPA
Quick Turnaround Building Rent (1/5 th share)	\$64,679.33 (\$62,492.11) annual rent
Ready Parking and Return Parking	\$144.00 (\$97.00) Per space per month
Service Facility Building Rent	\$10.312 (\$9.963) PSFPA
Service Facility Land Rent	\$0.935 (\$0.903) PSFPA
RNO AUTO RENTAL – OFF AIRPORT	
Off Airport Rental Cars	10% of gross revenues
RNO PEER-TO-PEER CAR SHARING	
RNO Peer-to-Peer Car Sharing	10% of gross revenues plus daily long-term parking rate for the use of any designated parking stalls
RNO AIRPORT WAREHOUSING	
Storage Unit– 12 ft. X 20 ft.	\$125.00 per month*
Storage Unit– 12 ft. X 30 ft.	\$150.00 per month*
Storage Unit– 12 ft. X 30 ft. with Loft	\$175.00 per month* (\$0.46 per sq. ft. per month*)
* Subject to promotions and discounts to increase business and lower specific vacancy rates. Month-to-month tenants are subject to individual rent increases at any time.	
Administrative Fee - new rentals (non-refundable)	\$25.00 per new rental
Mailbox Rental – Small	\$24.00 per quarter
Mailbox Rental – Medium	\$30.00 per quarter
Mailbox Rental – Large	\$35.00 per quarter
Storage Unit Lock Services – Cutting existing or providing a new lock	\$25.00 per occurrence
Late Fee Charge	\$25.00 if payment not received by 5 th of each month
Returned Check Charge	\$35.00 for all checks returned unpaid
RNO PARK TO TRAVEL	
Outside Parking	\$10.00 per day \$60.00 per week \$95.00 per month

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO PARK TO TRAVEL (Continued)	
Enclosed Parking – 12 ft. X 20 ft.	\$125.00 per month
Enclosed Parking – 12 ft. X 30 ft.	\$150.00 per month
Enclosed Parking – 12 ft. X 30 ft. with Loft	\$175.00 per month
Late Fee Charge	\$25.00 if payment not received by 5 th of each month
Returned Check Charge	\$35.00 for all checks returned unpaid
Administrative Fee - new rentals (non-refundable)	\$25.00 per new rental
RNO MISCELLANEOUS FEES/CHARGES	
Photo Copying	\$1.25 for the first page, \$0.25 for each additional page thereafter. \$10.00 if sent to outside copying service plus cost of copying.
Reimbursement for services/maintenance	Based on level of personnel ranging from \$65.00 to \$125.00 per hour and type of equipment ranging from \$40.00 to \$275.00 per hour
Late Payment Service Charge	Highest rate established from time to time – currently 18% APR; minimum charge of \$5.00
Security ID Badges	Initial Identification Badge \$50.00, excluding Signatory Airlines; Badge renewal \$25.00, including Signatory Airlines; Badge Replacement (Lost/Stolen) \$50.00, including Signatory Airlines and Airport Authority employees; Unreturned badge fee \$150.00 assessed to sponsoring company. CBP Seal Fee \$10.00

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO MISCELLANEOUS FEES/CHARGES (Continued)	
Airport Operations Area ID Badge	Initial Air Operations Area employee/tenant identification badge \$25.00; AOA ID Renewal \$12.50 Per annum
Tenant Fingerprinting	\$75.00 Airport processing fee per employee - original
Tenant Keys and Locks	\$50.00 per key \$100.00 per core \$360.00 per lockset
SIDA/Driver Training Session	\$25.00 per employee
Conference Room Rental	For airport tenants: <ul style="list-style-type: none"> - \$125.00 half day - \$200.00 full day - Free for hiring events. For non-tenants: <ul style="list-style-type: none"> - \$250.00 half day - \$400.00 full day IT Services \$75.00 for setup, then \$75.00 per hour for additional support as requested
Copy of Police Report	\$10.00 per copy, \$15.00 if mailed
Copy of Electronic Files on Flash Drive	\$20.00 per unit Download on flash drive.
Brookside Lot – Remote Trailer Parking/Short Term Storage (No Terminal Access)	\$50.00 per day not to exceed 15 trailers.
Special Use Permit (i.e. filming, one-time use of ramp, booths on curb, etc.)	\$600.00 per day for non-aviation impacts; \$900.00 per day for activity that impacts aviation
*** RENO-STEAD AIRPORT (RTS)	
Landing Fees – Bureau of Land Management (BLM)	\$93.00 (\$90.00) per landing for aircraft less than or equal to 155,000 lbs.; \$248.00 (\$240.00) per landing for aircraft over 155,000 lbs.
Fuel Flowage Fees – RTS	\$0.05 per gallon

Resolution No. 567 - Master Fees
 Fiscal Year 2024-25

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
*** RENO-STEAD AIRPORT (RTS) (Continued)	
Commercial Aviation Operators	3% of gross revenues
Terminal Space Rent	\$1.70 (\$1.64) per sq. ft. per month plus \$0.22 (\$0.21) per sq. ft. per month common area maintenance charges
Conference Room Rental	For airport tenants: - \$125.00 half day - \$200.00 full day - \$100.00 cleaning deposit For non-tenants: - \$250.00 half day - \$400.00 full day - \$100.00 cleaning deposit IT Services \$75.00 for setup, then \$75.00 per hour for additional support as requested
Special Use Permit (i.e. filming, one-time use of ramp, etc.)	\$600.00 per day for non-aviation impact; \$900.00 per day for activity that impacts aviation
RTS Gate Key	\$25.00 deposit
Administrative Fee - new rentals (non-refundable)	\$25.00 per new rental
Storage Unit Lock Services – Cutting existing or providing a new lock	\$25.00 per occurrence
Late Fee Charge	\$25.00 if payment not received by 5th of each month
Returned Check Charge	\$35.00 for all checks returned unpaid
Storage Unit- 10 ft. X 20 ft.	\$80.00 per month
Storage Unit- 20 ft. X 20 ft.	\$125.00 per month
Aircraft Ramp Parking- transient aircraft with landed weight of 12,500 lb.	The lesser of \$10.00 per aircraft per day or \$50.00 per aircraft per week

Resolution No. 567 - Master Fees
Fiscal Year 2024-25

On motion by Trustee _____, second by Trustee _____, the foregoing Resolution No. 567 was passed and adopted this 23th day of May 2024, by the following vote of the Board:

AYES: _____

NAYS: _____

ABSENT: _____ ABSTAIN: _____

Chair Carol Chaplin

ATTEST:

Secretary Adam Kramer

Board Memorandum

05/2024-21

In Preparation for the Regular Board Meeting on May 23, 2024

Subject: Approval of Investment Banking Pool of Underwriters Related to the Issuance of Airport Revenue Bonds by the Reno-Tahoe Airport Authority for the MoreRNO Program of Projects with BofA Securities Inc., Jefferies LLC, Samuel A. Ramirez & Co., Wells Fargo Corporate & Investment Banking, Academy Securities Inc., Loop Capital Markets, RBC Capital Markets LLC, and Stifel Nicolaus & Company Inc. and Underwriter Assignments for the Initial Issuance of Bonds Anticipated in 2024

STAFF RECOMMENDATION

Staff recommends that the Board approve the motion presented below designating BofA Securities Inc., Jefferies LLC, Samuel A. Ramirez & Co., Wells Fargo Corporate & Investment Banking, Academy Securities Inc., Loop Capital Markets, RBC Capital Markets LLC, and Stifel Nicolaus & Company Inc. as the MoreRNO Investment Banking Pool.

BACKGROUND

Chapter 474 and the Local Government Securities Law of the Nevada Revised Statutes (NRS) provide conditions, procedure and authorization to RTAA to issue revenue bonds for airport capital improvements. Bonds of this nature are anticipated to finance the development of major capital improvements planned under the MoreRNO program of projects. Airport revenue improvement bonds are limited obligations and repaid by a pledge of net revenues generated by RTAA from the operation of the airport system and can include other eligible sources such as Passenger Facility Charges. The bonds are typically issued in multiple series to align with the timing of cashflow requirements of major project expenditures.

The MoreRNO program of projects anticipates approximately \$700 million of capital improvements (excluding the GTC development) for developing the new RTAA administration and public safety facility (the “HQ”), the new concourses (“NewGen A&B”), and other airport improvements anticipated over the coming years. The bulk of the funding for these projects is expected to come from the issuance of bonds. RTAA was last in the market in 2015 when it refinanced earlier bonds issued to finance the parking garage improvements, pedestrian overpass and the snow removal equipment storage facility. The bonds were issued on a private placement basis as unrated bonds and have since been paid in full. Currently the only debt outstanding is approximately \$15.9 million on RTAA’s non-revolving line of credit used for the Ticketing Hall project.

DISCUSSION

On February 7, 2024, RTAA issued a Request for Proposal (RFP) No. 23/24-17 requesting proposals from 46 investment banking firms to create a pool of prequalified underwriters for the MoreRNO program. The objective of forming an underwriter pool is to partner with selected investment banking firms to assist RTAA over the coming years as the MoreRNO program calls for the issuance of revenue bonds or other forms of securities. Key components of the scope of services include the following:

- Review and assist in preparing financing documents.
- Analyze and assist with recommendations relating to various financing options to secure the lowest practical interest rate and achieve optimal leverage of RTAA resources.
- Assist RTAA in developing a bond rating strategy.
- Provide structuring recommendations consistent with prudent levels of risk and suitability for the type of debt for RTAA.
- Prepare a marketing plan to reach the widest competition for RTAA bonds.
- Evaluate market conditions and advise on legislative or market conditions that may impact RTAA's issuance of bonds.
- Manage the underwriting book of orders and secure investor interest.
- Ability to commit to underwrite RTAA bonds.
- Prepare related documentation, including closing memorandum and post-pricing analyses.

The approach to utilize a prequalified pool of underwriters is somewhat common in airport and municipal organizations. This approach provides the benefit of establishing a longer-term partnership with banking firms to more promptly draw upon when financing is required. In some instances, due to market conditions and expediency, a separate selection process may not be ideal or practical. Moreover, as a member of the underwriter pool the banking teams are expected to actively monitor the status of RTAA's capital development plans and examine opportunities to refinance outstanding RTAA debt. Underwriter appointments are expected to rotate each instance RTAA plans to access the capital markets.

The RFP was issued to investment banking firms with outreach assistance from PFM Financial Advisors, LLC (PFM), RTAA's financial advisory firm. The RFP specifications called for firms to prepare a response aimed at either a Senior Manager appointment or a Co-Manager appointment or both. Minimum qualifications called for underwriter to have served in either capacity on at least one revenue bond transaction since January 1, 2021. A Senior Manager has the primary responsibility for transaction management with support provided by Co-Managers for the marketing and distribution of bonds. On March 13, 2024, RTAA received 27 responses to the RFP.

The RFP process also called for investment banking firms to assign a proposed team, highlight qualifications and experience, provide examples of similar financing transactions and specifically address ideas and recommendations for RTAA's first bond issuance anticipated in 2024. Additionally, the RFP called for a discussion on fees and to provide references. Evaluation criteria focused on experience and qualifications, past successes and the overall quality, accuracy and completeness of the proposal. All 27 proposals were deemed to be responsive to these criteria by RTAA's Contracts & Procurement Department and recommended for further consideration in the selection process.

The 27 proposals were then evaluated by a team of RTAA subject matter experts (SMEs) from the RTAA Finance & Administration Division. Their objective called for winnowing the group down to a short list of 4 Senior Manager firms to be interviewed based on the quality of the written proposals. The interviews were conducted on April 12, 2024, by a panel that included the SMEs, President/CEO Griffin, RTAA Treasurer Cunningham and Brian Gallucci of PFM as a non-voting industry expert. All 4 firms were recommended as Senior Managers.

The investment banking firm of BofA Securities received the highest consensus scoring of the interview panel to serve as the Senior Manager for RTAA’s initial 2024 bond transaction. The scoring was based on criteria that included qualifications and experience of the proposed team and firm in the airport sector, proposed solutions to address RTAA’s capital financing objectives, key credit considerations, and the overall quality of the written proposals and interviews. Furthermore, the SMEs recommended 4 Co-Managers to increase the total underwriter pool to 8 firms. The 8 firms represent a robust cross-section of experienced and qualified large national and regional firms, and firms certified as disadvantaged business enterprises.

The recommended underwriter pool, the designation as either Senior or Co-Manager, the underwriter assignments for the 2024 bonds and the firms not selected for the pool is as follows:

Recommended Pool	Not Selected
Senior or Co-Managers	Senior or Co-Managers
BofA Securities	Alamo Capital
Jefferies	AmeriVet Securities
Samuel A. Ramirez & Co.	Backstrom McCarley Berry & Co.
Wells Fargo	Barclays
	Blaylock Van LLC
Co-Managers	Cabrera Capital
Academy Securities	D.A. Davidson & Co.
Loop Capital Markets	Estrada Hinojosa
RBC Capital Markets	Goldman Sachs
Stifel Nicolaus & Company	J.P. Morgan
	Mesirow
Recommended 2024 Bonds Investment Banking Team	Mischler Financial Group
	Morgan Stanley
Bank of America (Senior Manager)	Piper Sandler
Wells Fargo (Co-Manager)	PNC Capital Markets
Loop Capital Markets (Co-Manager)	Raymond James
Academy Securities (Co-Manager)	Siebert Williams Shank
	Stern Brothers
	Truist

A key factor in the recommendation of BofA Securities was their understanding and commitment to fulfill RTAA’s financing goals and objectives. The BofA Securities team has extensive experience in the airport financing sector. Since January 1, 2021, BofA Securities has senior managed 26 airport financings totaling over \$12.3 billion. BofA has also senior managed 13 transactions with over \$1.9 billion in volume in Nevada. BofA Securities’ parent company Bank of America is well capitalized with excess net capital of \$14.8 billion as of December 31, 2023.

The BofA Securities team will be led by Matthew Jiang, Director, with 15 years of experience working specifically with airports across the country.

As noted earlier and explained in the RFP specifications, not all underwriter firms will be selected each instance RTAA requires capital financing. The actual quantity and composition of the banks will likely vary from transaction to transaction depending on RTAA’s future needs and circumstances. Although there are no guarantees of banking assignments, RTAA’s intent is to see all firms within the approved underwriter pool participate as the MoreRNO program matures. As a member of the underwriter pool, representatives are encouraged to maintain a current awareness of RTAA, including the regional economy, RNO air service program, and progress on RTAA’s capital delivery plans.

Next Steps / Tentative Schedule

May	<ul style="list-style-type: none"> • Complete selection of investment banking firms for underwriter pool • Prepare first drafts of key financing documents (Master Trust Indenture, Preliminary Official Statement, Feasibility Report, etc)
June	<ul style="list-style-type: none"> • Develop rating agency presentation materials • Complete bond documents in substantially final form
July	<ul style="list-style-type: none"> • Rating agency presentations and receive ratings • Seek Board approval of 2024 bond issuance (July 11, 2024 Board Meeting)
August	<ul style="list-style-type: none"> • Bond marketing and pricing • Bond closing

The size of the 2024 bonds has not yet been solidified and current estimates range from \$250 to \$300 million depending upon pending decisions on project design, construction, scheduling and funding requirements of the HQ and NewGEN A&B. Additional bonds will be considered at intervals of 12 to 18 months as the MoreRNO program unfolds. The key objective is to size the bonds based on the timing and project funding needs at the time. The full program of bonds over the duration of the MoreRNO program could be in the \$600 to \$800 million range depending on future RTAA decisions, project costs, grants and the availability of other funding sources. Grants and other funding sources have the positive effect of reducing the amount of bonded indebtedness.

In addition to the underwriters, other financing participants utilized by RTAA are addressing the legal documentation and feasibility analysis requirements, including Sherman & Howard as Bond Counsel, Kaplan Kirsch Rockwell as Disclosure Counsel, Stradling Yocca Carlson & Rauth as Underwriters’ Counsel, and Landrum & Brown as the Feasibility Consultant. Each firm was selected following a competitive process and are in the process of developing first drafts of the requisite bond documents. A bond trustee will also be required and added to the team in the coming months.

FISCAL IMPACT

Underwriters are compensated by way of a negotiated “gross spread” that includes components for commission (known as “takedown”) and reimbursement of transaction expenses. Based on the bond sizing assumption of \$273 million and budget for transaction expenses, BofA Securities estimates a total gross spread of \$697,215. The actual gross spread may be higher or lower depending on what may be warranted for RTAA to achieve optional bond terms at the time the

bonds are brought to market. With only a few outliers, the gross spreads of all proposing firms were within the same relative range. This selection process is qualitative and not based solely on the lowest price.

COMMITTEE COORDINATION

Finance and Business Development Committee

PROPOSED MOTION

“Move to approve the Investment Banking Pool of Underwriters Related to the Issuance of Airport Revenue Bonds by the Reno-Tahoe Airport Authority for the MoreRNO Program of Projects with BofA Securities Inc., Jefferies LLC, Samuel A. Ramirez & Co., Wells Fargo Corporate & Investment Banking, Academy Securities Inc., Loop Capital Markets, RBC Capital Markets LLC, and Stifel Nicolaus & Company Inc. and Underwriter Assignment for the Initial Issuance of Bonds Anticipated in 2024.”

Board Memorandum

05/2024-22

In Preparation for the Regular Board Meeting on May 23, 2024

Subject: Approval of Resolution No. 568 Authorizing Declarations of Official Intent Under Internal Revenue Code Regulations with Respect to Reimbursements from Bond Proceeds of Advances Made for Payments Prior to Issuance and Related Matters

STAFF RECOMMENDATION

Staff recommends that the Board approve the motion presented below adopting Resolution No. 568 declaring intent by the Reno-Tahoe Airport Authority to reimburse self-funded project expenditures from bond proceeds in accordance with applicable U.S. Treasury regulations.

BACKGROUND

Under Treasury Regulations section 1.150-2(d)(1) an issuer of bonds must adopt an official intent to be reimbursed by bond proceeds for prior self-funded project expenditures. Federal tax laws prohibit the use of tax-exempt bond proceeds to finance capital expenditures that occur before bonds are issued unless reimbursement official intent was previously established. The purpose of these regulations is to prevent an issuer from borrowing funds at tax-exempt rates to repay itself for expenditures that may have occurred years earlier. This official intent must be established no later than 60 days after payment of an expenditure. Reimbursements from bond proceeds are permitted for capital expenditures and costs of issuance.

DISCUSSION

Resolution No. 568 establishes official intent by RTAA to be reimbursed for self-funded project expenditures from tax-exempt bond proceeds. This intent is essential for RTAA to be reimbursed for project expenditures that occur prior to the planned issuance of tax-exempt bonds contemplated with the financing requirements of the MoreRNO program of projects. The accompanying resolution contains a total project expenditure amount of \$750 million to be funded by bonds. Adopting this resolution is in no way an obligation to issue bonds in this amount.

FISCAL IMPACT

None

COMMITTEE COORDINATION

Finance and Business Development Committee

PROPOSED MOTION

“Move to Adopt Resolution No. 568 Authorizing Declarations of Official Intent Under Internal Revenue Code Regulations with Respect to Reimbursements from Bond Proceeds of Advances Made for Payments Prior to Issuance and Related Matters.”

RESOLUTION NO. 568

A RESOLUTION SETTING FORTH THE INTENT OF THE RENO-TAHOE AIRPORT AUTHORITY TO REIMBURSE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING AIRPORT FACILITIES, OUT OF THE PROCEEDS OF AIRPORT SYSTEM REVENUE BONDS ISSUED, IN ONE OR MORE SERIES, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$750,000,000, AS REQUIRED UNDER THE INTERNAL REVENUE CODE REGULATIONS SECTION 1.150-2; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF.

(1) **WHEREAS**, pursuant to chapter 474, Statutes of Nevada 1977, cited in Section 1 thereof as the Reno-Tahoe Airport Authority Act, as amended by chapter 668, Statutes of Nevada 1979 and chapter 369, Statutes of Nevada 2005, and all laws amendatory thereof (collectively, the “Authority Act”), the Reno-Tahoe Airport Authority (the “Authority”) was created; and

(2) **WHEREAS**, the Authority Act provides in effect, among other provisions, that the board of trustees of the Authority (herein the “Board”) has the authority to control, operate, and maintain its airports (collectively, the “Airport System”) located within Washoe County, Nevada (the “County” and the “State”) for the use and benefit of the public; and

(3) **WHEREAS**, the Authority is a body corporate and politic and a quasi-municipal corporation, the geographical boundaries of which are conterminous with the boundaries of the County, and the Authority is a political subdivision for purposes of Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and Treasury Regulation Section 1.103-1; and

(4) **WHEREAS**, the Authority and its Board are organized and operating under the Authority Act and all laws supplemental thereto; and

(5) **WHEREAS**, pursuant to the Authority Act, as supplemented by the Local Government Securities Law and all laws amendatory thereof, cited as Nevada Revised Statutes 350.500 through 350.720, and all laws supplemental thereto, the Authority intends to issue in one or more series, up to \$750,000,000 in revenue bonds secured by a lien on the net revenues of the Airport System (the “Bonds”) for the purpose of acquiring, constructing, improving and equipping facilities and certain supplemental facilities within the Airport System, including, without limitation, terminals, hangars, runways and taxiways, aprons, roads, parking lots and other structures, administration and office buildings, and additional facilities thereat, which are

necessary or convenient to the development of the Airport System and paying related costs (the “Project”); and

(6) **WHEREAS**, the Authority expects to incur certain expenditures relating to the Project prior to the issuance of the Bonds, and the Authority intends to reimburse itself for such prior expenditures with proceeds of the Bonds; and

(7) **WHEREAS**, the Board shall adopt its “official intent” declaration in accordance with Treasury Regulation Section 1.150-2 in order for the Authority to reimburse expenditures incurred by the Authority with respect to the Project in anticipation of the issuance of the Bonds, the interest on which will be exempt from gross income for purposes of federal income taxation, for purposes of Treasury Regulation Section 1.150-2 promulgated under the Code, and it is intended that this Resolution shall constitute the Board’s “official intent” declaration as required by Treasury Regulation Section 1.150-2.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE RENO-TAHOE AIRPORT AUTHORITY, NEVADA, DO RESOLVE:

Section 1. Short Title. This resolution shall be known as the, and may be cited by the short title, “2024 Reimbursement Resolution” (the “Resolution”).

Section 2. Official Intent. The Board hereby declares its intent to reimburse the costs of the Project from proceeds of the Bonds. This is a declaration of official intent under Treasury Regulation Section 1.150-2 promulgated under the Code to reimburse under the Code.

Section 3. Reimbursement. In order to permit the Authority to reimburse itself for prior expenditures relating to the Project from the proceeds of the Bonds issued in one or more series, the Board hereby determines and declares that:

(a) The maximum aggregate principal amount of the Bonds expected to be issued for the Project and used to reimburse such expenditures is \$750,000,000;

(b) The Board reasonably expects to incur expenditures with respect to the Project prior to the issuance of the Bonds and to reimburse those expenditures from the proceeds of the Bonds; and

(c) The payment of costs related to the Project and the reimbursement of such costs from the proceeds of the Bonds is consistent with the Board’s budgetary and financial circumstances as of the date of this Resolution. The Board does not currently have moneys which are, nor does the Board reasonably expect moneys to be, allocated on a long-term basis, reserved or otherwise available pursuant to the Board’s budget to pay the expenditures which the Board intends to reimburse.

Section 4. Repealer. All resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of the inconsistency. This repealer shall not be construed to revive any resolution, or part thereof, heretofore repealed.

Section 5. Severability. If any section, subsection, paragraph, clause, or other provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or other provision shall not affect any of the remaining provisions of this Resolution.

Section 6. Execution of Resolution. This Resolution, immediately on its final passage and adoption, shall be recorded in the official records of the Authority kept for that purpose, shall be executed by the signature of the Chairman of the Board, shall be attested by the Secretary of the Board, and the seal of the Authority shall be affixed thereto.

Section 7. Effective Date. This Resolution shall be in effect upon its adoption.

On motion by Trustee _____, second by Trustee _____, the foregoing Resolution No. 568 was passed and adopted this 23rd day of May 2024, by the following vote of the Board:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Carol Chaplin, Chair

(SEAL)

Attest:

Adam Kramer, Secretary

Board Memorandum

05/2024-23

In Preparation for the Regular Board Meeting on May 23, 2024

Subject: Adoption of Reno-Tahoe Airport Authority Fiscal Year 2024-25 Liability and Property Insurance Program and Approval of Premiums in the Amount Not to Exceed \$1,630,000

STAFF RECOMMENDATION

Staff recommends that the Board of Trustees approves the Fiscal Year (FY) 2024-25 Liability and Property Insurance Program and authorize the President/CEO or his designee to bind the coverages and pay the FY 2024-25 premiums through Arthur J. Gallagher Risk Management Services, Inc. (AJG) as the Broker of Record, in the amount not to exceed \$1,630,000.

BACKGROUND

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

1. **Property** - RTAA purchases insurance to protect against most risks to property, such as fire, theft, seismic (earthquake) and weather events. RTAA's property insurance includes coverage related to the following: (a) damage to real property (buildings, equipment, runways); (b) fire and associated risks; (c) windstorm/earthquake; (d) flood; (e) commercial crime; and (f) course of construction - damage to buildings under construction. In addition, RTAA obtains national flood insurance, and property insurance for potential damage to RTAA equipment (inland marine) and business autos.
2. **Liability** - RTAA purchases insurance to protect from the risk of being sued and held legally liable for activities associated with operating and maintaining both RNO and RTS. Liability insurance is designed to offer specific protection against third party insurance claims, (i.e., payment is not typically made to the insured, but rather to someone suffering a loss who is not a party to the insurance contract). However, such liability insurance coverage also reimburses RTAA for certain emergency expenses associated with Mutual Aid Agreements both at RNO and RTS. When a claim is made, the insurance carrier has the duty (and right) to defend RTAA.

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

show at RTS. The Reno Air Racing Association (RARA) is required to arrange, maintain, and fund separate liability coverage to include RTAA as an additional insured among other provisions.

The current policies, with the exception of flood insurance, cover the one-year period from July 1, 2023, through June 30, 2024. Policies where the annual premium is less than \$25,000, are renewed for the upcoming year unless changes have occurred in operations or other material changes in claim service performance, insurance ratings or price increase. Policies renewals where the annual premiums are greater than \$25,000 are typically obtained through a competitive process facilitated by AJG as the Broker of Record for RTAA. Based on AJG's counsel the annual marketing process is not always appropriate as underwriters may lose interest in responding. According to AJG, RTAA will obtain the most cost-efficient rates by developing long-term partnerships rather than only being a commodity price buyer. The underwriting landscape has changed, with only a few key underwriters offering policies of 100% coverage. As a result, most insurance carriers refuse to "bid" following multiple failures to write policies, or busy enough that they don't have time to consider every potential new customer. The insurance business is not immune to staffing challenges. Maintaining long-term relationships with the underwriting and claim service teams is a good business practice, it is also beneficial to have historical knowledge of the RTAA business. Finally, the limit of \$25,000 reflects the Nevada Revised Statute (NRS) 332 requirements that RTAA obtain competitive bids above this limit.

Services provided by AJG include the following:

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

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

DISCUSSION

The commercial marketplace is facing numerous headwinds and buyers typically face 10-15% increases in rate on most lines, with the exception of Property and related Difference in Conditions (DIC) coverage, which are higher. Inflation is surely one of the dynamics of this predicament. The 2024 outlook continues to cite severe weather, supply chain issues, inflationary pressures, and market capacity for the harder, but leveling market trend. Property has seen its hardest markets since 9/11 but relief is evident this year, with significantly lower rate increases. Property markets continue to focus on accurate building valuations, which require appraisals, adding to the overall cost for every public entity. This is due to increased construction costs related to materials and labor, exacerbated by supply chain challenges, and the inflationary reality of our economy.

Trends in the property markets consist of reduced capacity, increased deductibles, and higher rates. Most carriers writing catastrophe (CAT) exposures (earthquake and flood) are continuing to quote rate increases, but not as severe as 2023, where the market seemed to be in crisis mode. Data quality is a critical factor in the property sector. Obtaining incumbent and competitive proposals in a timely manner continues to be challenging. Some of these delays are due to the necessity for underwriters to model CAT exposures, and review appraisals, which are in many cases mandatory. In addition, most public entities have the same renewal date of July 1. While Property rates continue to escalate, 2024 has seen a softening of a continuing harder market. In simple terms, the severity of the increases is not as dramatic, and there is a sense of stability.

With respect to the aviation liability insurance policy, the market continues to shrink, which points to earlier comments regarding developing longer-term relationships, not necessarily driven by the absolute lowest cost. We expect that Starr Aviation, our current airport liability and workers' compensation insurance carrier, will continue to offer sufficient capacity to write the RTAA account 100%. Plaguing this sector are the growing claims related to Per- and Polyfluorinated Substances (PFAS) ground water contamination. Exclusions have now been added universally to new policies.

In March 2024, AJG began marketing the RTAA FY 2024-25 Liability and Property Insurance Program to insurance underwriters participating in each line of coverage. This effort has successfully obtained underwriting commitments and premium quotes sufficient to address RTAA's insurance program requirements. The attached "Summary of Insurance Premiums for Policy Term July 1, 2024 to June 30, 2025" contains the proposed program of coverages, including the recommended carrier, value limits and deductibles, and proposed premiums. In a few instances, AJG has provided a "not to exceed premium estimate", as underwriters for certain lines of insurance have not yet provided formal proposals.

In summary, the premiums anticipated to fund the FY 2024-25 Liability and Property Insurance Program are as follows:

FY 2024-25 Liability and Property Insurance Program

Type of Insurance	Recommended Carrier	Insurance Premium
Property Insurance		
Property	AIG Insurance*	\$840,000

DIC Flood	Evanston Insurance Co Endurance American Aspen Specialty*	\$239,000
Equipment – Inland Marine	Granite State Insurance Company*	\$15,154
National Flood Insurance**	NFIP/Hanover	\$25,300
Business Auto	New Hampshire Insurance Co*	\$167,224
Total Property		\$1,286,678
Liability Insurance		
Airport Operations Liability	Starr Aviation	\$89,775
Cyber Liability	CFC Underwriting Ltd	\$71,328
Public Officials / Employee Practices	Indian Harbor/Kinsale Insurance	\$92,480
Law Enforcement	Indian Harbor Insurance	\$37,971
Emergency Medical Technician	James River Insurance	\$23,982
Crime and Dishonesty	Great American	\$16,715
Fiduciary	Great American*	\$3,900
Total Liability		\$336,151
GRAND TOTAL		\$1,622,829

* Premium prices based on a not to exceed basis.

**Note: National Flood Insurance premium is an estimate. The exact premium cannot be determined until the policies are renewed in February 2025.

FISCAL IMPACT

Insurance renewal premiums outlined above for the FY 2024-25 Liability and Property Insurance Program total a not to exceed amount of \$1,622,829, an 11.8% increase from FY 2023-24 program. The staff’s recommendation is a total of \$1,630,000 anticipating the addition of vehicles and equipment to the list of insured items that require an additional cost of premiums. The RTAA FY 2024-25 proposed budget includes adequate funding for this expense.

COMMITTEE COORDINATION

Finance and Business Development Committee

PROPOSED MOTION

“It is hereby moved that the Board of Trustees approves the Fiscal Year 2024-25 Liability and Property Insurance Program and authorizes the President/CEO, or his designee, to bind the coverages and pay the FY 2024-25 premiums in the amount not to exceed \$1,630,000.”

RENO-TAHOE AIRPORT AUTHORITY
SUMMARY OF INSURANCE PREMIUMS FOR POLICY TERM: JULY 1, 2024 TO JUNE 30, 2025

Quotes for FY 2024-25 Renewal Term									
Coverage	Recommend Carrier	Limits & Deductibles	FY 2024-25 PREMIUM	Surplus Lines Tax	TOTAL FY 2024-25 PREMIUM	FY 2023-24 PREMIUM	FY 2024-25 Budget	FY 2024-25 Quote vs. FY 2023-24 Actual	FY 2024-25 Quote vs. Budget
Property Insurance									
Property	AIG, Evanston Insurance Co, AXIS Insurance & Aspen Specialty	\$726,841,453 Property Values Limit of Liability: \$400,000,000 \$50 mil EQ / \$25 mil Flood B & M included Deductible: \$100,000 /Loss Except: Flood \$100,000; 5% of Property Value subject to minimum \$1,000,000 for special flood hazard areas; \$500,000 for four locations Earthquake of 10% of Property Value subject to minimum of \$250,000	\$1,079,000		\$1,079,000	\$944,517	\$1,096,800	14%	-2%
Equipment - Inland Marine	Granite State Insurance (AIG)	\$11,963,275 Total Cash Value Deductible: \$10,000 Per Occurrence	\$15,154	n/a	\$15,154	\$13,776	\$16,000	10%	-5%
National Flood Insurance*	NFIP/Hanover	\$500,000 Policy Limit per building	\$25,300	n/a	\$25,300	\$22,977	\$25,300	10%	0%
Business Auto	New Hampshire Insurance Co.	Auto Liability Limit: \$1,000,000 CSL Deductible: \$5,000 Comp/Collision	\$167,224	n/a	\$167,224	\$149,307	\$179,200	12%	-7%
Liability Insurance									
Airport Operations Liability	Starr Insurance	\$250,000,000 Per Occurrence \$250,000,000 Annual Aggregate Deductible: \$0	\$89,775	n/a	\$89,775	\$89,775	\$89,800	0%	0%
Cyber Liability	CFC Underwriting Ltd.	\$5,000,000 Per Claim \$5,000,000 Annual Aggregate Deductible: \$50,000	\$67,900	\$3,428	\$71,328	\$71,327	\$71,300	0%	0%
Public Official Liability / Employee Practices Liability	Indian Harbor Kinsale Insurance	\$10,000,000 E&O Annual Aggregate \$10,000,000 EPL Annual Aggregate Deductible: \$100,000	\$86,944	\$5,536	\$92,480	\$81,281	\$92,700	14%	0%
Law Enforcement Liability	Indian Harbor Insurance Co.	\$5,000,000 Each Occurrence/Annual Aggregate Deductible: \$50,000 Per Occurrence	\$36,301	\$1,670	\$37,971	\$34,573	\$38,000	10%	0%
Emergency Medical Technicians (EMT) Liability	James River Insurance Co.	\$5,000,000 Annual Aggregate Deductible: \$5,000 Each Claim	\$22,806	\$1,176	\$23,982	\$23,981	\$25,200	0%	-5%

Quotes for FY 2024-25 Renewal Term

Coverage	Recommend Carrier	Limits & Deductibles	FY 2024-25 PREMIUM	Surplus Lines Tax	TOTAL FY 2024-25 PREMIUM	FY 2023-24 PREMIUM	FY 2024-25 Budget	FY 2024-25 Quote vs. FY 2023-24 Actual	FY 2024-25 Quote vs. Budget
Crime and Dishonesty	Great American	Limit of Liability: \$5,000,000 Employee Dishonesty \$250,000 Forgery Alteration \$100,000 Inside Premises \$100,000 Outside Premises \$500,000 Computer Fraud \$50,000 Money Orders/ Counterfeit Paper \$500,000 Funds Transfer Fraud Deductible \$250,000 Social Engineering Deductible: \$10,000	\$16,715	n/a	\$16,715	\$16,228	\$17,000	3%	-2%
Fiduciary Liability	Great American	\$2,000,000 Annual Aggregate Deductible: \$1,000 Per Claim	\$3,900	n/a	\$3,900	\$3,900	\$3,900	0%	0%
TOTAL			\$1,611,018	\$11,810	\$1,622,829	\$1,451,642	\$1,655,200	11.8%	-2.0%

Note: * NFIP Flood Insurance premium is estimated. Exact premiums can not be determined until policies renew in February, 2025

Board Memorandum

04/2024-24

In Preparation for the Regular Board Meeting on May 23, 2024

Subject: Adoption of Resolution No. 566: Amending Resolution No. 548 – A Resolution Adopting an Update to Policy No. 600-007 on the Financial Incentives for Airlines and Dedicated Cargo Carriers at the Reno-Tahoe International Airport

STAFF RECOMMENDATION

Staff recommends that the Board adopt Resolution No. 566: Amending Resolution No. 548 - A Resolution adopting an update to Policy No. 600-007 on the financial incentives for airlines and dedicated cargo carriers at the Reno-Tahoe International Airport (RNO).

PURPOSE

- To be compliant with the new Federal Aviation Administration (FAA) policy statement regarding Air Carrier Incentive Programs.
- To remain competitive by offering incentives to air carriers to promote new air service at RNO, including new passenger airlines, targeted new destinations, targeted underserved destinations and new dedicated cargo carriers.
- To align with the new RNO Air Service Development Strategy and Goals, and the new Airline Use and Lease Agreement (AULA) rate and charges methodology.

BACKGROUND

Most airports in the United States offer air service incentives to airlines as a way to attract and increase air service by both passenger airlines and air cargo carriers and the RTAA has offered incentives since 2001 (per Policy No. 600-007). The RTAA has updated its program over time and is once again reviewing its incentive program in light of the FAA's policy updates in December 2023 as well as the RTAA's new air service development strategy.

DISCUSSION

The proposed amendment to the current incentives Resolution (No. 548), and update of Policy No. 600-007, would change the following:

The current incentives policy includes airport rental and landing fee waivers, along with marketing support. Since rental fees go towards paying off airport debt, and airport rental fee waivers are difficult to administer in an equitable manner, the proposed policy will limit the airport fee waivers to landing fees only. While the airport fee waivers are reduced, the marketing support will be enhanced for all categories except cargo.

Under the existing policy, airport fees are waived for qualifying service on a cyclical basis, with a six-month period of waivers followed by a six-month period with standard fees. The proposed policy eliminates this cycle and extends the fee waiver for the complete duration of the incentivized service without breaks.

The proposed policy increased the marketing support amount for the Destination category and removed the marketing support incentives for the New Cargo Carrier category.

The New Public Charter category was removed from the proposed incentives policy. The new air service strategy focuses on commercial passenger service and not charters.

Currently, air service incentives are offered to any unserved destination. The proposed incentives focus on strategically chosen destinations. The Targeted New Destinations category will receive significantly more attractive incentives and for a longer period which encourages airlines to initiate service to new strategic destinations. Targeted Underserved Destinations, which is a new category, incentivizes destinations with high passenger demand but limited existing air service.

The current incentives are pro-rated based on the frequency of flights offered. This approach sometimes resulted in incentives being too small to significantly impact new service. To address this, the proposed policy eliminates pro-ration. However, to ensure a meaningful commitment from airlines, a higher minimum level of service is now required to qualify for incentives. Minimum service levels, currently required only for the new domestic destination category, will apply to all categories for incentive eligibility under the proposed policy.

Under the existing policy, airlines must complete the air service incentive program application within 30 days of the announcement of a qualifying air service. The proposed policy increases this timeframe to 45 days. A longer deadline gives airlines more time to gather necessary information, complete the application, and go through internal approval processes.

The current policy summary along with exceptions, clarifications, and limitations are shown in **Exhibit A**. A comparison of the current and the proposed incentives is provided in **Exhibit B**.

Proposed Incentives:

New Entrant Airline:

- New Passenger Airline
 - Landing Fee Waivers for one year.
 - Marketing Support for one year- \$50,000.
- New Dedicated Cargo Carrier
 - Landing Fee Waivers for six months.

Destination:

- Targeted New Destination
 - Landing Fee Waivers for two years.
 - Marketing Support for year one - \$100,000
 - Marketing Support for year two - \$50,000

- Targeted Underserved Destination
 - Landing Fee Waivers for one year.
 - Marketing Support for one year - \$100,000

Exceptions, clarifications, and limitations to the above are shown in **Exhibit C**.

FISCAL IMPACT

The policy update does not impact the FY 2024 budget. Staff has requested incentive funds during the standard FY 2025 budget process.

To estimate fiscal impact and net revenue, all possible combinations of qualifying criteria were analyzed. In addition, a sensitivity analysis was applied using conservative flight performance assumptions, including a 50% load factor on a 175-seat Boeing 737 aircraft for daily service. Despite these cautious estimates, net revenue remained positive for all combinations considered.

Advertising/marketing support, to the extent available, is funded using aviation fuel tax revenue derived from a one-cent tax on jet or turbine-powered aircraft fuel at RNO. This source of funding, authorized under Nevada Revised Statutes (NRS) 365.545, may be used to promote the use of an airport including increasing the number and availability of flights. Should fuel tax be insufficient, the RTAA will supplement this program using internal funding generated by Airport operations.

COMMITTEE COORDINATION

None

PROPOSED MOTION

“Move to adopt Resolution No. 566: Amending Resolution No. 548 – A Resolution Adopting an Update to Policy No. 600-007 on the Financial Incentives for Airlines and Dedicated Cargo Carriers at the Reno-Tahoe International Airport.”

RESOLUTION NO. 566:

A RESOLUTION AMENDING RESOLUTION NO. 548: A RESOLUTION ADOPTING AN UPDATE TO POLICY NO. 600-007 ON THE FINANCIAL INCENTIVES FOR AIRLINE AND DEDICATED CARGO CARRIERS TO THE RENO-TAHOE INTERNATIONAL AIRPORT

WHEREAS, the Reno-Tahoe Airport Authority's Strategic Priority is Air Service and Cargo Development as identified in the FY 2024-2028 Strategic Plan; and

WHEREAS, increased air service and cargo service is vital to the economy of the Reno-Tahoe region; and

WHEREAS, the Federal Aviation Administration permits airport revenue to be used for the full costs of activities directed toward promoting competition at an airport, new air service, and in and out of market marketing support; and

WHEREAS, the Reno-Tahoe International Airport is competing for increased passenger/cargo traffic with communities and airports that are offering financial incentives; and

WHEREAS, the Reno-Tahoe Airport Authority desires to establish a competitive policy to establish financial incentives that may be offered by the Airport Authority to a New Passenger Airline, an Incumbent Passenger Airline and new Dedicated Cargo Carrier; and

WHEREAS, an Airline must have an Agreement or an Airline Operating Agreement with the RTAA in order to qualify for and receive incentive benefits; and

WHEREAS, airlines seeking to participate in the incentive program, must complete the Air Service Incentive Application form within forty-five (45) days of announcement of the qualifying air service or forego all eligible incentives offered; and

WHEREAS, participation in the incentive program requires airlines to complete the Air Service Incentive Contract prior to receiving any benefits; and

WHEREAS, if the airline does not meet their minimum schedule level of service for the proposed service or the required performance criteria, as identified in the Contract, then all marketing support amounts paid by the RTAA may require reimbursement; and

WHEREAS, the parent company of an Airline and its subsidiaries are considered as one Airline; and

WHEREAS, a minimum service frequency of three flights per week is required to qualify for incentives for a New Passenger Airline, a Targeted New Destination, a Targeted Underserved Destination and a New Dedicated Cargo Carrier; and

WHEREAS, the President/CEO has the authority to negotiate financial incentive, to temporarily waive or discount landing fees, and to authorize in and out of market marketing support for a maximum of 12 months to a New Passenger Airline providing service to/from a new or an existing destination from the Reno-Tahoe International Airport; and

WHEREAS, the President/CEO has the authority to negotiate financial incentive, to temporarily waive or discount landing fees, and to authorize in and out of market marketing support for a maximum of 24 months to a passenger Airline offering service to a Targeted New Destination from the Reno-Tahoe International Airport; and

WHEREAS, the President/CEO has the authority to negotiate financial incentive/inducements, to temporarily waive or discount landing fees, and to authorize in and out of market marketing support for a maximum of 12 months to a passenger Airline offering service to a Targeted Underserved Destination from the Reno-Tahoe International Airport; and

WHEREAS, the President/CEO has the authority to negotiate financial incentive/inducements, to temporarily waive or discount landing fees for a maximum of six months to a New Dedicated Cargo Carrier from the Reno-Tahoe International Airport; and

WHEREAS, Targeted New Destination is defined as one without current nonstop service and is identified in the current Air Service Development (ASD) strategic plan. Airlines are not eligible for incentives if they have previously received incentives for the same destination within the past 12 months; and

WHEREAS, Targeted Underserved Destination is defined as one with insufficient service to a nonstop destination and is identified in the current ASD Strategic Plan. Airlines are not eligible for incentives if they have previously received incentives for the same destination within the past 12 months; and

WHEREAS, the list of Targeted New Destinations and Targeted Underserved Destination will be reassessed quarterly to ensure incentives align with ASD Strategic Plan and are subject to change; and

WHEREAS, service can be Seasonal, provided it is for a New Passenger Airline and/or a Targeted New Destination. A Seasonal service to Targeted Underserved Destination does not qualify for incentives; and

WHEREAS, a Seasonal service is defined as any scheduled service that upon announcement is not operated on a published schedule pattern within every month of the year (January through December), but is operated for three months or more, but less than seven months in one calendar year; and

WHEREAS, charter operations do not qualify for incentives; and

WHEREAS, marketing incentives are subject to the availability of funds in each Fiscal Year; and

WHEREAS, landing fees will be waived for a maximum of four flights per day per airline; and

WHEREAS, this policy will be made public at least 30 days in advance of signing an agreement with an airline; and

WHEREAS, a copy of Policy No. 600-007, whose terms are referred to herein is attached hereto and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED by the members of the Board of Trustees of the Reno-Tahoe Airport Authority that this Resolution on incentives adopts Policy No. 600-007 as amended.

On motion by Trustee _____, second by Trustee _____, the foregoing Resolution was passed and adopted this 23rd day of May 2024, by the following vote of the Board:

AYES: _____

NAYS: _____

ABSENT: _____ ABSTAIN: _____

Chairwoman Carol Chaplin

ATTEST:

Secretary Adam Kramer

**PROPOSED INCENTIVE POLICY FOR AIRLINE AND
DEDICATED CARGO CARRIERS****Policy Number 600-007****PURPOSE**

The purpose of this policy is to establish specific guidelines for INCENTIVES that may be offered by the Reno-Tahoe Airport Authority (RTAA) to any New or Incumbent Passenger Airline(s) and/or Dedicated Cargo Carrier(s) entering the Reno-Tahoe International Airport (RNO) marketplace, providing it meets the established criteria defined below.

In establishing the criteria, unless the context otherwise requires, terms will be defined as follows:

- “Agreement” for a Signatory Airline, shall refer to the Airline Lease and Use Agreement (AULA). In the case of a non-signatory airline, it shall refer to the Airline Operating Agreement.
- “Airline” means a person, company, partnership or corporation engaged in the business of transportation by air of persons, cargo or mail operating under Federal Aviation Regulation Part 121.
- “Dedicated Cargo Carrier” means an airline dedicated to the transport of cargo, not a Passenger Airline that also carries cargo.
- “Targeted New Destination” is defined as one without current nonstop service and is identified in the current Air Service Development (ASD) strategic plan.
- “Targeted Underserved Destination” is defined as one with insufficient service to a nonstop destination and is identified in the current ASD Strategic Plan.
- “New Passenger Airline” is defined as one without 12 months prior service from RNO. Airlines are not eligible for incentives based on mergers or acquisitions of existing RNO airlines.
- “Incumbent Passenger Airline” means an existing airline that currently serves RNO.
- “Seasonal” is defined as any scheduled service that upon announcement is not operated on a published schedule pattern within every month of the year (January through December), but is operated for three months or more, but less than seven months in one calendar year.

The policy specifically addresses and is limited to meaningful, scheduled and public service under one of the following conditions:

- A New Passenger Airline.
- A New Passenger Airline which provides non-stop service to/from a Targeted New Destination or Targeted Underserved Destination;

- An Incumbent Passenger Airline which provides service to/from a Targeted New Destination and/or Targeted Underserved Destination.
- A new Dedicated Cargo Carrier;

Under the above conditions, an Airline may qualify for landing fee waivers, as well as marketing support. The “Procedures” section of this document outlines the specific criteria required to qualify for these Airline incentives and how they will be applied.

This policy details the RTAA Board of Trustees’ approved guidelines, limitations, and authority delegated to the President/CEO to waive landing fees described in the Agreement or Airline Operating Agreement. The policy also addresses specific marketing programs that may be undertaken by the RTAA to support a New Passenger Airline, a new Dedicated Cargo Carrier, a Targeted New Destination, and/or Targeted Underserved Destination.

RTAA/ REFERENCE

The President/CEO and/or his/her designee are responsible for administering this policy. This policy and action is permitted under the Federal Aviation Administration Policy regarding Air Carrier Incentive Program Docket No. FAA-2022-1204.

This policy supports RTAA Resolution No. 566, A Resolution Adopting an update on the financial incentives for airline and dedicated cargo carriers to the Reno-Tahoe International Airport, dated May 23, 2024.

POLICY

Landing fees waivers, and marketing support considered in this policy are to be based on the specific rates for the fiscal year in which the incentive(s) is being considered. It is understood that the total value of various incentives will vary based on the specific level of air service being considered (number of flights).

Key components of this policy include the following:

- Airlines interested in participating in the incentive program must complete the air service incentive program application form within forty-five (45) days of the announcement of the qualifying air service. Applications received after this deadline will not be considered for the program. Upon completion of the air service incentive program application, this policy will be used to determine the specific terms of the air service incentive contract for each airline.
- An Airline must have an AULA or an Airline Operating Agreement, current insurance and performance bond as well as be in good standing with the RTAA in order to qualify for and receive incentive benefits.

- If the Airline does not meet their minimum scheduled level of service, as identified in the Air Service Incentive Program Application, then all marketing support amounts paid by RTAA may require reimbursement.
- The parent company of an Airline and its subsidiaries are considered as one Airline.
- Each fiscal year, a finite amount of funds are allocated to airline incentives. As such, airline incentives will be awarded on a first come, first served basis. Additionally, incentive funding may become unavailable if the funds are exhausted before the end of the fiscal year. However, once an airline is approved for incentives, those incentives are guaranteed even if the period of disbursement extends into a new fiscal year.

PROCEDURES

1. The procedures for this policy include waiving landing fees for a maximum of two years. It also includes providing in and/or out of market Advertising/Marketing support (consistent with FAA guidelines, which prohibit destination marketing) for up to two years. Incentives may be offered to any New Passenger Airline or Incumbent Airline or Dedicated Cargo Carrier who meets the conditions outlined in the purpose section.

New Entrant Airline:

- New Passenger Airline
 - Landing Fee Waivers for one year.
 - Marketing Support for one year - \$50,000.
- New Dedicated Cargo Carrier
 - Landing Fee Waivers for six months.

Destination:

- Targeted New Destination
 - Landing Fee Waivers for two years.
 - Marketing Support for year one - \$100,000
 - Marketing Support for year two - \$50,000
- Targeted Underserved Destination
 - Landing Fee Waivers for one year.
 - Marketing Support for one year - \$100,000

Exceptions & clarifications to the above:

- A minimum of three-weekly flights for New Passenger Airline is required to qualify for incentives.
- A minimum of three-weekly flights per destination is required to qualify for incentives.
- Seasonal Service

- A New Passenger Airline providing only seasonal service receives only half of the allotted marketing support but benefits from a full waiver of landing fees.
 - Seasonal services to qualifying destination on an incumbent airline receives only half the allotted marketing support but benefits from a full waiver of landing fees.
 - Seasonal service does not qualify for Targeted Underserved Destination incentives.
- Marketing support is limited until the budget is exhausted.
 - Airport landing fees will be waived for a maximum of four (4) flights per day per airline.
 - A New Entrant Passenger Airline can also be eligible for a Targeted New Destination and/or Targeted Underserved Destination.
 - Only marketing incentives are cumulative (i.e. Marketing for New Entrant Airline + Marketing for Targeted New Destination/Targeted Underserved Destination). Landing Fee Waivers are not additive or cumulative. (e.g. if a New Entrant Airline serves a Targeted Underserved Destination, the Landing Fees will be waived for only one year. If a New Entrant Airline serves a Targeted New Destination, for Year 1 the Landing Fees will be waived under the New Entrant Airline or the Targeted New Destination category. Landing Fee waivers for Year 2 will be provided under the Targeted New Destination category.)
 - Landing Fee Waivers will be provided for a maximum of two years.
 - Targeted New Destinations and Targeted Underserved Destinations will be reassessed quarterly to ensure incentives align with our strategy and are subject to change.
 - Airlines are not eligible for incentives if they have previously received incentives for the same destination (Targeted New Destination and/or Targeted Underserved Destination) within the past 12 months.
 - Incentives qualification criteria will be assessed at the time of application.
 - Airline must have an AULA or an Airline Operating Agreement, current insurance and current performance bond and be in good standing with the RTAA to qualify for incentives.
 - Air service incentives application and air service incentives contract (Contract) must be completed before the implementation of incentives. The Contract has performance criteria as well as a stipulation of incentive reimbursement to the RTAA for non-performance.
2. Policy must be made public at least 30 days in advance of signing an agreement with an airline.
 3. Charter operations, including operators under Parts 121, 135 and 380, are not included.
 4. The above incentives are the maximum level of the President/CEO's authority. Under special circumstances, it may be necessary to increase these incentives. When that occurs, the President/CEO will request authorization from the Board of Trustees.

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

Date

Exhibit A the Current RNO Air Service Incentives

	Marketing and Advertising Support		Airport Rental and Landing Fee Waivers			
New Passenger Airline Through Howard W. Cannon (HWC) Terminal	\$50,000 regardless of destination		100% waivers for a maximum of 12 months*			
New Public Charter	Thru HWC Terminal	\$50,000 regardless of destination	100% waivers for a maximum of 12 months*			
	Non-HWC Terminal Service	\$25,000 regardless of destination	Airport rental fees are NOT waived. Landing Fees reimbursed based on revenue received by RTAA for a maximum of 6 months			
New Destination for domestic service	\$25,000 Max (Prorated)	5 to 7 weekly flights	\$25,000	For a maximum of 6 months* (Prorated)	5 to 7 weekly flights	100%
		4 weekly flights	\$20,000		4 weekly flights	75%
		3 weekly flights	\$15,000		3 weekly flights	50%
		2 weekly flights	\$10,000		2 weekly flights	25%
		1 weekly flight	none		1 weekly flight	none
New Destination for targeted domestic service	\$25,000		For a maximum of 12 months* (Prorated)	5 to 7 weekly flights	100%	
				4 weekly flights	75%	
				3 weekly flights	50%	
				2 weekly flights	25%	
				1 weekly flight	none	
New Destination for international service	\$75,000		100% waivers for a maximum of 12 months*			
New Dedicated Cargo Carriers	\$25,000		100% waivers for a maximum of 12 months*			

* Waivers (or reimbursements where applicable) are applied on a six (6) months on and six (6) off basis.

- Airport rental fees and landing fees will be waived for a maximum of two (2) flights per day per destination, for a maximum of 12 months, and for a maximum of two (2) destinations.
- Signatory airlines are not eligible for airport rental fee waivers.
- Service can be Seasonal, provided it is for a New Passenger Airline, a new Public Charter and/or a new Targeted service.
- Marketing support is also limited to a maximum of two (2) destinations per Airline within a 12 month period.
- Marketing support can be additive.
- Incentive Program Applications must be completed by the airline within 30 days of announcement of the qualifying service.
- Airline Incentive funds are finite, and will be awarded on a first come, first served basis, until funds are exhausted.

Exhibit B

A side-by-side comparison of the current and the proposed incentives

Category		Current Incentives		Proposed Incentives	
		Marketing Support	Airport Rental + Landing Fee Waivers	Marketing Support	Landing Fee Waivers
1	New Passenger Airline	\$50,000	One year	\$50,000	One year
2	New Public Charter	\$25,000 - \$50,000	Six months to one year	-	-
3	New Destination - Domestic	\$10,000 - \$25,000	Six months prorated	-	-
4	New Destination - International	\$75,000	One Year	-	-
5	Targeted New Destination	\$25,000	One year prorated	Year 1 - \$100,000 Year 2 - \$50,000	Two years
6	Targeted Underserved Destination	-	-	\$100,000	One year
7	New Cargo Carriers	\$25,000	12 months	-	Six months

Exhibit C

Exceptions, clarifications and limitations to the proposed incentives are as follows:

- A minimum of three-weekly flights for New Passenger Airline is required to qualify for incentives.
- A minimum of three-weekly flights per destination is required to qualify for incentives.
- Seasonal Service
 - A New Passenger Airline providing only seasonal service receives only half of the allotted marketing support but benefits from a full waiver of landing fees.
 - Seasonal service to a qualifying destination on an incumbent airline receives only half the allotted marketing support but benefits from a full waiver of landing fees.
 - Seasonal service does not qualify for Targeted Underserved Destination incentives.
- Marketing support is limited until the budget is exhausted.
- Airport landing fees will be waived for a maximum of four (4) flights per day per airline.
- A New Entrant Passenger Airline can also be eligible for a Targeted New Destination and/or Targeted Underserved Destination.
- Only marketing incentives are cumulative (i.e. Marketing for New Entrant Airline + Marketing for Targeted New Destination/Targeted Underserved Destination). Landing Fee Waivers are not additive or cumulative. (e.g. if a New Entrant Airline serves a Targeted Underserved Destination, the Landing Fees will be waived for only one year. If a New Entrant Airline serves a Targeted New Destination, for Year 1 the Landing Fees will be waived under the New Entrant Airline or the Targeted New Destination category. Landing Fee waivers for Year 2 will be provided under the Targeted New Destination category.)
- Landing Fee Waivers will be provided for a maximum of two years.
- Targeted New Destinations and Targeted Underserved Destinations will be reassessed quarterly to ensure incentives align with our strategy and are subject to change.
- Airlines are not eligible for incentives if they have previously received incentives for the same destination (Targeted New Destination and/or Targeted Underserved Destination) within the past 12 months.
- Incentives qualification criteria will be assessed at the time of application.
- Airline must have an AULA or an Airline Operating Agreement, current insurance and current performance bond and be in good standing with the RTAA to qualify for incentives.
- Air service incentives application and air service incentives contract (Contract) must be completed before the implementation of incentives. The Contract has performance criteria as well as a stipulation of incentive reimbursement to the RTAA for non-performance.

Board Memorandum

05/2024-25

In Preparation for the Regular Board Meeting on May 23, 2024

Subject: Authorization for the President/CEO to execute an Amendment No. 1, to the Professional Services Agreement, for design services for 30 to 100% for the HQ Project at Reno-Tahoe International Airport, with RS&H Company, in an amount of \$6,326,407

STAFF RECOMMENDATION

Staff recommends that the Board adopt the motion stated below.

BACKGROUND

The intent of The HQ project is to provide a multi-use facility to house Airport Police and Airport Administrative Offices. Airport Police presently occupies the lower level of Concourse B, which will be demolished when the new Concourse A is completed. The airport Administrative Offices presently occupy the second floor of the main terminal. The HQ Project brings all administrative and police functions into a single facility purposely designed for the specific functions, providing for better collaboration, efficient use of shared common spaces, better police response time to landside and airside, without ramp aircraft hindering vehicle movements, and is intended to accommodate a 20-year employment growth/expansion capability. The present administration and police spaces do not have any expansion ability and have extremely limited collaborative spaces.

In May 2023 a two-phase RTAA Administration Workspace Study was completed with the goal of identifying an RTAA staff-preferred and Board of Trustees-supported alternative for design.

Currently, the preliminary all-in cost for the project (including design, construction, executive program management services, relocation costs, furniture, fixture and equipment, etc.) exceeds RTAA's allowable expenditures. The RTAA and the EPM anticipate working with the Architect and the CMAR during the initial stages of the Project to further develop and value engineer the effort to a more reasonable and affordable project. In negotiating the scope and fee with RS&H Company, staff have given RS&H a target construction budget of \$50 million.

The selection process was as follows:

- Request for Proposals (RFP) was released July 13, 2023.
- Proposals were due August 16, 2023. RTAA received 4 proposals from qualified firms.
- Proposals were reviewed by the selection committee on August 25, 2023. Three firms were shortlisted for interview: H+K Architects, Van Woert Bigotti, and RS&H.
- Interviews were conducted on September 18, 2023.
- The selection committee consisted of 3 RTAA employees, Executive Program Manager, and 1 Board of Trustees member, with input from 4 Subject Matter Experts.

- RS&H was unanimously selected as the most responsive and best qualified firm.

Once RS&H received their notice to proceed in November 2023, the team immediately began validating the basis of design report by interviewing the individual departments that were to occupy the new HQ. During the validation process, the future 20-year staffing and space requirements of the departments were reviewed and adjusted. RS&H validated the basis of design report and initiated revisions, which included integrating with the future Central Utility Plant.

With Clark Sullivan joining the team in January as the CMAR, a value engineering session was conducted to reduce costs and bring the project closer to the desired \$50 million budget for hard construction costs. An updated basis of design report reflecting these changes was submitted to the RTAA on March 28, 2024. Subsequently, on April 29, 2024, 30% design documents were provided, incorporating the outcomes of the value engineering session and the revised staffing requirements. The updated design successfully accommodates all program requests and 20-year staffing projections.

DISCUSSION

This amendment to the Professional Services Agreement is to develop the design from 30 to 100% for the Airport Police station and Administrative Office space – The HQ Project. RS&H completed 30% design at the end of April 2024, with estimated hard construction costs of \$60 million.

Table 1 – Design Services Fee Breakdown

Task	Amount	Firm
Design 0-30%	\$1,784,664	RS&H
Design 30-100%	\$6,326,407	RS&H
Pre-Construction Services 0-30%	\$38,100	Clark/Sullivan
Pre-Construction Services 30-100%	\$81,400	Clark/Sullivan
Construction Administration*	TBD	RS&H
Total	\$8,230,571	

*Construction Administration (CA) and closeout are not included in this design fee and will be procured separately.

Table 2 – Design Professional Services Estimate at Completion

Design (RS&H)	Pre-Construction Services (Clark Sullivan)	Other Direct Costs	Estimate At Completion
\$8,111,071	\$119,500	\$590,000*	\$8,820,571

* Other Direct Costs include but are not limited to administrative costs, advertising, printing, permits, utility company fees, environmental testing, and miscellaneous fees.

The design estimate at completion is a preliminary estimate for budgetary purposes only and does not include any of the construction costs or fees.

FISCAL IMPACT

This project is a RTAA Capital Improvement Project, and the design services funds were approved in the RTAA's Fiscal Year 2023/24, with another portion being requested in the 2024/25 Capital Improvement Project budget process. The construction budget will be submitted at with the RTAA Capital Improvement Project budget process for FY 2024/25 & FY 2025/26.

COMMITTEE COORDINATION

Planning and Construction Committee

PROPOSED MOTION

“Move to authorize the President/CEO to execute an Amendment No. 1, to the Professional Services Agreement, for design services for 30-100% for the HQ Project at Reno-Tahoe International Airport, with RS&H Company, in an amount of \$6,326,407.